

SENATE BILL REPORT

SSB 6141

As Passed Senate, February 14, 2006

Title: An act relating to including the value of electric generation wind turbine facilities in the property tax levy limit calculation.

Brief Description: Including the value of wind turbine facilities in the property tax levy limit calculation.

Sponsors: Senate Committee on Water, Energy & Environment (originally sponsored by Senator Honeyford).

Brief History:

Committee Activity: Water, Energy & Environment: 1/11/06, 1/17/06 [DPS-WM].

Ways & Means: 2/2/06, 2/6/06 [DPS(WEE)].

Passed Senate: 2/14/06, 46-0.

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6141 be substituted therefor, and the substitute bill be referred to committee on Ways & Means.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Honeyford, Mulliken, Pridemore and Regala.

Staff: Margaret King (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6141 as recommended by Committee on Water, Energy & Environment be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Terry Wilson (786-7433)

Background: Taxing districts may increase their regular property tax levy by one percent per year, plus an additional amount based on the increase in the assessed value in this district resulting from new construction, improvements to real property, and state-assessed property.

Electric generation wind turbine facilities are personal property unless the same person owns both the wind turbine facilities and the land upon which they are located.

Wind turbine facilities owned by utilities that operate in more than one county are state assessed. Property taxes resulting from new state-assessed wind turbine facilities increase

revenues to taxing districts because taxes resulting from increases in the value of state-assessed property are added to the amount that may be levied under the levy limit.

Wind turbine facilities owned by utilities that operate entirely within a single county are assessed by the county assessor. Property taxes resulting from new county-assessed wind turbine facilities do not increase revenues to taxing districts because they are not considered "new construction" or an "improvement to property."

Summary of Bill: Property taxes resulting from new county-assessed electric generation wind turbine facilities are added to the amount that may be levied under the levy limit.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Water, Energy & Environment): Current law creates an inconsistency on how wind turbine facilities are taxed. Amendments would fix inconsistency in current law. The Governor supports the bill because it addresses current anomaly and allows equal taxing treatment at the local level for a form of renewable energy. Department of Revenue suggests removing the word "otherwise" to avoid confusion with the definition of wind turbine facilities within the department.

Testimony Against: (Water, Energy & Environment) None.

Who Testified: (Water, Energy & Environment) PRO: H.J. "Van" Vandenberg, Klickitat County Assessor; Dave Cook, Yakima County Assessor; Kathleen Drew, Office of the Governor.

Testimony For (Ways & Means): This corrects an anomaly in the statutes. The treatment depends on who values the property. This fixes a long-standing problem. This benefits eastern Washington. This ensures that new construction results in new revenues.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): PRO: H. J. "Van" Vandenberg, Klickitat County Assessor; Robert Carlton, Wash. State Association of County Assessors.