

Multiple Agency Fiscal Note Summary

Bill Number: 6016 SB	Title: Green energy community fund
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	0	0	0	(2,500,000)	(2,500,000)	830,000	(6,750,000)	(6,750,000)	2,250,000
Total \$	0	0	0	(2,500,000)	(2,500,000)	830,000	(6,750,000)	(6,750,000)	2,250,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.3	0	0	49,000	1.0	0	0	180,000	1.0	0	0	180,000
Department of Revenue	.6	430,500	430,500	430,500	.4	78,700	78,700	78,700	.2	39,800	39,800	39,800
Total \$	0.9	430,500	430,500	479,500	1.4	78,700	78,700	258,700	1.2	39,800	39,800	219,800

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 1/31/2024
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Individual State Agency Fiscal Note

Bill Number: 6016 SB	Title: Green energy community fund	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.5	0.3	1.0	1.0
Account					
State Treasurer's Service	0	49,000	49,000	180,000	180,000
Account-State 404-1					
Total \$	0	49,000	49,000	180,000	180,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Adam Brunmeier	Phone: 360-786-7357	Date: 01/09/2024
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2024
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/31/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 6016 creates the Washington green energy community account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

The following estimated Washington green energy community account deposits were provided by the department of revenue (DOR) and are included in the DOR fiscal note.

- FY 26 = \$1,000,000
- FY 27 = \$2,330,000
- FY 28 = \$3,670,000
- FY 29 = \$5,330,000

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Under section 3(2), the state treasurer must distribute moneys deposited into the Washington green energy community account to school districts and nonprofit organizations. The department of revenue must notify the state treasurer of the distribution amounts and designated recipients. This new assignment will require additional resources for the work associated with establishing accounts for up to 295 school districts and up to 52,777 nonprofit organizations, working with various banks, completing the pre-note process for each district and nonprofit organization, the ongoing distribution work, etc.

Our estimate to address the additional workload is 0.5 FTE at a fiscal analyst 3 level in FY 25 and 1.0 FTE at fiscal analyst 3 level starting in FY 26 and beyond.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
404-1	State Treasurer's Service Account	State	0	49,000	49,000	180,000	180,000
Total \$			0	49,000	49,000	180,000	180,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.5	0.3	1.0	1.0
A-Salaries and Wages		34,000	34,000	136,000	136,000
B-Employee Benefits		10,000	10,000	40,000	40,000
C-Professional Service Contracts					
E-Goods and Other Services		5,000	5,000	4,000	4,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	49,000	49,000	180,000	180,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 3			0.5	0.3	1.0	1.0
Total FTEs			0.5	0.3	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 6016 SB	Title: Green energy community fund	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 35 - Public Utilities Tax				(2,500,000)	(6,750,000)
NEW-State 00 - 00 -				3,330,000	9,000,000
Total \$				830,000	2,250,000

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	1.1	0.6	0.4	0.2
Account					
GF-STATE-State 001-1	10,900	419,600	430,500	78,700	39,800
Total \$	10,900	419,600	430,500	78,700	39,800

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Adam Brunmeier	Phone: (360) 786-7357	Date: 01/09/2024
Agency Preparation: Alex Merk-Dyes	Phone: (360) 534-1601	Date: 01/15/2024
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 01/15/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/16/2024

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:

The law does not provide a tax credit for contributions to a Green Energy Community account.

PROPOSAL:

This bill proposes a new business and occupation (B&O) and public utility tax credit for public utilities (PU) that build a new renewable energy project within a school district's boundaries and contribute to the Green Energy Community Account.

A PU is a light and power business with a renewable energy project located within school district boundaries. A renewable energy project is a facility constructed after the effective date of this bill used by a PU to generate electricity from wind or solar power. The facility also could be used to store electrical energy.

Before contributing to the Green Energy Community Account, PUs must apply to the Department of Revenue (department) for tax credits. The application must contain the following:

- Proposed contribution amount.
- Renewable energy project details.
- School district or nonprofit organization receiving the contribution.
- Other information required by the department to determine eligibility.

The department must rule on the application within 45 days and approve it on a first-in-time basis. The PU must submit the application between January 1 and July 1 for contributions made during the calendar year. However, the department may extend the deadline if the PU doesn't contribute by October 1 and forfeits all tax credits for the approved application. The PU must make the total approved contribution to the department by October 1 of the calendar year the department approves the application.

The credit limit is 75% of the approved contribution, up to \$250,000 per utility per year. The statewide annual credit cap is \$5 million. Credits are not refundable.

PUs may earn credit for contributions made on or after January 1, 2025, and on or before December 31, 2034. PUs may claim credits on tax returns filed for reporting periods beginning on or after January 1, 2026, and ending on or before December 31, 2035. PUs may not claim credits on tax returns filed for reporting periods beginning on or after January 1, 2036. Electronic filing is required.

The bill creates the Green Energy Community Account kept by the State Treasurer. All contributions, donations, federal funds, and legislative appropriations must be deposited into the account and do not require an appropriation. Each quarter, the State Treasurer must distribute account money deposited the previous quarter to each school district and/or nonprofit organization designated to receive funds. The department must notify the State Treasurer of the amount and designated recipients.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session; however, due to the time it will take to program this bill's changes, the department cannot implement the bill until July 1, 2025.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS

- This bill takes effect June 4, 2024. The first use of the credit begins after January 1, 2026. The qualifying utilities will use their maximum credit in fiscal year 2026.
- The department will implement on July 1, 2025, and begin accepting applications and contributions at that time. Therefore, the impact of the contributions begins in fiscal year 2026.
- Investor-owned utilities are not eligible.
- To qualify, a constructed facility means a facility that is operationally complete and running.
- All of Washington is geographically located within a school district.
- Two known PU-owned renewable energy (RE) storage facilities exist in Washington, Arlington Microgrid by Snohomish PUD and Decatur Island by Orcas Power and Light Cooperative (OPALCO).
- The largest PUs with more resources and customers will most likely participate.
- Three PUs will construct qualifying RE projects and apply before October 1, 2025. Each will receive the maximum annual benefit of \$250,000 and continue to make the maximum contribution annually. Each year, PUs will complete an additional three to five projects.
- PUs may consider smaller projects that take less time to construct to capitalize on this credit leading to faster usage of the credit to the maximum annual amount of \$5 million. Larger projects take longer to plan and construct. Larger project impacts would be seen in later fiscal years.
- The total maximum credit allowed is \$5 million annually.
- All credit amounts will go towards PU taxes.
- Qualifying PUs will contribute the minimum amount to obtain the maximum tax credit.
- The NEW fund is the Green Energy Community account.
- The NEW source is contributions from public utilities.
- The Office of the State Treasurer's fiscal note reflects the distribution of the funds to the school districts and nonprofits.

DATA SOURCES

- Department of Revenue, Excise tax data
- Office of Superintendent of Public Instruction, School district data
- Department of Commerce, Electric utilities data
- Snohomish PUD, Energy storage data
- OPALCO, Decatur Island data
- Rea, J and Ugwu-Oju, O (2022, August 25). Why Purchased Power is Such a Big Deal to Better Understand U.S. Utilities' Climate Impact. Rocky Mountain Institute.
<https://rmi.org/why-purchased-power-is-such-a-big-deal-to-better-understand-us-utilities-climate-impact/>

REVENUE ESTIMATES

This bill increases state revenues by an estimated \$250,000 in fiscal year 2026, and by \$580,000 in fiscal year 2027.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2024 -	\$	0
FY 2025 -	\$	0
FY 2026 -	\$	250
FY 2027 -	\$	580
FY 2028 -	\$	920

FY 2029 - \$ 1,330

Local Government, if applicable (cash basis, \$000): None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

This legislation will affect 50 utilities.

FIRST YEAR COSTS:

The department will incur total costs of \$10,900 in fiscal year 2024. These costs include:

- Labor Costs – Time and effort equate to 0.09 FTE.
- Create a Special Notice to inform businesses of the new program.
- Update the department’s website and other information.

SECOND YEAR COSTS:

The department will incur total costs of \$419,600 in fiscal year 2025. These costs include:

- Labor Costs – Time and effort equate to 1.06 FTEs.
- Set up, program, and test computer system changes for a new contribution system, including registration, receiving payments, and distribution of funds collected.
- Create a new application for the utilities to provide information about the proposed project, the contribution amount, and the contribution recipient.
- Create new B&O and PUT credits with individual and program caps.
- Receive and approve or deny credit applications.
- Receive contributions from utilities.
- Monitor individual and program caps.

Object Costs - \$271,200.

- Contract computer system programming.

THIRD YEAR COSTS:

The Department will incur total costs of \$58,800 in fiscal year 2026. These costs include:

- Labor Costs – Time and effort equate to 0.5 FTE.
- Receive and approve or deny credit applications.
- Monitor individual and program caps.
- Receive contributions from utilities.
- Process returns, payments, and all associated work items, including issuing assessments for return errors and underpayments.
- Assist taxpayers with reporting questions and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.

FOURTH YEAR COSTS:

Ongoing costs for fiscal year 2027 equal \$19,900 and include similar activities described in the third-year costs. Time and effort equate to 0.2 FTE.

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Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	1.1	0.6	0.4	0.2
A-Salaries and Wages	6,800	94,200	101,000	50,400	25,600
B-Employee Benefits	2,200	31,100	33,300	16,600	8,400
C-Professional Service Contracts		271,200	271,200		
E-Goods and Other Services	1,300	15,800	17,100	8,800	4,600
J-Capital Outlays	600	7,300	7,900	2,900	1,200
Total \$	\$10,900	\$419,600	\$430,500	\$78,700	\$39,800

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EMS BAND 4	131,684		0.0	0.0		
EMS BAND 5	153,836		0.0	0.0		
EXCISE TAX EX 3	64,092		0.1	0.1	0.3	0.2
IT B A-JOURNEY	91,968		0.4	0.2	0.1	
IT SYS ADM-JOURNEY	96,552		0.3	0.2		
MGMT ANALYST4	76,188		0.0	0.0		
TAX POLICY SP 2	78,120	0.1	0.0	0.0		
TAX POLICY SP 3	88,416	0.0	0.1	0.1		
TAX POLICY SP 4	95,184		0.0	0.0		
WMS BAND 2	98,456	0.0	0.1	0.1		
WMS BAND 3	111,992		0.0	0.0		
Total FTEs		0.1	1.1	0.6	0.4	0.2

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the standard process to adopt one new rule under chapter 458-20 RCW. The department will use the expedited rulemaking process to amend WAC 458-20-179, titled: "Public utility tax." Persons affected by this rulemaking would include utilities, school districts, and nonprofit organizations that service

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communities where the renewable energy projects are located.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6016 SB

Title: Green energy community fund

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Cities that own and operate an electric utility.

☐ Counties:

☒ Special Districts: Electricity public utility districts.

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: The number of city-owned electric utilities that choose to contribute.
The number of electricity public utility districts that choose to contribute. The number and amount of contributions to the green energy community fund account.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/16/2024
Leg. Committee Contact: Adam Brunmeier	Phone: 360-786-7357	Date: 01/09/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/16/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/18/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill would establish the Washington green energy community fund account in Title 82 RCW. Contributions to this account will be used to support school districts and nonprofits in the school district where certain wind or solar power projects will be located. An electric utility that makes an approved contribution to the fund will be eligible to receive a tax credit.

Section 2 adds a new section which includes definitions to be used throughout the chapter. This includes the definition of “public utility” as a light and power business as defined in RCW 82.16.010 with a renewable energy project that is located within a school district boundary.

Section 5 adds a new section which revokes any tax credit approved if the public utility contributions are not received by October 1st of the calendar year in which the application was approved.

Section 6 adds a new section which allows a credit against the tax imposed by chapters 82.04 and 82.16 RCW for approved contributions made by a public utility to the Washington green energy community account. This credit is limited to an amount equal to 75 percent of the approved contribution made by a public utility. Each public utility may receive up to \$250,000 in total credits per calendar year. The utility may not receive credit for the same contribution under both chapters. Credits may be earned for contributions made on or after January 1, 2025, and before December 31, 2034, and claimed on tax returns filed on or after January 1, 2026, and ending on or before December 31, 2035.

This legislation takes effect 90 days after the final adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on local governments.

Staff costs to prepare and submit a tax credit application will vary by jurisdiction so these costs are indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have an indeterminate revenue impact on local governments.

According to the assumptions listed in the department of Revenue fiscal note, this legislation will affect 50 utilities. The largest public utilities are considered to be the most likely to participate. DOR predicts that three public utilities will most likely construct qualifying projects, apply before October 1, 2025, and receive the maximum benefit of \$250,000 on an annual basis. DOR also predicts that public utilities will complete an additional three to five projects on an annual basis. However, the number of public utilities owned by city governments or electricity public utility districts that choose to participate cannot be predicted in advance, so these revenues are indeterminate.

SOURCES

Department of Revenue fiscal note, SB 6016 (2024)

Individual State Agency Fiscal Note

Bill Number: 6016 SB	Title: Green energy community fund	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Adam Brunmeier	Phone: 360-786-7357	Date: 01/09/2024
Agency Preparation: TJ Kelly	Phone: (360) 725-6301	Date: 01/24/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 01/24/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/24/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 communicates the intent to create a mechanism to ensure that more of the taxes from new green energy projects are fed back into the districts where they are located.

Section 2 provides definitions of key terms.

Section 3 creates the Washington green energy community account in the custody of the State Treasurer. On a quarterly basis the State Treasurer must distribute moneys deposited into the account in the prior quarter to each school district and/or nonprofit organization designated as a recipient of contribution.

Section 4 describes the application process for a green energy tax credit.

Section 5 requires a public utility approved for a green energy tax credit as described in section 4 of this act to send contributions to the department for deposit into the Washington green energy community account. On a quarterly basis the department must notify the state treasurer regarding the distribution of contributions as required under section 3 of this act. The recipient of a contribution from the Washington green energy community account must be a school district with a renewable energy project located within the boundaries of the local school district or nonprofit organization that serves the community where the renewable energy project is located.

Section 13 requires that any school district receiving funding through green energy tax credit program must deposit the funds into a subaccount of its associated student body program fund and such funds may be used for any allowable purpose of the associated student body program fund.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Indeterminant. OSPI cannot project the future payouts to school districts of the green energy tax credit program.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Indeterminant. OSPI cannot project the future payouts to school districts of the green energy tax credit program. School districts will incur minimal costs associated with making changes to their local accounting systems to add the new sub-fund code.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*
NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.