

HOUSE BILL REPORT

SSB 6141

As Reported by House Committee On:
Technology, Energy & Communications
Finance

Title: An act relating to including the value of electric generation wind turbine facilities in the property tax levy limit calculation.

Brief Description: Including the value of wind turbine facilities in the property tax levy limit calculation.

Sponsors: Senate Committee on Water, Energy & Environment (originally sponsored by Senator Honeyford).

Brief History:

Committee Activity:

Technology, Energy & Communications: 2/23/06 [DP];

Finance: 2/27/06 [DP].

Brief Summary of Substitute Bill

- Includes the value of wind turbine facilities in the property tax levy limit calculation.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: Do pass. Signed by 11 members: Representatives Morris, Chair; Kilmer, Vice Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Ericks, Hankins, Hudgins, P. Sullivan, Sump, Takko and Wallace.

Staff: Scott Richards (786-7156).

Background:

Taxing districts may increase their regular property tax levy by 1 percent per year, plus an additional amount based on the increase in the assessed value in this district resulting from new construction, improvements to real property, and state-assessed property. Electric generation wind turbine facilities are personal property unless the same person owns both the wind turbine facilities and the land upon which they are located. Wind turbine facilities owned by utilities that operate in more than one county are state assessed. Property taxes resulting from new state-assessed wind turbine facilities increase revenues to taxing districts because taxes resulting from increases in the value of state-assessed property are added to the amount that

may be levied under the levy limit. Wind turbine facilities owned by utilities that operate entirely within a single county are assessed by the county assessor. Property taxes resulting from new county-assessed wind turbine facilities do not increase revenues to taxing districts because they are not considered "new construction" or an "improvement to property."

Summary of Bill:

Property taxes resulting from new county-assessed electric generation wind turbine facilities are added to the amount that may be levied under the levy limit.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Helps address an anomaly in current taxing district law by allowing districts to assess increases in personal property value related to wind turbine facilities that are not captured through state tax assessments nor through county assessments of new construction or improvements to property.

Testimony Against: None.

Persons Testifying: Robert Carlton, Washington Association of County Officials; and H.J. "Van" Vanderburg, Klickitat County Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 8 members: Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ericks, Hasegawa, Santos and Shabro.

Staff: Rick Peterson (786-7150).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Technology, Energy & Communications:

No changes recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill will allow fire districts and other districts to share in the new revenue from the location of wind turbines. There is an anomaly in the law that creates a difference in the way that tax revenue from wind turbines is treated. This treatment should be the same whether the wind turbine is valued by the local assessor or the state. The bill fixes a problem for small rural counties.

Testimony Against: None.

Persons Testifying: Jim Potts, Rural Counties; Robert Carlton, Washington Association of County Officials; and H. Vandenberg, Klickitat County.

Persons Signed In To Testify But Not Testifying: None.