

ESSB 6034 - H AMD TO TED COMM AMD (H-4883.1/18) **1354**

By Representative Morris

ADOPTED 03/02/2018

1 On page 2, line 6 of the striking amendment, after "section."
2 insert "The authority provided in this subsection expires five years
3 after the effective date of this act for any public utility district
4 that has not begun providing retail internet service within that
5 time period."

6

7 On page 3, line 24 of the striking amendment, after
8 "subsection" strike "(8)" and insert "(9)"

9

10 On page 4, line 11 of the striking amendment, after "subsection"
11 strike "(8)" and insert "(9)"

12

13 On page 4, beginning on line 26 of the striking amendment, after
14 "area" strike "who may apply therefor and be reasonably entitled
15 thereto" and insert "meeting the provisions of subsections (2) and (4)
16 of this section"

17

18 On page 4, line 28 of the striking amendment, after "as" strike
19 "demanded" and insert "requested"

20

21 On page 5, beginning on line 1 of the striking amendment, strike
22 all of sections 3 through 10 and insert the following:

23 NEW SECTION. Sec. 3. A new section is added to chapter 54.16 RCW
24 to read as follows:

25 (1) Property owned by a public utility district that is exempt
26 from property tax under RCW 84.36.010 is subject to an annual payment

27

1 in lieu of property taxes if the property consists of a broadband
2 network used in providing retail internet service.

3 (2)(a) The amount of the payment must be determined jointly and in
4 good faith negotiation between the public utility district that owns
5 the property and the county or counties in which the property is
6 located.

7 (b) The amount agreed upon may not exceed the property tax amount
8 that would be owed on the property comprising the broadband network
9 used in providing retail internet service as calculated by the
10 department of revenue. The public utility district must provide
11 information necessary for the department of revenue to make the
12 required valuation under this subsection. The department of revenue
13 must provide the amount of property tax that would be owed on the
14 property to the county or counties in which the broadband network is
15 located on an annual basis.

16 (c) If the public utility district and a county cannot agree on
17 the amount of the payment in lieu of taxes, either party may invoke
18 binding arbitration by providing written notice to the other party. In
19 the event that the amount of payment in lieu of taxes is submitted to
20 binding arbitration, the arbitrators must consider the government
21 services available to the public utility district's broadband network
22 used in providing retail internet service. The public utility district
23 and county must each select one arbitrator, the two of whom must pick
24 a third arbitrator. Costs of the arbitration, including compensation
25 for the arbitrators' services, must be borne equally by the parties
26 participating in the arbitration.

27 (3) By April 30th of each year, a public utility district must
28 remit the annual payment to the county treasurer of each county in
29 which the public utility district's broadband network used in
30 providing retail internet service is located in a form and manner
31 required by the county treasurer.

32 (4) The county must distribute the amounts received under this
33 section to all property taxing districts, including the state, in
34

1 appropriate tax code areas in the same proportion as it would
2 distribute property taxes from taxable property.

3 (5) By December 1, 2019, and annually thereafter, the department
4 of revenue must submit a report to the appropriate legislative
5 committees detailing the amount of payments made under this section
6 and the amount of property tax that would be owed on the property
7 comprising the broadband network used in providing retail internet
8 service.

9 (6) The definitions in section 1 of this act apply to this
10 section."

11

12

13

EFFECT: Expires the authority provided for any public utility district that does not begin providing retail internet service within 5 years of the effective date of the act. Corrects two internal references. Modifies the service upon demand requirement to apply to persons and entities within the geographical area meeting certain conditions. Removes the sections imposing a privilege tax on PUD sales of retail Internet service. Subjects PUD broadband network property used for retail internet service to annual payments in lieu of property taxes. Requires the Department of Revenue to submit annual reports to the Legislature on payments made under the provisions and the amount of property tax that would be owed on the broadband network used in providing retail internet service.

--- END ---