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HOUSE BILL 1687

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State of Washington

56th Legislature

1999 Regular Session

By Representatives Kessler, DeBolt, Mulliken, Doumit, Crouse, Alexander, Schindler, McMorris, Sump, Boldt, Haigh, Hatfield, Clements, Schoesler, B. Chandler, Cox, G. Chandler, Hankins, Delvin, Linville, Wolfe, Cooper, Radcliff, Mastin, Murray, Lisk, Skinner, Morris, Koster and Parlette

Read first time 02/02/1999. Referred to Committee on Economic Development, Housing & Trade.

1 AN ACT Relating to revolving funds for electric utilities serving  
2 rural areas to enhance local rural economic development activities;  
3 adding a new section to chapter 82.16 RCW; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that it is necessary  
6 to employ multiple approaches to revitalize the economy of Washington  
7 state's rural areas. The legislature also finds that where possible,  
8 Washington state should develop programs which can compliment other  
9 private, state, and federal programs. It is the intent of this act to  
10 compliment such rural economic development efforts by creating a public  
11 utility tax offset program to help establish locally based electric  
12 utility revolving fund programs to be used for economic development and  
13 job creation.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.16 RCW  
15 to read as follows:

16 (1) The following definitions apply to this section:

17 (a) "Qualifying project" means a project designed to achieve job  
18 creation or business retention, to add or upgrade nonelectrical

1 infrastructure, to add or upgrade health and safety facilities,  
2 including low-income housing, or to add or upgrade emergency services  
3 in any designated qualifying rural area.

4 (b) "Qualifying rural area" means any geographic area of the state,  
5 including counties and parts thereof, where the local electric utility  
6 serves twenty-five or fewer meters per mile of distribution line, or  
7 where a municipal utility serves in a county that is classified by the  
8 United States census bureau as rural, or any county that is considered  
9 by the state or federal government to be economically disadvantaged  
10 based on low per capita income or high unemployment.

11 (c) "Electric utility rural economic development revolving fund"  
12 means a fund devoted exclusively to funding qualifying projects in  
13 qualifying rural areas.

14 (d) "Local board" is a board of directors with at least, but not  
15 limited to, three members who have been appointed by the sponsoring  
16 electric utility to oversee and direct the activities of the electric  
17 utility rural economic development revolving fund.

18 (2) Any light and power business subject to the provisions of this  
19 chapter shall be granted a fifty percent credit against the taxes  
20 imposed under this chapter, for contributions made directly to an  
21 electric utility rural economic development revolving fund, not to  
22 exceed one hundred thousand dollars per electric utility in any  
23 calendar year.

24 (3) The right to claim tax credits under this section expires  
25 December 31, 2005. However any credits claimed prior to that date  
26 remain available for use indefinitely, subject to restrictions set  
27 forth in subsection (6) of this section.

28 (4) To qualify for the credit in subsection (2) of this section,  
29 the light and power business shall establish an electric utility rural  
30 economic development revolving fund which is governed by a local board  
31 whose members shall reside in the qualifying rural area served by the  
32 light and power business. The local board shall have authority to  
33 determine all criteria and conditions for the expenditure of funds from  
34 the electric utility rural economic development fund, and for the terms  
35 and conditions of repayment.

36 (5) Any funds repaid to the electric utility rural economic  
37 development fund by recipients shall be made available for additional  
38 qualifying projects.

1 (6) If at any time the electric utility rural economic development  
2 fund is dissolved, any moneys claimed as a tax credit under this  
3 section shall either be granted to a qualifying project or refunded to  
4 the state within two years of termination.

5 NEW SECTION. **Sec. 3.** The department of revenue shall adopt any  
6 rules necessary to implement the provisions of this act.

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