
Finance Committee

HB 1254

Brief Description: Clarifying ambiguities in statutory provisions administered by the department of revenue relating to periodic adjustments.

Sponsors: Representatives Street, Reed and Ramel; by request of Department of Revenue.

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| <p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Updates defunct inflationary indices in two places in code and replaces them with comparable and active indices. |
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Hearing Date: 1/24/23

Staff: Kristina King (786-7190).

Background:

Inflation Indices.

A dollar amount in code is often tied to an inflation index in order for the dollar amount to reflect inflationary changes over time. There are numerous indices cited in statute. Many of these indices are maintained and updated annually, however, in certain circumstances the indices will no longer be maintained, requiring an update to the affected statutes.

Two indices have been identified as defunct. The governmental price index has not been updated by the Department of Revenue since 2012 after the repeal of RCW 82.14.200. The wellhead price index, which oil refineries use to calculate use tax for gas used in operations, was discontinued by the federal Energy Information Administration after December 2012.

Consumer Price Index for the Seattle Area.

The consumer price index is a measure of the average change over time in price for a 12-month

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period for the Seattle, Washington area for all urban consumers, all items less food and energy, compiled by the United States Department of Labor, Bureau of Labor Statistics.

Henry Hub Spot Price.

The Henry Hub spot price is the pricing point for natural gas futures on the New York Mercantile Exchange. Settlement prices at the Henry Hub natural gas pipeline are used as benchmarks for the North American natural gas market. The spot price is published by the federal Energy Information Administration.

Summary of Bill:

The limit on the value of surplus property a port district may sell without a port commission resolution is increased from \$10,000 to \$22,000 to reflect 10 years of inflationary growth. Replacing the governmental price index is the consumer price index for the Seattle area.

The wellhead price is replaced with the Henry Hub spot price.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.