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HOUSE BILL 1592

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Bush, Kastama, Mulliken, Regala, K. Schmidt, McDonald, Lantz, Robertson, Chandler, Poulsen, Talcott, Backlund, McMorris, Thompson, O'Brien, Linville, Dunn and Sheldon

Read first time 01/31/97. Referred to Committee on Finance.

1 AN ACT Relating to tax exemptions for small water districts and  
2 systems; adding a new section to chapter 82.04 RCW; adding a new  
3 section to chapter 82.16 RCW; creating a new section; and providing an  
4 expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that encouraging water  
7 districts to better management of state water resources and  
8 encouragement of satellite management of failing water systems is in  
9 the best interests of the people of Washington state. Continual  
10 updates of water quantity and quality, as mandated by federal and state  
11 agencies, have revealed that degradation of water quality exists in  
12 small water systems throughout the state and that satellite management  
13 and consolidation of small systems under a centralized management  
14 structure can best utilize existing resources available to assure safe,  
15 clean drinking water. The legislature further finds that costs  
16 involved in upgrading these small systems can be extremely burdensome  
17 to water customers and public water purveyors. With diminishing  
18 resources available to these small systems, the legislature finds that  
19 granting business and occupation and excise tax relief, under certain

1 conditions, will assist smaller water districts to meet state and  
2 federal standards.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW  
4 to read as follows:

5 (1) This chapter does not apply to amounts received by water  
6 districts with less than one thousand five hundred connections.

7 (2) This chapter does not apply to amounts received by systems with  
8 less than two hundred connections that are qualified satellite system  
9 management agencies under RCW 70.116.134.

10 (3) Districts and systems are eligible under this section if their  
11 existing water rates exceed one hundred twenty-five percent of the  
12 average water rate charged customers in the county where the system or  
13 district is located, as determined by the department of health.

14 (4) The department of health shall adopt rules in order to certify  
15 to the department of revenue the eligibility of districts and systems  
16 under this system.

17 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16 RCW  
18 to read as follows:

19 (1) This chapter does not apply to amounts received by water  
20 districts with less than one thousand five hundred connections.

21 (2) This chapter does not apply to amounts received by systems with  
22 less than two hundred connections that are qualified satellite system  
23 management agencies under RCW 70.116.134.

24 (3) Districts and systems are eligible under this section if their  
25 existing water rates exceed one hundred twenty-five percent of the  
26 average water rate charged customers in the county where the system or  
27 district is located, as determined by the department of health.

28 (4) The department of health shall adopt rules in order to certify  
29 to the department of revenue the eligibility of districts and systems  
30 under this system.

31 NEW SECTION. **Sec. 4.** This act expires July 1, 2003.

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