
SUBSTITUTE HOUSE BILL 2550

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Jarrett, Ormsby, Newhouse, Ericks, Cox, Linville and Springer)

READ FIRST TIME 01/20/06.

1 AN ACT Relating to amending the 2005-2007 capital budget; adding a
2 new section to chapter 43.63A RCW; adding a new section to 2005 c 488
3 (uncodified); creating a new section; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) Relying on foreign oil hurts our state's economy, citizens, and
7 businesses;

8 (2) Experts tell us that the global oil shortage will only worsen,
9 making the three dollars per gallon gasoline of summer 2005 seem
10 affordable;

11 (3) Instead of leaving our economy at the mercy of global events,
12 and the policies of foreign nations, Washington state should adopt a
13 policy of energy independence;

14 (4) Each year, citizens and businesses in Washington state spend
15 nine billion dollars on gasoline and diesel, with those funds drained
16 from the state economy;

17 (5) The energy freedom program is meant to lead Washington state
18 toward energy independence;

1 (6) The biofuels industry is a new and developing industry now
2 limited by the availability of capital for construction of facilities
3 for converting farm products into energy and fuels; and

4 (7) For biofuels to be economically viable in Washington, it will
5 be necessary to grow dedicated crops, construct crushers near
6 Washington farms, and build refineries to create fuel.

7 Therefore, it is the intent of the legislature to reduce
8 Washington's dependence on imported oil, expand renewable fuel
9 production and use in Washington, help citizens and business conserve
10 energy, and promote sustainable rural economic development by creating
11 new jobs and stimulating business and economic activity in local
12 communities across Washington.

13 To accomplish this, the energy freedom program is established to
14 stimulate strategic investment in facilities, infrastructure, and
15 technologies that will advance Washington's move toward energy
16 independence.

17 NEW SECTION. **Sec. 2.** A new section is added to 2005 c 488
18 (uncodified) to read as follows:

19 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

20 Energy Freedom Program (06-2-852)

21 The appropriation in this section is subject to the following
22 conditions and limitations:

23 (1)(a) The appropriation is provided solely for low-interest loans
24 to political subdivisions for renewable energy projects including the
25 development of biofuel oilseed crushers, supporting infrastructure, and
26 facilities. The political subdivision may negotiate an appropriate
27 agreement with the bioenergy industry for the use of the oilseed
28 crushers, supporting infrastructure, and facilities.

29 (b) For purposes of this section, political subdivision means any
30 port district, county, city, town, special purpose district, and any
31 other municipal corporations or quasi-municipal corporations in the
32 state.

33 (2) The appropriation is provided solely for the following list of
34 projects:

1 Project	2 Recommendation
3 Spokane conservation district	\$2,750,000
4 Odessa public development authority	\$2,750,000
5 Port of Columbia county	\$2,750,000
6 Port of Sunnyside	\$750,000
7 Total	\$9,000,000

8 (3) All other project funds must be disbursed prior to energy
9 freedom loans, except where required on a matching basis by other
10 federal or state programs.

11 (4) Future loan repayments shall be deposited into the energy
12 freedom account created in section 3 of this act.

13 (5) It is the intent of the legislature to provide loans for the
14 development of a Washington state biodiesel industry based on
15 Washington grown oilseed. The legislature is aware that in the
16 development of this industry, the start-up process may necessitate the
17 use of other oilseeds until Washington state growers plant sufficient
18 crops to support this industry. The legislature also understands the
19 realities of weather and market conditions in this process. The
20 conversion to maximum Washington grown oilseed must be accomplished as
21 quickly as possible. The political subdivision shall: (a) Develop a
22 plan for outreach to local growers and an estimate of when maximum
23 Washington state oilseed-based production will be reached; (b) develop
24 a goal for the political subdivision to return a portion of the biofuel
25 to local oilseed producers; and (c) report this information to the
26 department of community, trade, and economic development by December 1,
27 2006. The department shall report on the implementation of this
28 section by January 1, 2007, to the appropriate committees of the
29 legislature.

30 **Appropriation:**

31 State Taxable Building Construction Account--State . . .	\$9,000,000
32 Prior Biennia (Expenditures)	\$0
33 Future Biennia (Projected Costs)	\$0
TOTAL	\$9,000,000

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.63A RCW
2 to read as follows:

3 The energy freedom account is created in the state treasury. All
4 receipts from appropriations made to the account, proceeds from other
5 lawful sources, and loan payments of principal and interest derived
6 from loans made under section 2 of this act must be deposited into the
7 account. Moneys in the account may be spent only after appropriation.
8 Expenditures from the account may be used only for loans and grants to
9 political subdivisions for renewable energy and biofuel development
10 projects and activities.

11 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 immediately.

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