

transferred to the state institutional industries fund created by this act.

Payment
of warrants.

SEC. 9. From and after the first day of August, 1959, all warrants drawn on the state institutional revolving account in the general fund of the state treasury and not presented for payment, shall be paid from the state institutional industries revolving fund.

Repeal.

SEC. 10. Sections 1, 3 and 4, chapter 115, Laws of 1957, section 41, chapter 7, Laws of 1921, and RCW 43.79.380, 43.79.382, 43.79.383 and 43.19.170 are each hereby repealed.

Passed the House February 14, 1959.

Passed the Senate March 12, 1959.

Approved by the Governor March 23, 1959.

CHAPTER 274.

[H. B. 286.]

PUBLIC UTILITY DISTRICTS—PRIVILEGE TAX.

AN ACT relating to public utility districts and the taxation thereof; amending section 7, chapter 278, Laws of 1957 and RCW 54.28.010; amending section 2, chapter 278, Laws of 1957 and RCW 54.28.020; amending section 3, chapter 278, Laws of 1957 and RCW 54.28.030; amending section 5, chapter 278, Laws of 1957 and RCW 54.28.050 to take effect January 1, 1960; and repealing section 15, chapter 278, Laws of 1957 and RCW 54.28.130.

Be it enacted by the Legislature of the State of Washington:

RCW 54.28.010
amended.

SECTION 1. Section 7, chapter 278, Laws of 1957 and RCW 54.28.010 are each amended to read as follows:

Definitions.

As used in this chapter:

"Tax
commission."

"Tax commission" means the state tax commission;

“Operating property” means all of the property utilized by a public utility district in the operation of a plant or system for the generation, transmission, or distribution of electric energy for sale;

“Operating property.”

“Taxing districts” means counties, cities, towns, school districts, and road districts;

“Taxing districts.”

“Distributes to consumers” means the sale of electric energy to ultimate consumers thereof, and does not include sales of electric energy for resale by the purchaser;

“Distributes to consumers.”

“Wholesale value” means all costs of a public utility district associated with the generation and transmission of energy from its own generation and transmission system to the point or points of interconnection with a distribution system owned and used by a district to distribute such energy to consumers, or in the event a distribution system owned by a district is not used to distribute such energy, then the term means the gross revenues derived by a district from the sale of such energy to consumers.

“Wholesale value.”

SEC. 2. Section 2, chapter 278, Laws of 1957 and RCW 54.28.020 are each amended to read as follows:

RCW 54.28.020 amended.

There is hereby levied and there shall be collected from every district a tax for the act or privilege of engaging within this state in the business of operating works, plants or facilities for the generation, distribution and sale of electric energy. With respect to each such district, such tax shall be the sum of the following amounts: (1) Two percent of the gross revenues derived by the district from the sale of all electric energy which it distributes to consumers who are served by a distribution system owned by the district; (2) five percent of the first four mills per kilowatt-hour of wholesale value of self-generated energy distributed to consumers by a district; (3) five percent of the first four mills per kilowatt-hour of revenue obtained by the dis-

Tax imposed
—Rates.

trict from the sale of self-generated energy for resale.

RCW 54.28.030
amended.

Districts'
report to
tax commis-
sion.

SEC. 3. Section 3, chapter 278, Laws of 1957 and RCW 54.28.030 are each amended to read as follows:

On or before the fifteenth day of March of each year, each district subject to this tax shall file with the tax commission a report verified by the affidavit of its manager or secretary on forms prescribed by the tax commission. Such report shall state (1) the gross revenues derived by the district from the sale of all distributed energy to consumers and the respective amounts derived from such sales within each county; (2) the gross revenues derived by the district from the sale of self-generated energy for resale; (3) the amount of all generated energy distributed by a district from its own generating facilities, the wholesale value thereof, and the basis on which the value is computed; (4) the total cost of all generating facilities and the cost of acquisition of land and land rights for reservoir purposes in each county, and (5) such other and further information as the tax commission reasonably may require in order to administer the provisions of this chapter. In case of failure by a district to file such report, the commission may proceed to determine the information, which determination shall be contestable by the district only for actual fraud.

RCW 54.28.050
amended.

Apportion-
ment of tax
to taxing
district.

SEC. 4. Section 5, chapter 278, Laws of 1957 and RCW 54.28.050 are each amended to read as follows:

After computing the tax imposed by this chapter, the tax commission shall instruct the state treasurer, after placing four percent in the state general fund, to distribute the balance collected under RCW 54.28.020 subsection (1) to each county in proportion to the gross revenue from sales made within each county; and to distribute the balance collected under RCW 54.28.020 subsections (2) and (3) as follows: If the entire generating facility,

including reservoir, if any, is in a single county then all of the balance to the county where such generating facility is located. If any reservoir is in more than one county, then to each county in which the reservoir or any portion thereof is located a percentage equal to the percentage determined by dividing the total cost of the generating facilities, including adjacent switching facilities, into twice the cost of land and land rights acquired for any reservoir within each county, land and land rights to be defined the same as used by the federal power commission. If the powerhouse and dam, if any, in connection with such reservoir are in more than one county, the balance shall be divided sixty percent to the county in which the owning district is located and forty percent to the other county or counties or if said powerhouse and dam, if any, are owned by a joint operating agency organized under chapter 43.52 RCW, or by more than one district or are outside the county of the owning district, then to be divided equally between the counties in which such facilities are located. If all of the powerhouse and dam, if any, are in one county, then the balance shall be distributed to the county in which the facilities are located.

Apportionment of tax to taxing district.

SEC. 5. Section 15, chapter 278, Laws of 1957 and RCW 54.28.130 are each repealed.

Repeal.

SEC. 6. The effective date of section 4 of this 1959 amendatory act shall be January 1, 1960.

Effective date, section 4.

Passed the House March 3, 1959.

Passed the Senate March 12, 1959.

Approved by the Governor March 23, 1959.