
SENATE BILL 6157

State of Washington 58th Legislature 2004 Regular Session

By Senators T. Sheldon, Hale, Regala, Mulliken and Winsley

Read first time 01/13/2004. Referred to Committee on Economic Development.

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:

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

17 (b) "Sodium chlorate electrolytic processing business" means a
18 person who is engaged in a business that uses more than ten average
19 megawatts of electricity per month in a sodium chlorate electrolytic

1 process to split the electrochemical bonds of sodium chloride and water
2 to make sodium chlorate and hydrogen. A "sodium chlorate electrolytic
3 processing business" does not include direct service industrial
4 customers or their subsidiaries that contract for the purchase of power
5 from the Bonneville power administration as of the effective date of
6 this section.

7 (2) Effective July 1, 2004, the tax levied under this chapter does
8 not apply to sales of electricity made by a light and power business to
9 a chlor-alkali electrolytic processing business or a sodium chlorate
10 electrolytic processing business for the electrolytic process if the
11 contract for sale of electricity to the business contains the following
12 terms:

13 (a) The electricity to be used in the electrolytic process is
14 separately metered from the electricity used for general operations of
15 the business;

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

19 (c) Disallowance of all or part of the exemption under this section
20 is a breach of contract and the damages to be paid by the chlor-alkali
21 electrolytic processing business or the sodium chlorate electrolytic
22 processing business are the amount of the tax exemption disallowed.

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

26 (4) In order to claim an exemption under this section, the
27 chlor-alkali electrolytic processing business or the sodium chlorate
28 electrolytic processing business must provide the light and power
29 business with an exemption certificate in a form and manner prescribed
30 by the department.

31 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the
33 state government and its existing public institutions, and takes effect
34 immediately.

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