

known as the "Metropolitan Tract" and any land contiguous thereto, shall not sell said land or any part thereof or any improvement thereon, or lease said land or any part thereof or any improvement thereon or renew or extend any lease thereof for a term ending more than sixty years beyond midnight, (~~July 23, 1974~~) December 31, 1980. Any sale of said land or any part thereof or any improvement thereon, or any lease or renewal or extension of any lease of said land or any part thereof or any improvement thereon for a term ending more than sixty years after midnight, (~~July 23, 1974~~) December 31, 1980, made or attempted to be made by the board of regents shall be null and void unless and until the same has been approved or ratified and confirmed by legislative act.

The board of regents shall have power from time to time to lease said land, or any part thereof or any improvement thereon for a term ending not more than sixty years beyond midnight, (~~July 23, 1974~~) December 31, 1980: PROVIDED, That the board of regents shall make a full, detailed report of all leases and transactions pertaining to said land or any part thereof or any improvement thereon to each regular session of the legislature: PROVIDED FURTHER, That any and all records, books, accounts and/or agreements of any lessee or sublessee under this section, pertaining to compliance with the terms and conditions of such lease or sublease, shall be open to inspection by the board of regents and/or the ways and means committee of the senate or the appropriations committee of the house of representatives or any successor committee of either. It is not intended by this proviso that unrelated records, books, accounts and/or agreements of lessees, sublessees or related companies be open to such inspection.

NEW SECTION. Sec. 2. This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House June 19, 1977.

Passed the Senate June 19, 1977.

Approved by the Governor July 14, 1977.

Filed in Office of Secretary of State July 14, 1977.

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## CHAPTER 366

[Substitute House Bill No. 3]

### PUBLIC UTILITY DISTRICTS—PRIVILEGE TAXES—THERMAL ELECTRIC GENERATING FACILITIES

AN ACT Relating to revenue and taxation; amending section 7, chapter 278, Laws of 1957 as last amended by section 22, chapter 26, Laws of 1967 ex. sess. and RCW 54.28.010; amending section 2, chapter 278, Laws of 1957 as amended by section 2, chapter 274, Laws of 1959 and RCW 54.28.020; amending section 3, chapter 278, Laws of 1957 as last amended by section 30, chapter 278, Laws of 1975 1st ex. sess. and RCW 54.28.030; amending section 5, chapter 278, Laws of 1957 as last amended by section 32, chapter 278, Laws of 1975 1st ex. sess. and RCW 54.28.050; amending section 10, chapter 278, Laws of 1957 and RCW 54.28.090; and adding new sections to chapter 54.28 RCW.

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

Section 1. Section 7, chapter 278, Laws of 1957 as last amended by section 22, chapter 26, Laws of 1967 ex. sess. and RCW 54.28.010 are each amended to read as follows:

As used in this chapter:

~~(( "Tax commission" means the department of revenue of the state of Washington;))~~

(1) "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;

(2) "Taxing districts" means counties, cities, towns, school districts, and road districts;

(3) "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;

(4) "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 inter-connection 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;

(5) "Thermal electric generating facility" means a steam-powered electrical energy producing facility utilizing nuclear or fossil fuels;

(6) "Placed in operation" means delivery of energy into a transmission or distribution system for use or sale in such a manner as to establish a value accruing to the power plant operator, except operation incidental to testing or startup adjustments;

(7) "Impacted area" for a thermal electric generating facility on a federal reservation means that area in the state lying within thirty-five statute miles of the most commonly used entrance of the federal reservation and which is south of the southern boundary of township fifteen north.

Sec. 2. Section 2, chapter 278, Laws of 1957 as amended by section 2, chapter 274, Laws of 1959 and RCW 54.28.020 are each amended to read as follows:

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, except with respect to thermal electric generating facilities taxed under section 6 of this 1977 amendatory act, 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 district from the sale of self-generated energy for resale.

Sec. 3. Section 3, chapter 278, Laws of 1957 as last amended by section 30, chapter 278, Laws of 1975 1st ex. sess. 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 department of revenue a report verified by the affidavit of its manager or secretary on forms prescribed by the department of revenue. 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 from each of the facilities subject to taxation 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 such facilities or for reservoir purposes in each county((:)); and (5) such other and further information as the department of revenue reasonably may require in order to administer the provisions of this chapter. In case of failure by a district to file such report, the department may proceed to determine the information, which determination shall be contestable by the district only for actual fraud.

Sec. 4. Section 5, chapter 278, Laws of 1957 as last amended by section 32, chapter 278, Laws of 1975 1st ex. sess. and RCW 54.28.050 are each amended to read as follows:

After computing the tax imposed by ~~((this chapter))~~ RCW 54.28.020, the department of revenue 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.

The provisions of this section shall not apply to the distribution of taxes collected under section 6 of this 1977 amendatory act.

Sec. 5. Section 10, chapter 278, Laws of 1957 and RCW 54.28.090 are each amended to read as follows:

The county commissioners of each county shall direct the county treasurer to deposit funds to the credit of each taxing district in the county according to the manner they deem most equitable; except not less than thirty-five percent of all moneys so received shall be apportioned to the school districts within the county having district properties within their limits, and not less than an amount equal to three-fourths of one percent of the gross revenues obtained by a district from the sale of electric energy within any incorporated city or town shall be remitted to such city or town. Information furnished by the district to the county commissioners shall be the basis for the determination of the amount to be paid to such cities or towns.

The provisions of this section shall not apply to the distribution of taxes collected under section 6 of this 1977 amendatory act.

NEW SECTION. Sec. 6. There is added to chapter 54.28 RCW a new section to read as follows:

There is hereby levied and there shall be collected from every district operating a thermal electric generating facility, as defined in RCW 54.28.010 as now or hereafter amended, having a design capacity of two hundred fifty thousand kilowatts or more, located on a federal reservation, which is placed in operation after the effective date of this 1977 amendatory act, a tax for the act or privilege of engaging within the state in the business of generating electricity for use or sale, equal to one and one-half percent of wholesale value of energy produced for use or sale, except energy used in the operation of component parts of the power plant and associated transmission facilities under control of the person operating the power plant.

NEW SECTION. Sec. 7. There is added to chapter 54.28 RCW a new section to read as follows:

(1) After computing the tax imposed by section 6 of this 1977 amendatory act, the department of revenue shall instruct the state treasurer to distribute the amount collected as follows:

- (a) Fifty percent to the state general fund for the support of schools; and
- (b) Twenty-two percent to the counties, twenty-three percent to the cities, three percent to the fire protection districts, and two percent to the library districts.

(2) Each county, city, fire protection district and library district shall receive a percentage of the amount for distribution to counties, cities, fire protection districts and library districts, respectively, in the proportion that the population of such district residing within the impacted area bears to the total population of all such districts residing within the impacted area.

(3) If any distribution pursuant to subsection (1)(b) of this this section cannot be made, then that share shall be prorated among the state and remaining local districts.

(4) All distributions directed by this section to be made on the basis of population shall be calculated in accordance with data to be provided by the office of program planning and fiscal management.

Passed the House June 21, 1977.

Passed the Senate June 21, 1977.

Approved by the Governor July 14, 1977.

Filed in Office of Secretary of State July 14, 1977.