
SUBSTITUTE SENATE BILL 5456

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Morton, T. Sheldon, Honeyford, Oke, Hochstatter, Loveland, Snyder, Jacobsen, Goings, Deccio, Spanel, Patterson, Long, McDonald, West and Gardner)

Read first time 02/23/1999.

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 a new section.

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 that can complement other
9 private, state, and federal programs. It is the intent of section 2 of
10 this act to complement such rural economic development efforts by
11 creating a public utility tax offset program to help establish locally
12 based electric utility revolving fund programs to be used for economic
13 development and 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, to
2 accomplish energy and water use efficiency improvements, including
3 renewable energy development, or to add or upgrade emergency services
4 in any designated qualifying rural area.

5 (b) "Qualifying rural area" means:

6 (i) A county with fewer than one hundred persons per square mile as
7 determined annually by the office of financial management and published
8 by the department of revenue effective for the period July 1st through
9 June 30th; or

10 (ii) Any geographic area in the state that receives electricity
11 from a light and power business with fewer than twenty-six meters per
12 mile of distribution line as determined and published by the department
13 of revenue effective July 1st of each year. The department shall use
14 current data provided by the electricity industry.

15 (c) "Electric utility rural economic development revolving fund"
16 means a fund devoted exclusively to funding qualifying projects in
17 qualifying rural areas.

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

22 (e) "Geographic area" means any portion of a light and power
23 business' service territory, either in whole or any subdivision
24 thereof.

25 (2) A light and power business with fewer than twenty-six active
26 meters per mile of distribution line in any geographic area in the
27 state shall be allowed a credit against taxes due under this chapter in
28 an amount equal to fifty percent of contributions made in any calendar
29 year directly to an electric utility rural economic development
30 revolving fund. The credit under this section shall not exceed one
31 hundred thousand dollars per calendar year. The credit may not exceed
32 the tax that would otherwise be due under this chapter. Refunds shall
33 not be granted in the place of credits and excess expenditures shall
34 not be carried over to subsequent years.

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

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

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

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

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