S-4302.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**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)

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  (1) A qualifying light and power business approved for credit as provided under section 3 of this act must make the total approved contribution to the recipient by October 1st of the calendar year in which the application is approved. If October 1st falls upon a Saturday, Sunday, or legal holiday, the payment to the recipient of the contribution is timely if sent on the next business day.

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

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

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

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

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

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

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

(5) The credit may be claimed against tax due under chapters 82.04 and 82.16 RCW from a renewable energy project only in the calendar year in which the credit was approved by the department and the contribution was made to the recipient or in the subsequent calendar year. No refunds may be granted for credits under this chapter. A qualifying light and power business may not receive credit against taxes due under chapters 82.04 and 82.16 RCW for the same contribution.

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

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

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

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

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

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

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

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

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

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

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

(2) Subject to applicable school board policies, student groups may conduct fund-raising activities, including but not limited to soliciting donations, in their private capacities for the purpose of generating nonassociated student body fund moneys. The school board policy shall include provisions to ensure appropriate accountability for these funds. Nonassociated student body program fund moneys generated and received by students for private purposes to use for scholarship, student exchange, and/or charitable purposes shall be held in trust in one or more separate accounts within an associated student body program fund and be disbursed for such purposes as the student group conducting the fund-raising activity shall determine: PROVIDED, That the school district shall either withhold an amount from such moneys as will pay the district for its direct costs in providing the service or otherwise be compensated for its cost for such service. Nonassociated student body program fund moneys shall not be deemed public moneys under section 7, Article VIII of the state Constitution. Notice shall be given identifying the intended use of the proceeds. The notice shall also state that the proceeds are nonassociated student body funds to be held in trust by the school district exclusively for the intended purpose. "Charitable purpose" under this section does not include any activity related to assisting a campaign for election of a person to an office or for the promotion or opposition to a ballot proposition.

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

**--- END ---**