
SUBSTITUTE SENATE BILL 5709

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Regala, Winsley and Fraser)

READ FIRST TIME 02/12/01.

1 AN ACT Relating to exempting from the state public utility tax the
2 sales of electricity to an electrolytic processing business; adding a
3 new section to chapter 82.16 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16 RCW
6 to read as follows:

7 (1) For the purposes of this section, a "chlor-alkali electrolytic
8 processing business" means a person who is engaged in a business that
9 uses more than ten average megawatts of electricity per month in a
10 chlor-alkali electrolytic process to split the electrochemical bonds of
11 sodium chloride and water to make chlorine and sodium hydroxide. A
12 "chlor-alkali electrolytic processing business" does not include direct
13 service industrial customers or their subsidiaries that contract for
14 the purchase of power from the Bonneville power administration as of
15 the effective date of this section.

16 (2) Effective July 1, 2001, the tax levied under this chapter does
17 not apply to sales of electricity made by a light and power business to
18 a chlor-alkali electrolytic processing business for the electrolytic

1 process if the contract for sale of electricity to the business
2 contains the following terms:

3 (a) The electricity to be used in the electrolytic process is
4 separately metered from the electricity used for general operations of
5 the business;

6 (b) The price charged for the electricity used in the electrolytic
7 process will be reduced by an amount equal to the tax exemption
8 available to the light and power business under this section; and

9 (c) Disallowance of all or part of the exemption under this section
10 is a breach of contract and the damages to be paid by the chlor-alkali
11 electrolytic processing business are the amount of the tax exemption
12 disallowed.

13 (3) The exemption provided for in this section does not apply to
14 amounts received from the remarketing or resale of electricity
15 originally obtained by contract for the electrolytic process.

16 (4) In order to claim an exemption under this section, the
17 chlor-alkali electrolytic processing business must provide the light
18 and power business with an exemption certificate in a form and manner
19 prescribed by the department.

20 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 immediately.

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