S-3477.3

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**SENATE BILL 6321**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Rivers, Takko, and Palumbo

AN ACT Relating to specifying that fire protection districts and regional fire protection service authorities are taxing districts for the purpose of distributing public utility revenues; and amending RCW 54.28.010, 54.28.055, and 54.28.090.

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

**Sec.**  RCW 54.28.010 and 1977 ex.s. c 366 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Operating property" means all of the property utilized by a public utility district in the operation of a plant or system for the generation, transmission, or distribution of electric energy for sale;

(2) "Taxing districts" means counties, cities, towns, school districts, ((~~and~~)) road districts, fire protection districts, and regional fire protection service authorities;

(3) "Distributes to consumers" means the sale of electric energy to ultimate consumers thereof, and does not include sales of electric energy for resale by the purchaser;

(4) "Wholesale value" means all costs of a public utility district associated with the generation and transmission of energy from its own generation and transmission system to the point or points of inter-connection with a distribution system owned and used by a district to distribute such energy to consumers, or in the event a distribution system owned by a district is not used to distribute such energy, then the term means the gross revenues derived by a district from the sale of such energy to consumers;

(5) "Thermal electric generating facility" means a steam-powered electrical energy producing facility utilizing nuclear or fossil fuels;

(6) "Placed in operation" means delivery of energy into a transmission or distribution system for use or sale in such a manner as to establish a value accruing to the power plant operator, except operation incidental to testing or start-up adjustments;

(7) "Impacted area" for a thermal electric generating facility on a federal reservation means that area in the state lying within thirty-five statute miles of the most commonly used entrance of the federal reservation and which is south of the southern boundary of township fifteen north.

**Sec.**  RCW 54.28.055 and 2017 3rd sp.s. c 28 s 502 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, the department of revenue must instruct the state treasurer to distribute the amount collected under RCW 54.28.025(1) on the first business day of July as follows:

(a) Fifty percent to the state general fund for the support of schools; and

(b) Twenty-two percent to the counties, twenty-three percent to the cities, three percent to the fire protection districts/regional fire authorities, and two percent to the library districts.

(2) Each county, city, fire protection district/regional fire authority, and library district must receive a percentage of the amount for distribution to counties, cities, fire protection districts/regional fire authorities, and library districts, respectively, in the proportion that the population of such district residing within the impacted area bears to the total population of all such districts residing within the impacted area. For the purposes of this chapter, the term "library district" includes only regional libraries, rural county library districts, intercounty rural library districts, and island library districts as those terms are defined in RCW 27.12.010. The population of a library district, for purposes of such a distribution, does not include any population within the library district and the impact area that also is located within a city or town.

(3) Distributions under this section must be adjusted as follows:

(a) If any distribution pursuant to subsection (1)(b) of this section cannot be made, then that share must be prorated among the state and remaining local districts.

(b) The department of revenue must instruct the state treasurer to adjust distributions under this section, in whole or in part, to account for each county's, city's, fire protection district's/regional fire authority's, and library district's proportionate share of amounts previously distributed under this section and subsequently refunded to a public utility district under RCW 82.32.060.

(4) All distributions directed by this section to be made on the basis of population must be calculated in accordance with population data as last determined by the office of financial management.

**Sec.**  RCW 54.28.090 and 2011 c 361 s 1 are each amended to read as follows:

(1) The county legislative authority of each county must direct the county treasurer to deposit funds to the credit of each taxing district in the county, other than school districts, according to the manner they deem most equitable; except not less than an amount equal to three-fourths of one percent of the gross revenues obtained by a district from the sale of electric energy within any incorporated city or town must be remitted to such city or town and not less than six percent of the amount distributed to the county under RCW 54.28.050 must be remitted to fire protection districts and regional fire authorities within the county. Information furnished by the district to the county legislative authority must be the basis for the determination of the amount to be paid to such cities or towns under this subsection. Each fire protection district and regional fire authority within the county must receive a percentage of the amount for distribution to fire districts and regional fire authorities, respectively, in the proportion that the population of such district residing within the impacted area bears the total population of all such fire districts and regional fire authorities in the county.

(2) In the event that a county receives tax proceeds under RCW 54.28.050 because a public utility district operated by another county owns fee title to property in a city or town in the county that receives such tax proceeds, and that city or town adjoins a reservoir on the Columbia river wholly or partially created by such district's hydroelectric facility which began commercial power generation in 1967, but the district has no sales of electrical energy in that city or town, the county may retain seventy percent of such tax proceeds. The county must remit the remainder of the tax proceeds to the city or town in which the district owns fee title to property but has no sales of electrical energy. If the district owns fee title to property in more than one city or town in the county receiving such tax proceeds, and has no sales of electrical energy in those cities or towns, the remainder of the tax must be divided evenly among all such cities and towns.

(3) The provisions of this section do not apply to the distribution of taxes collected under RCW 54.28.025.

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