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SENATE BILL 5503

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State of Washington                      56th Legislature                      1999 Regular Session

By Senators T. Sheldon, Haugen and Swecker

Read first time 01/25/1999. Referred to Committee on Ways & Means.

1            AN ACT Relating to business and occupation and utility tax  
2 deductions for small water, sewer, and irrigation districts with less  
3 than one thousand five hundred customers; amending RCW 82.04.312 and  
4 82.16.042; and providing an expiration date.

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

6            **Sec. 1.** RCW 82.04.312 and 1998 c 316 s 1 are each amended to read  
7 as follows:

8            (1) This chapter does not apply to amounts received for water or  
9 sewer services supplied by a water-sewer district established under  
10 Title 57 RCW or by an irrigation district established under Title 87  
11 RCW that:

12            (a) Has less than one thousand five hundred connections; and

13            (b) Charges residential water or sewer rates that exceed one  
14 hundred twenty-five percent of the state-wide average residential water  
15 or sewer rate published on or before July 1st of each year by the  
16 department of health.

17            (2) This chapter does not apply to amounts received for water or  
18 sewer services supplied by a water or sewer system that:

1 (a) Is operated or owned by a qualified satellite management agency  
2 under RCW 70.116.134;

3 (b) Has less than two hundred connections; and

4 (c) Charges residential water or sewer rates that exceed one  
5 hundred twenty-five percent of the state-wide average residential water  
6 or sewer rate published on or before July 1st of each year by the  
7 department of health.

8 (3) This chapter does not apply to amounts received for sewerage  
9 collection services supplied by a water-sewer district established  
10 under Title 57 RCW or by an irrigation district established under Title  
11 87 RCW that:

12 (a) Has less than one thousand five hundred connections; and

13 (b) Charges residential sewer rates that exceed one hundred twenty-  
14 five percent of the state-wide average residential sewer rate published  
15 on or before July 1st of each year by the department of ecology.

16 (4) To receive an exemption under this section, the water-sewer  
17 district, the water or sewer system or irrigation district shall supply  
18 to the department of revenue proof that an amount equal to at least  
19 ninety percent of the value of the exemption shall be expended to  
20 repair, equip, maintain, and upgrade the water or sewer system.

21 (~~(4)~~) (5) The department of health and ecology may use rate  
22 information provided in surveys and reports produced by the association  
23 of Washington cities, an association of elected officials, or other  
24 municipal association to estimate a state-wide average residential  
25 water and sewer rate.

26 (~~(5)~~) (6) This section expires July 1, 2004.

27 **Sec. 2.** RCW 82.16.042 and 1998 c 316 s 2 are each amended to read  
28 as follows:

29 (1) This chapter does not apply to amounts received for water or  
30 sewer services supplied by a water-sewer district established under  
31 Title 57 RCW or by an irrigation district established under Title 87  
32 RCW that:

33 (a) Has less than one thousand five hundred connections; and

34 (b) Charges residential water or sewer rates that exceed one  
35 hundred twenty-five percent of the state-wide average residential water  
36 or sewer rate published on or before July 1st of each year by the  
37 department of health.

1 (2) This chapter does not apply to amounts received for water  
2 services supplied by a water or sewer system that:

3 (a) Is operated or owned by a qualified satellite management agency  
4 under RCW 70.116.134;

5 (b) Has less than two hundred connections; and

6 (c) Charges residential water or sewer rates that exceed one  
7 hundred twenty-five percent of the state-wide average residential water  
8 or sewer rate.

9 (3) This chapter does not apply to amounts received for sewerage  
10 collection services supplied by a water-sewer district established  
11 under Title 57 RCW or by an irrigation district established under Title  
12 87 RCW that:

13 (a) Has less than one thousand five hundred connections; and

14 (b) Charges residential sewer rates that exceed one hundred twenty-  
15 five percent of the state-wide average residential sewer rate published  
16 on or before July 1st of each year by the department of ecology.

17 (4) To receive an exemption under this section, the water-sewer  
18 district, the water or sewer system, or irrigation district shall  
19 supply to the department of revenue proof that an amount equal to at  
20 least ninety percent of the value of the exemption shall be expended to  
21 repair, equip, maintain, and upgrade the water or sewer system.

22 ((+4)) (5) For the purposes of this section, "state-wide average  
23 residential water rate and state-wide average residential sewer rate"  
24 means the state-wide average residential water or sewer rate published  
25 under RCW 82.04.312.

26 ((+5)) (6) This section expires July 1, ((2004)) 2005.

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