

# SENATE BILL REPORT

## SB 5717

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As Reported by Senate Committee On:  
Environment, Water & Energy, February 13, 2009

**Title:** An act relating to distributions of tax proceeds from thermal electric generating facilities.

**Brief Description:** Modifying provisions related to the distribution of tax proceeds from thermal electric generating facilities.

**Sponsors:** Senators Schoesler and Sheldon.

**Brief History:**

**Committee Activity:** Environment, Water & Energy: 2/11/09, 2/13/09 [DP].

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### SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

**Majority Report:** Do pass.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Hatfield, Holmquist, Marr, Morton, Ranker and Sheldon.

**Staff:** Sam Thompson (786-7413)

**Background:** Public utility districts (PUDs) pay a privilege tax on electric generating facilities in lieu of a tax on property. The privilege tax is measured by gross income derived from the sale of electric energy, the number of kilowatt hours of self-generated energy either distributed to consumers or resold to other utilities, and the wholesale value of energy produced in thermal plants.

In 1977 the Legislature applied a privilege tax to the nuclear power plant at Hanford, now called the Columbia Generating Station. The current rate is 1.605 percent of the wholesale value of the energy produced for sale or use. A portion of the tax revenue is annually distributed to city and county governments, library districts, and fire protection districts within a 35-mile radius of the most commonly used entrance of the Hanford Reservation, except for Adams County. Tax revenues are distributed as follows:

- 50 percent is distributed to the State General Fund for support of public schools; and
- 50 percent is distributed to local taxing districts, divided as follows: 22 percent to counties; 23 percent to cities; 23 percent to fire districts; and 2 percent to certain library districts.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** The revenue distribution area for the Columbia Generating Station privilege tax is extended to include a portion of Adams County, but only when the revenues exceed the collections for fiscal year 2009.

**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2009.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: The proponents of this legislation do not want to take revenue away from other counties within the current revenue distribution area. The area was established to enable local governments to offset costs related to operation of the Hanford nuclear power plant, and including the portion of Adams County that was excluded is equitable because some plant workers reside in Adams County.

**Persons Testifying:** PRO: Senator Schoesler, prime sponsor; Rudy Plager, Adams County Commissioner.