
SENATE BILL 5456

State of Washington

56th Legislature

1999 Regular Session

By Senators Rasmussen, Morton, T. Sheldon, Honeyford, Oke, Hochstatter, Loveland, Snyder, Jacobsen, Goings, Deccio, Spanel, Patterson, Long, McDonald, West and Gardner

Read first time 01/22/1999. Referred to Committee on Agriculture & Rural Economic Development.

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.

--- END ---