

2 **SHB 2026** - H AMD TO REV COMM AMD (H-2478.1/91) **297 Adopted 3-20-91**
3 By Representatives Silver, Fraser, Wang and Miller

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5 On page 26, after line 13 of the amendment, strike all material
6 through "act." on line 19 and insert the following:

7 "NEW SECTION. Sec. 24. Unless the context clearly requires
8 otherwise, the definitions in this section apply throughout this
9 chapter.

10 (1) "Water distribution business" shall have the meaning in RCW
11 82.16.010(4).

12 (2) "Person" shall have the meaning in RCW 82.04.030 or any later,
13 superseding action.

14 (3) "Department" means the department of revenue.

15 (4) "Water system operator" means any person engaged in the water
16 distribution business.

17 (5) "Customer" means any person to whom a water system operator
18 furnishes water for sale or hire.

19 (6) "Taxable year" shall have the meaning in RCW 82.04.020."

20 "NEW SECTION. Sec. 25. There is levied and there shall be
21 collected from every water system operator a tax for the act or
22 privilege of providing water for sale or hire to any customer. The tax
23 shall be equal to two dollars for each customer served by the water
24 system operator during a taxable year."

25 "NEW SECTION. Sec. 26. The tax imposed under this chapter shall
26 be due and payable on or before the last day of the first month

1 following the end of a taxable year or at more frequent intervals as
2 the department may prescribe by rule."

3 "NEW SECTION. **Sec. 27.** Taxes received by the state under this
4 chapter shall be deposited into the water management account created in
5 section 22 of this act and shall be used exclusively to fund grants to
6 local governments to participate in the water resource planning and
7 management process, including data management."

8 "NEW SECTION. **Sec. 28.** The taxes imposed in this chapter shall
9 not apply to any agency, division, or branch of the federal
10 government."

11 "NEW SECTION. **Sec. 29.** Chapter 82.32 RCW applies to the taxes
12 imposed under this chapter."

13 "NEW SECTION. **Sec. 30.** The department of revenue shall adopt
14 such rules as may be necessary to enforce and administer this chapter."

15 "NEW SECTION. **Sec. 31.** This chapter expires June 30, 1993. The
16 expiration of this chapter shall not be construed as affecting any
17 existing right acquired or liability or obligation incurred under any
18 section making up a part of this chapter or under any rule or order
19 adopted under that section, nor as affecting any proceeding instituted
20 under that section."

21 "NEW SECTION. **Sec. 32.** A new section is added to chapter 90.03
22 RCW to read as follows:

23 (1) Each person holding a water right established under this
24 chapter or chapter 90.44 RCW and each person or successor in title

1 claiming a right to water under chapter 90.14 RCW shall remit to the
2 department a one-time fee of fifteen dollars for each water right owned
3 or claimed. The purpose of this fee is to provide a source of funds
4 for updating the pertinent information on each right or claim in the
5 water resource information system. Any water system operator subject
6 to taxation pursuant to section 25 of this act shall not be required to
7 remit the fee required by this subsection.

8 (2) The department shall provide a notice to each water right
9 holder and claimant that the fees required in this section are due and
10 payable to the department no later than two calendar months after the
11 date such notice is mailed. The department shall send a second notice
12 to any person who fails to remit the fee by the due date. Any fee
13 received by the department more than two weeks after the due date shall
14 be assessed a ten-dollar penalty plus interest from the due date. The
15 department shall send a final notice of delinquency to any person who
16 fails to remit the fee by one month after the due date.

17 (3) Failure to remit fees or penalties shall, in addition to
18 penalties provided in this chapter, constitute a lien against the real
19 property to which the water right is appurtenant, and shall be reported
20 to the county auditor by the department, supported by proper and
21 conclusive evidence, and collected in the manner and with the same
22 priority over other creditors as prescribed for the collection of
23 delinquent taxes. The final notice of delinquency shall notify the
24 person that the failure to remit fees or penalties shall constitute a
25 lien against the real property to which the water right is appurtenant.
26 Water rights or claims may not be transferred unless the holder or
27 claimant has paid the fee and any penalties in full.

28 (4) Any person receiving the notice of fees due under this section
29 who does not wish to retain a water right or claim or who does not wish
30 to pay the fee required under this section may elect to voluntarily

1 relinquish the right or claim. If such right is voluntarily
2 relinquished in writing by the owner or claimant prior to two months
3 after the due date, no fee required by this section is payable.

4 (5) For purposes of efficient administration, the department may
5 undertake the fee notification and payment process required by this
6 section by geographical regions or by counties. This process shall be
7 completed by June 30, 1993.

8 (6) The funds collected by the department under this section shall
9 be deposited in the water management account created in section 22 of
10 this act. The account shall reimburse the general fund for any costs
11 necessary to initiate the collection of fees required by this section."

12 "NEW SECTION. **Sec. 33.** A new section is added to chapter 65.08
13 RCW to read as follows:

14 If a conveyance of real property is recorded pursuant to this
15 chapter, the recording office shall notify the purchaser of the need to
16 notify the department of ecology within thirty days of the recording of
17 that property to which a water right established under chapter 90.03 or
18 90.44 RCW, or to which a water right claim under chapter 90.14 RCW is
19 appurtenant has changed ownership. The department of ecology shall
20 require the purchaser to provide information sufficient to update the
21 water resource information system."

22 "NEW SECTION. **Sec. 34.** A new section is added to chapter 65.12
23 RCW to read as follows:

24 If a conveyance of real property is recorded pursuant to this
25 chapter, the recording officer shall notify the purchaser of the need
26 to notify the department of ecology within thirty days of the recording
27 of that property to which a water right established under chapter 90.03
28 or 90.44 RCW, or to which a water right claim under chapter 90.14 RCW

1 is appurtenant has changed ownership. The department of ecology shall
2 require the purchaser to provide information sufficient to update the
3 water resource information system."

4 "NEW SECTION. Sec. 35. A new section is added to chapter 90.03
5 RCW to read as follows:

6 Upon recording of a conveyance of real property pursuant to chapter
7 65.08 or 65.12 RCW, the purchaser shall inform the department of the
8 change of ownership of property to which a water right established
9 under this chapter or chapter 90.44 RCW, or to which a water right
10 claim under chapter 90.14 RCW is appurtenant has changed ownership.
11 The department shall require the purchaser to provide ownership
12 sufficient to update the water resource information system."

13 "NEW SECTION. Sec. 36. A new section is added to chapter 84.36
14 RCW to read as follows:

15 (1) All water-conserving irrigation equipment, both real and
16 personal, shall be exempt from ad valorem taxation.

17 (2) The exemption shall apply only if the taxpayer provides, upon
18 an application provided by the department of revenue and supplied by
19 the county assessor, sufficient information for the county assessor to
20 determine that the property for which the exemption is sought meets the
21 requirements of this section.

22 (3) The county legislative authority may require that a reasonable
23 one-time processing fee accompany the application.

24 (4) The county assessor shall make the necessary information,
25 including copies of chapter ..., Laws of 1991 (this act) and
26 accompanying rules, readily available to interested persons, and the
27 county assessor shall render reasonable assistance upon request.

1 (5) For purposes of this exemption, the term "water-conserving
2 irrigation equipment" means all irrigation equipment, that when put to
3 use, results in the more efficient use of water to grow crops.

4 (6)(a) Upon removal from agricultural use of the land upon which
5 water conservation equipment has been installed for which an exemption
6 has been granted under this section, the owner of the equipment at the
7 time of such removal shall remit all amounts of tax that would have
8 been paid during the seven previous years had the equipment not been
9 exempt from tax under this section, including applicable interest. In
10 the case of equipment that has become affixed to the land so as to
11 become a part of the realty, the owner of the land so removed from
12 agricultural use shall be liable for the amount of real property tax
13 attributable to the equipment so affixed during such seven-year period.
14 The taxes payable under this subsection shall be due and payable at the
15 time of such removal from agricultural use and shall be considered
16 delinquent thereafter.

17 (b) Interest shall be charged on any amount of tax becoming due by
18 reason of removal from agricultural use at the statutory rate charged
19 on delinquent property taxes from the dates on which such tax could
20 have been paid without penalty if the irrigation equipment had been
21 assessed without regard to this section.

22 (c) All amounts of tax becoming due as a result of removal from
23 agricultural use, together with applicable interest, shall become a
24 lien at the time of removal upon the property against which such taxes
25 are imposed. This lien shall have priority to and shall be fully paid
26 and satisfied before any recognizance, mortgage, judgment, debt,
27 obligation, or responsibility to or with which such property may become
28 chargeable.

29 (d) In the case of real property taxes becoming due as a result of
30 removal from agricultural use, the lien may be foreclosed upon

1 expiration of the same period after delinquency and in the same manner
2 provided by law for foreclosure of liens for delinquent real property
3 taxes as provided in RCW 84.64.050.

4 (e) Personal property taxes becoming due as a result of removal
5 from agricultural use shall be subject to collection by the county
6 treasurer in the manner as provided for the collection of delinquent
7 personal property taxes in chapter 84.56 RCW.

8 (7) The department of revenue shall adopt such rules as are
9 necessary for the administration of this section.

10 (8) This exemption shall be effective for taxes assessed in 1992
11 and 1993.

12 (9) This section shall expire December 31, 1993, unless extended by
13 the legislature."

14 "NEW SECTION. **Sec. 37.** A new section is added to chapter 82.04
15 RCW to read as follows:

16 The tax imposed by RCW 82.04.240 shall not apply to the treatment
17 or processing of effluent water purchased for commercial use directly
18 from a sewage treatment facility operated by any county, city, town,
19 political subdivision, or municipal or quasi-municipal corporation of
20 this state. This section shall expire December 31, 1993, unless
21 extended by the legislature."

22 "NEW SECTION. **Sec. 38.** A new section is added to chapter 82.12
23 RCW to read as follows:

24 This chapter shall not apply with respect to the use of treated or
25 processed effluent water purchased for commercial use directly from a
26 sewage treatment facility operated by any county, city, town, political
27 subdivision, or municipal or quasi-municipal corporation of this state.

1 This section shall expire December 31, 1993, unless extended by the
2 legislature."

3 "NEW SECTION. **Sec. 39.** The sum of three million nine hundred
4 thirty-six thousand dollars, or as much thereof as may be necessary, is
5 appropriated for the biennium ending June 30, 1993, from the general
6 fund to the department of ecology for the purposes of implementing a
7 cooperative regional water resources planning and management process,
8 specifically including (1) conservation pursuant to this act; (2) the
9 water resources forum; (3) the critical area consultation process; (4)
10 enhanced compliance efforts; and (5) a participatory grant program."

11 "NEW SECTION. **Sec. 40.** The sum of six hundred seventy-four
12 thousand dollars, or as much thereof as may be necessary, is
13 appropriated for the biennium ending June 30, 1993, from the general
14 fund to the department of health for the purposes of implementing a
15 cooperative regional water resources planning and management process,
16 specifically including water reuse standards, model rates, and a
17 metering program."

18 "NEW SECTION. **Sec. 41.** The sum of sixty-seven thousand dollars,
19 or as much thereof as may be necessary, is appropriated for the
20 biennium ending June 30, 1993, from the general fund to the state
21 building code council for the purposes of section 13 of this act."

22 "NEW SECTION. **Sec. 42.** The sum of seventy-seven thousand
23 dollars, or as much thereof as may be necessary, is appropriated for
24 the biennium ending June 30, 1993, from the general fund to the
25 department of agriculture."

1 "NEW SECTION. Sec. 43. The sum of thirty-four thousand dollars,
2 or as much thereof as may be necessary, is appropriated for the
3 biennium ending June 30, 1993, from the general fund to the parks and
4 recreation commission."

5 "NEW SECTION. Sec. 44. The sum of thirty-four thousand dollars,
6 or as much thereof as may be necessary, is appropriated for the
7 biennium ending June 30, 1993, from the general fund to the department
8 of wildlife."

9 "NEW SECTION. Sec. 45. The sum of thirty-four thousand dollars,
10 or as much thereof as may be necessary, is appropriated for the
11 biennium ending June 30, 1993, from the general fund to the department
12 of fisheries."

13 "NEW SECTION. Sec. 46. If specific funding for the purposes of
14 an appropriation in sections 39 through 45 of this act is provided by
15 June 30, 1991, in the omnibus appropriations act, then the
16 appropriation in this act for which specific funding is provided in the
17 omnibus appropriations act is null and void."

18 "NEW SECTION. Sec. 47. Sections 39 through 45 of this act are
19 a one-time appropriation to implement a cooperative water resources
20 planning and management process. By August 31, 1992, the department of
21 ecology, based on consultation with the water resources forum, shall
22 submit to the legislature recommendations for the long-term funding
23 needs and revenue sources for continuing the cooperative water
24 resources planning and management process. Such recommendations shall
25 also include whether to continue the tax incentives contained in
26 sections 24 through 38 of this act."

1 "NEW SECTION. Sec. 48. Sections 24 through 31 of this act are
2 necessary for the immediate preservation of the public peace, health,
3 or safety, or support of the state government and its existing public
4 institutions, and shall take effect July 1, 1991."

5 "NEW SECTION. Sec. 49. Sections 3 through 10 of this act shall
6 constitute a new chapter in Title 90 RCW."

7 "NEW SECTION. Sec. 50. Sections 24 through 31 of this act shall
8 constitute a new chapter in Title 82 RCW."

9 Renumber the remaining section consecutively.

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11 By Representative

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13 On page 27, line 10 of the title amendment, after "90.14 RCW;"
14 strike the remainder of the title and insert "adding new sections to
15 chapter 90.03 RCW; adding a new section to chapter 18.104 RCW; adding
16 a new section to chapter 65.08 RCW; adding a new section to chapter
17 65.12 RCW; adding a new section to chapter 84.36 RCW; adding a new
18 section to chapter 82.04 RCW; adding a new section to chapter 82.12
19 RCW; adding a new chapter to Title 90 RCW; adding a new chapter to
20 Title 82 RCW; creating new sections; making appropriations; providing
21 an effective date; providing an expiration date; and declaring an
22 emergency."