
SENATE BILL 5216

State of Washington

69th Legislature

2025 Regular Session

By Senators Shewmake and Chapman

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1 AN ACT Relating to green energy community funds to support school
2 districts and nonprofit organizations that service the communities
3 where renewable energy projects are located; amending RCW
4 28A.325.030; adding a new chapter to Title 82 RCW; and providing an
5 expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that green energy
8 provides economic and environmental benefits by creating
9 opportunities for jobs, and innovation by replacing dirtier forms of
10 energy. The legislature further finds that many, but not all, of
11 these benefits occur at the regional and global levels, beyond the
12 districts where projects are located. It is the intent of the
13 legislature to establish a program to ensure those broad benefits are
14 shared with the host communities by creating pathways to invest state
15 tax revenue back into local communities. This act provides community
16 benefits by creating a mechanism to ensure that more of the taxes
17 from new green energy projects are fed back into the districts where
18 they are located.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires
3 otherwise.

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

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

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

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

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

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

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

21 NEW SECTION. **Sec. 3.** (1) Application for tax credits under this
22 chapter must be submitted to the department before making a
23 contribution to a recipient. The application must be made to the
24 department in a form and manner prescribed by the department. The
25 application must contain information regarding: Details of the
26 renewable energy project, the project's location, the recipient of
27 the contribution (school district or nonprofit organization), the
28 proposed amount of the contribution to the recipient, and other
29 information required by the department to determine eligibility under
30 this chapter. The department must rule on the application within 45
31 days. Applications must be approved on a first-in-time basis.

32 (2) Applications must be submitted between January 1st and July
33 1st for contributions to be made by the qualifying light and power
34 business during the calendar year; however, the department may extend
35 the application deadline if a qualifying light and power business
36 does not make a contribution by the date specified in section 4 of
37 this act and forfeits all tax credits for the approved application.

1 NEW SECTION. **Sec. 4.** (1) A qualifying light and power business
2 approved for credit as provided under section 3 of this act must make
3 the total approved contribution to the recipient by October 1st of
4 the calendar year in which the application is approved. If October
5 1st falls upon a Saturday, Sunday, or legal holiday, the payment to
6 the recipient of the contribution is timely if sent on the next
7 business day.

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

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

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

25 NEW SECTION. **Sec. 5.** (1) Subject to the limitations in this
26 chapter, a credit is allowed against the tax imposed by chapters
27 82.04 and 82.16 RCW for approved contributions that are made by a
28 qualifying light and power business to a recipient.

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

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

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

1 (5) The credit may be claimed against tax due under chapters
2 82.04 and 82.16 RCW from a renewable energy project only in the
3 calendar year in which the credit was approved by the department and
4 the contribution was made to the recipient or in the subsequent
5 calendar year. No refunds may be granted for credits under this
6 chapter. A qualifying light and power business may not receive credit
7 against taxes due under chapters 82.04 and 82.16 RCW for the same
8 contribution.

9 (6) Credits may be earned for contributions made on or after
10 January 1, 2026, and on or before December 31, 2034. Credits earned
11 may be claimed on tax returns filed for reporting periods beginning
12 on or after January 1, 2026, and ending on or before December 31,
13 2035. No credit may be claimed on tax returns filed for reporting
14 periods beginning on or after January 1, 2036.

15 NEW SECTION. **Sec. 6.** To claim a credit under this chapter, a
16 person must electronically file with the department all returns,
17 forms, and other information the department requires in an electronic
18 format as provided or approved by the department. Any return, form,
19 or information required to be filed in an electronic format under
20 this section is not filed until received by the department in an
21 electronic format. As used in this section, "returns" has the same
22 meaning as "return" in RCW 82.32.050.

23 NEW SECTION. **Sec. 7.** Chapter 82.32 RCW applies to the
24 administration of this chapter.

25 NEW SECTION. **Sec. 8.** This chapter expires December 31, 2036.

26 NEW SECTION. **Sec. 9.** RCW 82.32.808 does not apply to this act.

27 NEW SECTION. **Sec. 10.** This chapter may be known and cited as
28 the Washington green energy community funds act.

29 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act
30 constitute a new chapter in Title 82 RCW.

31 **Sec. 12.** RCW 28A.325.030 and 2000 c 157 s 2 are each amended to
32 read as follows:

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

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

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

33 (2) Subject to applicable school board policies, student groups
34 may conduct fund-raising activities, including but not limited to
35 soliciting donations, in their private capacities for the purpose of
36 generating nonassociated student body fund moneys. The school board
37 policy shall include provisions to ensure appropriate accountability
38 for these funds. Nonassociated student body program fund moneys
39 generated and received by students for private purposes to use for
40 scholarship, student exchange, and/or charitable purposes shall be

1 held in trust in one or more separate accounts within an associated
2 student body program fund and be disbursed for such purposes as the
3 student group conducting the fund-raising activity shall determine:
4 PROVIDED, That the school district shall either withhold an amount
5 from such moneys as will pay the district for its direct costs in
6 providing the service or otherwise be compensated for its cost for
7 such service. Nonassociated student body program fund moneys shall
8 not be deemed public moneys under section 7, Article VIII of the
9 state Constitution. Notice shall be given identifying the intended
10 use of the proceeds. The notice shall also state that the proceeds
11 are nonassociated student body funds to be held in trust by the
12 school district exclusively for the intended purpose. "Charitable
13 purpose" under this section does not include any activity related to
14 assisting a campaign for election of a person to an office or for the
15 promotion or opposition to a ballot proposition.

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

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