

---

HOUSE BILL 2711

---

State of Washington                      55th Legislature                      1998 Regular Session

By Representatives Parlette, Chandler, Mulliken and Sump

Read first time 01/19/98. Referred to Committee on Finance.

1            AN ACT Relating to tax exemptions for small irrigation districts;  
2 adding a new section to chapter 82.04 RCW; adding a new section to  
3 chapter 82.16 RCW; creating a new section; and providing expiration  
4 dates.

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

6            NEW SECTION.    **Sec. 1.**    The legislature finds that encouraging  
7 irrigation districts to better manage state water resources is in the  
8 best interests of the people of Washington state. Continual updates of  
9 water quantity and quality, as mandated by federal and state agencies,  
10 have revealed that degradation of water quality exists in small water  
11 systems throughout the state. The legislature further finds that costs  
12 involved in upgrading these small systems can be extremely burdensome  
13 to water customers and public water purveyors. With diminishing  
14 resources available to these small systems, the legislature finds that  
15 granting business and occupation and excise tax relief, under certain  
16 conditions, will assist smaller irrigation districts to meet state and  
17 federal standards.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 82.04 RCW  
2 to read as follows:

3        (1) This chapter does not apply to amounts received for water  
4 services supplied by an irrigation district established under Title 87  
5 RCW that has been certified by the department of health as:

- 6            (a) Having less than one thousand five hundred connections; and
- 7            (b) Charging residential water rates that exceed one hundred  
8 twenty-five percent of the state-wide average water rate.

9        (2) To receive an exemption under this section, the water system  
10 shall supply to the department of health proof that an amount equal to  
11 at least ninety percent of the value of the exemption shall be expended  
12 to repair, equip, maintain, and upgrade the water system.

13        (3) The department of health shall certify to the department of  
14 revenue the eligibility of irrigation districts under this section. In  
15 order to determine eligibility, the department of health may use rate  
16 information provided in surveys and reports produced by the association  
17 of Washington cities, an association of elected officials, or other  
18 municipal association to estimate a state-wide average residential  
19 water rate. The department of health shall update the estimated state-  
20 wide average residential water rate by July 1 of each year that this  
21 section remains in effect.

22        (4) This section expires July 1, 2004.

23        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.16 RCW  
24 to read as follows:

25        (1) This chapter does not apply to amounts received for water  
26 services supplied by an irrigation district established under Title 87  
27 RCW that has been certified by the department of health as:

- 28            (a) Having less than one thousand five hundred connections; and
- 29            (b) Charging residential water rates that exceed one hundred  
30 twenty-five percent of the state-wide average water rate.

31        (2) To receive an exemption under this section, the water system  
32 shall supply to the department of health proof that an amount equal to  
33 at least ninety percent of the value of the exemption shall be expended  
34 to repair, equip, maintain, and upgrade the water system.

35        (3) The department of health shall certify to the department of  
36 revenue the eligibility of irrigation districts under this section. In  
37 order to determine eligibility, the department of health may use rate  
38 information provided in surveys and reports produced by the association

1 of Washington cities, an association of elected officials, or other  
2 municipal association to estimate a state-wide average residential  
3 water rate. The department of health shall update the estimated state-  
4 wide average residential water rate by July 1 of each year that this  
5 section remains in effect.

6 (4) This section expires July 1, 2004.

--- END ---