

ESHB 2675 - S COMM AMD

By Committee on Economic Development

ADOPTED 03/04/2004

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 82.16.0491 and 1999 c 311 s 402 are each amended to  
4 read as follows:

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

6 (a) "Qualifying project" means a project designed to achieve job  
7 creation or business retention, to add or upgrade nonelectrical  
8 infrastructure, to add or upgrade health and safety facilities, to  
9 accomplish energy and water use efficiency improvements, including  
10 renewable energy development, or to add or upgrade emergency services  
11 in any designated qualifying rural area.

12 (b) "Qualifying rural area" means:

13 (i) A rural county, which on the date that a contribution is made  
14 to an electric utility rural economic development revolving fund is a  
15 county with a population density of less than one hundred persons per  
16 square mile as determined by the office of financial management (~~and~~  
17 ~~published each year by the department for the period July 1st to June~~  
18 ~~30th~~)); or

19 (ii) Any geographic area in the state that receives electricity  
20 from a light and power business with twelve thousand or fewer customers  
21 (~~and with fewer than twenty six meters per mile of distribution line~~  
22 ~~as determined and published by the department of revenue effective July~~  
23 ~~1st of each year. The department shall use current data provided by~~  
24 ~~the electricity industry~~)).

25 (c) "Electric utility rural economic development revolving fund"  
26 means a fund devoted exclusively to funding qualifying projects in  
27 qualifying rural areas.

28 (d) "Local board" is (i) a board of directors with at least, but  
29 not limited to, three members representing local businesses and  
30 community groups who have been appointed by the sponsoring electric

1 utility to oversee and direct the activities of the electric utility  
2 rural economic development revolving fund; or (ii) a board of directors  
3 of an existing associate development organization serving the  
4 qualifying rural area who have been designated by the sponsoring  
5 electrical utility to oversee and direct the activities of the electric  
6 utility rural economic development revolving fund.

7 (2) A light and power business (~~((with fewer than twenty six active~~  
8 ~~meters per mile of distribution line in any geographic area in the~~  
9 ~~state))~~) shall be allowed a credit against taxes due under this chapter  
10 in an amount equal to fifty percent of contributions made in any  
11 (~~(calendar))~~) fiscal year directly to an electric utility rural economic  
12 development revolving fund. The credit shall be taken in a form and  
13 manner as required by the department. The credit under this section  
14 shall not exceed twenty-five thousand dollars per (~~(calendar))~~) fiscal  
15 year per light and power business. The credit may not exceed the tax  
16 that would otherwise be due under this chapter. Refunds shall not be  
17 granted in the place of credits. Expenditures not used to earn a  
18 credit in one (~~(calendar))~~) fiscal year may not be used to earn a credit  
19 in subsequent years, except that this limitation does not apply to  
20 expenditures made between January 1, 2004, and March 31, 2004, which  
21 expenditures may be used to earn a credit through December 30, 2004.

22 (3) The right to earn tax credits under this section expires  
23 (~~(December 31, 2005))~~) June 30, 2011.

24 (4) To qualify for the credit in subsection (2) of this section,  
25 the light and power business shall establish, or have a local board  
26 establish with the business's contribution, an electric utility rural  
27 economic development revolving fund which is governed by a local board  
28 whose members shall reside or work in the qualifying rural area served  
29 by the light and power business. Expenditures from the electric  
30 utility rural economic development revolving fund shall be made solely  
31 on qualifying projects, and the local board shall have authority to  
32 determine all criteria and conditions for the expenditure of funds from  
33 the electric utility rural economic development (~~(revolving))~~)  
34 revolving fund, and for the terms and conditions of repayment.

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

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

5 (7) The total amount of credits that may be used in any fiscal year  
6 shall not exceed three hundred fifty thousand dollars in any fiscal  
7 year. The department shall allow the use of earned credits on a first-  
8 come, first-served basis. Unused earned credits may be carried over to  
9 subsequent years.

10 (8) The following provisions apply to expenditures under subsection  
11 (2) of this section made between January 1, 2004, and March 31, 2004:

12 (a) Credits earned from such expenditures are not considered in  
13 computing the statewide limitation set forth in subsection (7) of this  
14 section for the period July 1, 2004, through December 31, 2004; and

15 (b) For the fiscal year ending June 30, 2005, the credit allowed  
16 under this section for light and power businesses making expenditures  
17 is limited to thirty-seven thousand five hundred dollars.

18 NEW SECTION. Sec. 2. (1) The legislature finds that  
19 accountability and effectiveness are important aspects of setting tax  
20 policy. In order to make policy choices regarding the best use of  
21 limited state resources the legislature needs information to evaluate  
22 whether the stated goals of legislation were achieved.

23 (2) The goal of the tax credit available to light and power  
24 businesses for contributing to an electric utility rural economic  
25 development revolving fund in section 1 of this act is to support  
26 qualifying projects that create or retain jobs, add or upgrade health  
27 and safety facilities, facilitate energy and water conservation, or  
28 develop renewable sources of energy in a qualified area. The goal of  
29 this tax credit is achieved when the investment of the revolving funds  
30 established under section 1 of this act have generated capital  
31 investment in an amount of four million seven hundred fifty thousand  
32 dollars or more within a five-year period.

33 NEW SECTION. Sec. 3. This act takes effect July 1, 2004."

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1           On page 1, line 1 of the title, after "credits;" strike the  
2 remainder of the title and insert "amending RCW 82.16.0491; creating a  
3 new section; and providing an effective date."

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