
SENATE BILL 5709

State of Washington

57th Legislature

2001 Regular Session

By Senators Regala, Winsley and Fraser

Read first time 01/31/2001. Referred to Committee on Environment,
Energy & Water.

1 AN ACT Relating to exempting from the state public utility tax the
2 sales of electricity to an electrolytic processing business; adding a
3 new section to chapter 82.16 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.16 RCW
6 to read as follows:

7 (1) For the purposes of this section, an "electrolytic processing
8 business" means a person who:

9 (a) Is engaged in a manufacturing business that uses an
10 electrolytic process and electricity is used as a raw material
11 component of the product being manufactured;

12 (b) Consumes more than ten megawatts of electricity per month; and

13 (c) Is not a direct service industrial customer of the Bonneville
14 power administration or does not otherwise receive an exemption or
15 credit from the public utility tax imposed under this chapter.

16 (2) Effective July 1, 2001, the tax levied under this chapter does
17 not apply to sales of electricity made by a light and power business to
18 an electrolytic processing business for consumption in the electrolytic

1 process if the contract for sale of electricity to an electrolytic
2 processing business contains the following terms:

3 (a) The electricity to be used as a raw material component in the
4 electrolytic process is separately metered from the electricity
5 consumed for general operations of the business;

6 (b) The price charged for the electricity used in the electrolytic
7 process will be reduced by an amount equal to the tax exemption
8 available to the light and power business under this section; and

9 (c) Disallowance of all or part of the exemption under this section
10 is a breach of contract and the damages to be paid by the electrolytic
11 processing business are the amount of the tax exemption disallowed.

12 (3) The exemption provided for in this section does not apply to
13 amounts received from the remarketing or resale of electricity
14 originally obtained by contract for the electrolytic process.

15 (4) In order to claim an exemption under this section, the
16 electrolytic processing business must provide the light and power
17 business with an exemption certificate in a form and manner prescribed
18 by the department.

19 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and takes effect
22 immediately.

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