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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5331

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State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Brown, Goings, Patterson, Eide, Winsley and Rasmussen)

Read first time 03/08/1999.

1 AN ACT Relating to public utility tax credits for energy assistance  
2 programs; and adding a new section to chapter 82.16 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16 RCW  
5 to read as follows:

6 (1) Unless the context clearly requires otherwise, the definitions  
7 in this subsection apply throughout this section.

8 (a) "Qualifying grant" means a grant provided directly to an  
9 organization that has a contractual agreement with the department of  
10 community, trade, and economic development to provide low-income energy  
11 assistance programs for a specified service area.

12 (b) "Low-income energy assistance programs" means energy assistance  
13 programs for low-income households as defined on the effective date of  
14 this act by the federal department of health and human services.

15 (c) "Specified service area" means a service area designated by the  
16 department of community, trade, and economic development in the state  
17 plan for the low-income home energy assistance program.

18 (2) Subject to the limits set forth in this section, a light and  
19 power business or a gas distribution business whose application has

1 been approved by the department under this section may take a credit  
2 against tax imposed by this chapter for qualifying grants made by the  
3 business. The organization shall apply qualifying grants to the low-  
4 income energy related program that best meets a community's needs as  
5 determined by the organization.

6 (3) The department shall approve an application to the extent all  
7 qualifying grants in a state fiscal year for the specified service area  
8 do not exceed two and one-half percent of the amount of moneys allotted  
9 to nonprofit or governmental organizations within the specified service  
10 area in federal fiscal year 1995 under the United States department of  
11 health and human services low-income home energy assistance program.  
12 The department shall keep a running total of all credits approved in  
13 each service area for each state fiscal year. The businesses, the  
14 organizations, and the department shall work together to develop a  
15 method to track the credit within service areas.

16 (4) Applications for credits under this section shall be made to  
17 the department in a form and manner as required by the department. The  
18 department shall approve or deny application for credits using the  
19 criteria under this section.

20 (5) Qualifying grants made by a light and power business or a gas  
21 distribution business consisting in whole or in part of funds received  
22 from voluntary customer contributions are eligible for credit as  
23 follows: (a) In an amount equal to one hundred percent of company  
24 contributions granted from sources other than voluntary customer  
25 contributions; and (b) in an amount equal to ten percent of the  
26 voluntary customer contributions granted.

27 (6) Taxpayers may carry forward to future years any credits granted  
28 under this section not used due to the state-wide limitation in  
29 subsection (3) of this section.

30 (7) A person receiving approval must keep records necessary for the  
31 department to verify eligibility under this section.

32 (8) In the case of account closures by recipients of low-income  
33 energy assistance, the unused portion of energy assistance from  
34 qualifying grants to low-income utility customers shall either: (a) To  
35 the extent reasonable and cost-effective, be transferred by the utility  
36 or organization to the customer's next utility account; or (b) be  
37 returned to the organization's low-income energy assistance programs.  
38 Organizations administering qualifying grants shall notify recipients  
39 of the requirements of this subsection.

1 (9) No credit shall be approved for grants made before July 1,  
2 2000.

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