
SUBSTITUTE SENATE BILL 6016

State of Washington

68th Legislature

2024 Regular Session

By Senate Environment, Energy & Technology (originally sponsored by Senators Shewmake, Dhingra, Nguyen, Nobles, Saldaña, and C. Wilson)

READ FIRST TIME 01/29/24.

1 AN ACT Relating to green energy community funds to support school
2 districts and nonprofit organizations that service the communities
3 where renewable energy projects are located; amending RCW
4 28A.325.030; adding a new chapter to Title 82 RCW; and providing an
5 expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that green energy
8 provides economic and environmental benefits by creating
9 opportunities for jobs, and innovation by replacing dirtier forms of
10 energy. The legislature further finds that many, but not all, of
11 these benefits occur at the regional and global levels, beyond the
12 districts where projects are located. It is the intent of the
13 legislature to establish a program to ensure those broad benefits are
14 shared with the host communities by creating pathways to invest state
15 tax revenue back into local communities. This act creates a mechanism
16 to ensure that more of the taxes from new green energy projects are
17 fed back into the districts where they are located.

18 NEW SECTION. **Sec. 2.** The definitions in this section apply
19 throughout this chapter unless the context clearly requires
20 otherwise.

1 (1) "Applicant" means a person applying for a tax credit under
2 this chapter.

3 (2) "Contribution" means cash contributions by a qualifying light
4 and power business.

5 (3) "Department" means the department of revenue.

6 (4) "Person" has the meaning given in RCW 82.04.030.

7 (5) "Qualifying light and power business" means a light and power
8 business as defined in RCW 82.16.010 with a renewable energy project
9 located within the boundaries of a school district.

10 (6) "Recipient" means a school district with a renewable energy
11 project located within the boundaries of the school district or a
12 nonprofit organization that services the community where a renewable
13 energy project is located.

14 (7) "Renewable energy project" means a facility constructed after
15 the effective date of this section and used by a qualifying light and
16 power business to generate electricity derived either from wind power
17 or solar power or to store electrical energy.

18 NEW SECTION. **Sec. 3.** (1) Application for tax credits under this
19 chapter must be submitted to the department before making a
20 contribution to a recipient. The application must be made to the
21 department in a form and manner prescribed by the department. The
22 application must contain information regarding: Details of the
23 renewable energy project, the project's location, the recipient of
24 the contribution (school district or nonprofit organization), the
25 proposed amount of the contribution to the recipient, and other
26 information required by the department to determine eligibility under
27 this chapter. The department must rule on the application within 45
28 days. Applications must be approved on a first-in-time basis.

29 (2) Applications must be submitted between January 1st and July
30 1st for contributions to be made by the qualifying light and power
31 business during the calendar year; however, the department may extend
32 the application deadline if a qualifying light and power business
33 does not make a contribution by the date specified in section 4 of
34 this act and forfeits all tax credits for the approved application.

35 NEW SECTION. **Sec. 4.** (1) A qualifying light and power business
36 approved for credit as provided under section 3 of this act must make
37 the total approved contribution to the recipient by October 1st of
38 the calendar year in which the application is approved. If October

1 1st falls upon a Saturday, Sunday, or legal holiday, the payment to
2 the recipient of the contribution is timely if sent on the next
3 business day.

4 (2) (a) A qualifying light and power business that does not make a
5 contribution as required in subsection (1) of this section forfeits
6 all credits for the approved contribution.

7 (b) The department must make credits forfeited as provided in (a)
8 of this subsection available to new applicants.

9 (3) A qualifying light and power business must provide proof of
10 payment of the contribution to the department by October 15th of the
11 calendar year in which the contribution is made to the recipient. If
12 October 15th falls upon a Saturday, Sunday, or legal holiday, proof
13 of payment is timely if sent on the next business day. The recipient
14 of a contribution from a qualifying light and power business must be
15 a school district with a renewable energy project located within the
16 boundaries of the school district or a nonprofit organization that
17 services the community where the renewable energy project is located.
18 The qualifying light and power business shall select the recipient of
19 the contribution, which must be specified on the application as
20 provided in section 3 of this act.

21 NEW SECTION. **Sec. 5.** (1) Subject to the limitations in this
22 chapter, a credit is allowed against the tax imposed by chapters
23 82.04 and 82.16 RCW for approved contributions that are made by a
24 qualifying light and power business to a recipient.

25 (2) The credit allowed under this section is limited to an amount
26 equal to 75 percent of the approved contribution made by a qualifying
27 light and power business to a recipient.

28 (3) The department must keep a running total of all credits
29 approved under this chapter for each calendar year. The department
30 may not approve any credits under this section that would cause the
31 total amount of approved credits statewide to exceed \$5,000,000 in
32 any calendar year.

33 (4) The total credits allowed under this chapter for a qualifying
34 light and power business may not exceed \$250,000 in a calendar year.

35 (5) The credit may be claimed against tax due under chapters
36 82.04 and 82.16 RCW from a renewable energy project only in the
37 calendar year in which the credit was approved by the department and
38 the contribution was made to the recipient or in the subsequent
39 calendar year. No refunds may be granted for credits under this

1 chapter. A qualifying light and power business may not receive credit
2 against taxes due under chapters 82.04 and 82.16 RCW for the same
3 contribution.

4 (6) Credits may be earned for contributions made on or after
5 January 1, 2025, and on or before December 31, 2034. Credits earned
6 may be claimed on tax returns filed for reporting periods beginning
7 on or after January 1, 2025, and ending on or before December 31,
8 2035. No credit may be claimed on tax returns filed for reporting
9 periods beginning on or after January 1, 2036.

10 NEW SECTION. **Sec. 6.** To claim a credit under this chapter, a
11 person must electronically file with the department all returns,
12 forms, and other information the department requires in an electronic
13 format as provided or approved by the department. Any return, form,
14 or information required to be filed in an electronic format under
15 this section is not filed until received by the department in an
16 electronic format. As used in this section, "returns" has the same
17 meaning as "return" in RCW 82.32.050.

18 NEW SECTION. **Sec. 7.** Chapter 82.32 RCW applies to the
19 administration of this chapter.

20 NEW SECTION. **Sec. 8.** This chapter expires January 1, 2036.

21 NEW SECTION. **Sec. 9.** RCW 82.32.808 does not apply to this act.

22 NEW SECTION. **Sec. 10.** This chapter may be known and cited as
23 the Washington green energy community funds act.

24 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act
25 constitute a new chapter in Title 82 RCW.

26 **Sec. 12.** RCW 28A.325.030 and 2000 c 157 s 2 are each amended to
27 read as follows:

28 (1)(a) There is hereby created a fund on deposit with each county
29 treasurer for each school district of the county having an associated
30 student body as defined in RCW 28A.325.020. Such fund shall be known
31 as the associated student body program fund. Rules adopted by the
32 superintendent of public instruction under RCW 28A.325.020 shall
33 require separate accounting for each associated student body's

1 transactions in the school district's associated student body program
2 fund.

3 (b) All moneys generated through the programs and activities of
4 any associated student body shall be deposited in the associated
5 student body program fund. Such funds may be invested for the sole
6 benefit of the associated student body program fund in items
7 enumerated in RCW 28A.320.320 and the county treasurer may assess a
8 fee as provided therein. Disbursements from such fund shall be under
9 the control and supervision, and with the approval, of the board of
10 directors of the school district, and shall be by warrant as provided
11 in chapter 28A.350 RCW: PROVIDED, That in no case shall such warrants
12 be issued in an amount greater than the funds on deposit with the
13 county treasurer in the associated student body program fund. To
14 facilitate the payment of obligations, an imprest bank account or
15 accounts may be created and replenished from the associated student
16 body program fund.

17 (c) The associated student body program fund shall be budgeted by
18 the associated student body, subject to approval by the board of
19 directors of the school district. All disbursements from the
20 associated student body program fund or any imprest bank account
21 established thereunder shall have the prior approval of the
22 appropriate governing body representing the associated student body.
23 Notwithstanding the provisions of RCW 43.09.210, it shall not be
24 mandatory that expenditures from the district's general fund in
25 support of associated student body programs and activities be
26 reimbursed by payments from the associated student body program fund.

27 (2) Subject to applicable school board policies, student groups
28 may conduct fund-raising activities, including but not limited to
29 soliciting donations, in their private capacities for the purpose of
30 generating nonassociated student body fund moneys. The school board
31 policy shall include provisions to ensure appropriate accountability
32 for these funds. Nonassociated student body program fund moneys
33 generated and received by students for private purposes to use for
34 scholarship, student exchange, and/or charitable purposes shall be
35 held in trust in one or more separate accounts within an associated
36 student body program fund and be disbursed for such purposes as the
37 student group conducting the fund-raising activity shall determine:
38 PROVIDED, That the school district shall either withhold an amount
39 from such moneys as will pay the district for its direct costs in
40 providing the service or otherwise be compensated for its cost for

1 such service. Nonassociated student body program fund moneys shall
2 not be deemed public moneys under section 7, Article VIII of the
3 state Constitution. Notice shall be given identifying the intended
4 use of the proceeds. The notice shall also state that the proceeds
5 are nonassociated student body funds to be held in trust by the
6 school district exclusively for the intended purpose. "Charitable
7 purpose" under this section does not include any activity related to
8 assisting a campaign for election of a person to an office or for the
9 promotion or opposition to a ballot proposition.

10 (3) A school district receiving funding under chapter 82.--- RCW
11 (the new chapter created in section 11 of this act) must deposit all
12 proceeds into a subaccount of its associated student body program
13 fund and such funds may be used for any allowable purpose of the
14 associated student body program fund.

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