

# Electrolytic Processors

| Objectives (inferred)                           | Results  |
|---|--|
| Retain family-wage jobs.                        | <b>Met.</b> Processors provided 106 jobs in 2015, compared to 33 in 2005. Processors pay above state and county average wages. |
| Continue electrolytic processing in Washington. | <b>Met.</b> There are now two processors in Washington, compared to one in 2005.   |

This preference has no stated objectives. These objectives come from 2004 when the preference was originally enacted. In 2010, the Legislature consolidated statutory reporting requirements and repealed the stated objectives.

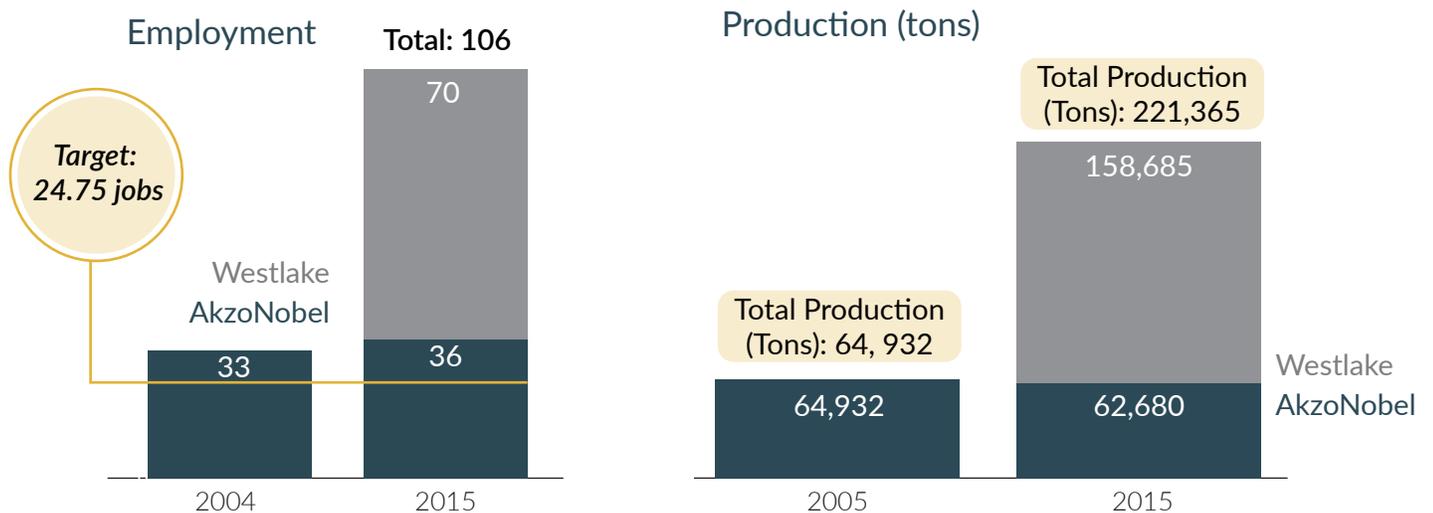
## Sales of electricity to electrolytic processors exempt from public utility tax

**Electrolytic processors** use electricity to convert dissolved salt into chemicals (such as chlorine), which are used by other industries.

**Utilities** do not pay public utility tax on their sales of electricity for electrolysis. They must pass the savings on to the electrolytic processors.

## Processors have increased jobs and production

Washington’s processors have increased jobs. They report that 105 of the 106 jobs had wages more than \$20 per hour in 2015. Production has also increased since the preference began.



Source: JLARC staff analysis of DOR annual reports.

## Legislative Auditor recommendation: Clarify

The Legislature should clarify by stating public policy objectives and metrics. Metrics could include job targets, definition of “family-wage,” employment concentration, or the level of production compared with the industry as a whole.

The complete report is on the JLARC web site.

For more information, contact: Keenan Konopaski, Washington State Legislative Auditor (360) 786-5187 • keenan.konopaski@leg.wa.gov