

districts, (c) approval of annexation by the board, (d) the boundaries of the districts after annexation, (e) the disposition of any assets of the districts in the area to be annexed, (f) the obligations to be assumed by the annexing district, (g) apportionment of election costs, and (h) that voters in the area to be annexed will be advised of lawsuits that may impose liability on the annexed territory and the possible impact of annexation on taxes and utility rates.

If annexation is approved, the area annexed shall cease to be a part of the one public utility district at the same time that it becomes a part of the other district. The annexing public utility district shall assume responsibility for providing the area annexed with the services provided by the other public utility district in the area annexed.

NEW SECTION. Sec. 3. A new section is added to chapter 54.04 RCW to read as follows:

When territory has been added to a public utility district in accordance with RCW 54.04.035, the supervisor of elections and other officers of the county in which the public utility district first operated shall coordinate elections, the levy and collection of taxes, and other necessary duties with the appropriate county officials of the other county.

Passed the House April 21, 1987.

Passed the Senate April 8, 1987.

Approved by the Governor May 8, 1987.

Filed in Office of Secretary of State May 8, 1987.

CHAPTER 293

[Engrossed Substitute House Bill No. 373]

RURAL DEVELOPMENT—STUDY ON OFFICE-INTENSIVE INDUSTRY FEASIBILITY AND TELECOMMUNICATIONS INFRASTRUCTURE

AN ACT Relating to rural development; amending RCW 80.36.380; creating new sections; and making an appropriation.

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

NEW SECTION. Sec. 1. It is the intent of the legislature to:

- (1) Promote economic development in the rural community through the use of telecommunications;
- (2) Find ways to diversify the rural economy by using information-intensive service-sector type businesses; and
- (3) Find ways to use telecommunications applications to stimulate the economy in agricultural areas.

The legislature therefore directs the department of community development, and the utilities and transportation commission, to investigate the feasibility of introducing office-intensive industry into agriculturally based rural communities in Washington state.

NEW SECTION. Sec. 2. In its study, the department of community development shall:

(1) Examine the trends in office-intensive industry and the extent to which the industry decentralizes its facilities to determine how locating such facilities in rural areas can benefit the industry and the communities in which such facilities are located.

(2) Compare the cost of locating the office sector work for these industries in the rural community to conducting the work in a nearby urban setting in Washington state. The department shall base this comparison on a specific agriculturally based rural community in this state. This comparison should include:

- (a) Cost of labor;
- (b) Turn-over rates;
- (c) Availability and cost of office space;
- (d) Occupancy costs;
- (e) Availability and qualification of labor force; and
- (f) Such other factors found pertinent to the study.

(3) Determine whether the rural community has the sufficient telecommunications infrastructure to accommodate the potential facilities. The department should consider:

- (a) The type of local exchange facilities available;
- (b) The level of sophistication of central office switching technology;
- (c) The type, availability, and choice of long distance carriers; and
- (d) A comparison of party line and private line technology and cost.

(4) Determine the feasibility and the advantages and disadvantages of an industry locating its office sector branch in a rural community as opposed to a local entrepreneur setting up the branch and contracting with the industry to supply office services.

NEW SECTION. Sec. 3. (1) The utilities and transportation commission shall conduct a study to determine the number of party versus private lines in the rural community selected for study under section 2 of this act, and determine the cost, feasibility, and desirability of converting to private lines. This information shall be supplied to the department of community development.

(2) The department of community development and the utilities and transportation commission shall jointly develop recommendations for a program to update rural communities about telecommunications and computer applications to farming, logging, wood products manufacturing, and aquaculture and fishing enterprises.

NEW SECTION. Sec. 4. The department of community development and the utilities and transportation commission shall submit the results of their studies and their recommendations to the governor and the senate and house committees on energy and utilities by January 1, 1988.

NEW SECTION. Sec. 5. As we become an information-based society, the communications channels that serve us become part of the state's infrastructure. They are our highways and pathways to progress. No segment of this state must be unable to avail itself of communications facilities. In order to be able to promote economic development in the rural community through the use of telecommunications, the legislature further directs the utilities and transportation commission to conduct a study of the state's telecommunications infrastructure.

Sec. 6. Section 41, chapter 450, Laws of 1985 and RCW 80.36.380 are each amended to read as follows:

The commission shall provide the legislature with an annual report on the status of the Washington telecommunications industry. The report shall describe the competitiveness of all markets as defined by the commission; the availability of diverse and affordable telecommunications services to all people of Washington, particularly to customers in rural or sparsely populated areas; and the level of rates for local exchange and interexchange telecommunications service. The report also shall address the quality and extent of the state's telecommunications infrastructure. The report also shall address the question of whether competition in certain markets has developed to such an extent that the commission recommends additional regulatory flexibility such as detariffing or total deregulation and the evidence therefor; and the need for further legislation to achieve the purposes of RCW 80.36.300 through 80.36.370 and 80.04.010. The commission shall also monitor cost of service methodologies and shall recommend to the legislature whether cost of service ratemaking shall become a standard for telecommunications services.

NEW SECTION. Sec. 7. The sum of forty-two thousand dollars, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 1989, from the general fund to the department of community development for the purposes of this act.

Passed the House April 22, 1987.

Passed the Senate April 8, 1987.

Approved by the Governor May 8, 1987.

Filed in Office of Secretary of State May 8, 1987.

CHAPTER 294

[Engrossed House Bill No. 24]

SPECIAL FUEL USED IN LOGGING OPERATIONS ON FEDERAL LAND—EXCISE TAX EXEMPTION

AN ACT Relating to motor vehicle fuel excise tax payments; and adding a new section to chapter 82.38 RCW.

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