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**SENATE BILL 5925**

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**State of Washington****66th Legislature****2019 Regular Session****By** Senators Fortunato, Schoesler, Rivers, Padden, and Wagoner

1 AN ACT Relating to renaming the department of revenue as the  
2 department of taxation; amending RCW 6.13.090, 6.13.090, 9.41.100,  
3 9.41.110, 9.41.135, 9.46.070, 11.08.170, 11.08.180, 11.08.185,  
4 11.08.200, 11.08.210, 11.08.220, 11.08.230, 11.08.240, 11.08.250,  
5 11.08.260, 11.08.300, 11.44.015, 11.76.220, 11.76.240, 11.76.245,  
6 14.08.122, 15.100.040, 15.100.050, 15.100.100, 18.11.085, 18.11.095,  
7 18.16.050, 18.16.175, 18.27.030, 18.27.390, 18.300.020, 18.300.070,  
8 19.02.020, 19.02.050, 19.02.115, 19.02.210, 19.94.015, 19.240.080,  
9 19.305.010, 19.305.030, 19.305.040, 19.305.060, 19.365.010,  
10 19.370.060, 22.28.040, 22.28.060, 23.90.040, 24.03.220, 24.06.260,  
11 26.23.065, 28A.150.400, 28A.150.412, 28C.04.420, 30A.22.200,  
12 34.05.010, 34.05.030, 34.05.110, 34.05.328, 34.05.422, 35.21.392,  
13 35.42.090, 35.90.010, 35.100.050, 35.101.052, 35.101.090, 35.102.040,  
14 35.102.1301, 35A.21.340, 36.21.011, 36.21.015, 36.21.100, 36.35.140,  
15 36.38.020, 36.57A.210, 36.57A.224, 36.100.040, 36.100.090,  
16 36.102.070, 36.120.050, 38.52.510, 39.08.010, 39.08.030, 39.12.100,  
17 39.26.010, 39.88.070, 39.100.010, 39.100.040, 39.102.020, 39.102.040,  
18 39.102.210, 39.102.220, 39.104.020, 39.104.100, 39.104.150,  
19 40.07.070, 42.56.390, 43.05.140, 43.06.400, 43.06.455, 43.06.465,  
20 43.06.466, 43.06.475, 43.06.490, 43.07.200, 43.07.390, 43.08.290,  
21 43.09.475, 43.10.067, 43.17.010, 43.31C.020, 43.42A.010, 43.62.040,  
22 43.136.035, 43.136.075, 43.136.080, 43.330.737, 43.365.040,  
23 44.28.805, 44.73.015, 46.12.560, 46.12.650, 46.12.695, 46.37.427,

1 46.68.124, 46.68.250, 46.70.021, 46.70.101, 46.71.090, 46.85.060,  
2 47.01.412, 47.46.060, 48.31.155, 49.48.086, 50.04.140, 50.04.145,  
3 50A.04.010, 51.08.181, 51.08.195, 53.08.090, 54.16.425, 54.28.040,  
4 54.28.050, 54.28.055, 54.28.125, 57.08.005, 59.18.312, 59.18.595,  
5 59.30.010, 59.30.020, 60.28.011, 60.28.021, 60.28.051, 60.28.060,  
6 63.29.135, 63.29.230, 63.29.350, 63.29.380, 66.08.150, 66.20.370,  
7 66.24.010, 66.24.620, 67.28.200, 69.07.210, 69.43.035, 69.50.375,  
8 69.50.535, 69.51A.230, 70.93.180, 70.94.161, 70.94.162, 70.94.483,  
9 70.95.510, 70.95.515, 70.95C.220, 70.105D.070, 70.108.140,  
10 70.155.120, 70.157.010, 70.158.020, 74.04.014, 74.08A.350,  
11 74.20A.020, 76.09.040, 76.09.240, 76.13.120, 76.13.160, 79.100.170,  
12 79.100.180, 81.100.030, 81.100.070, 81.104.190, 81.112.360,  
13 82.01.050, 82.01.060, 82.01.070, 82.01.100, 82.02.010, 82.02.210,  
14 82.03.130, 82.03.150, 82.03.160, 82.03.190, 82.04.020, 82.04.090,  
15 82.04.44525, 82.04.447, 82.04.450, 82.08.0201, 82.08.0266,  
16 82.08.02665, 82.08.0268, 82.08.0273, 82.08.060, 82.08.080, 82.08.090,  
17 82.08.100, 82.08.120, 82.08.160, 82.08.811, 82.08.820, 82.08.890,  
18 82.12.010, 82.12.024, 82.12.0256, 82.12.045, 82.12.070, 82.12.811,  
19 82.14.048, 82.14.0485, 82.14.0494, 82.14.050, 82.14.070, 82.14.370,  
20 82.14.390, 82.14.400, 82.14.415, 82.14.430, 82.14A.020, 82.16.0495,  
21 82.16.0497, 82.16.055, 82.16.120, 82.16.165, 82.18.060, 82.18.080,  
22 82.19.010, 82.19.030, 82.21.050, 82.23B.010, 82.24.030, 82.24.090,  
23 82.24.110, 82.24.120, 82.24.180, 82.24.190, 82.24.210, 82.24.520,  
24 82.24.560, 82.26.090, 82.27.060, 82.27.070, 82.29A.010, 82.29A.020,  
25 82.29A.040, 82.29A.050, 82.29A.060, 82.29A.070, 82.29A.080,  
26 82.29A.130, 82.29A.135, 82.29A.140, 82.32.030, 82.32.033, 82.32.045,  
27 82.32.050, 82.32.070, 82.32.090, 82.32.110, 82.32.120, 82.32.140,  
28 82.32.200, 82.32.215, 82.32.220, 82.32.230, 82.32.240, 82.32.260,  
29 82.32.270, 82.32.300, 82.32.310, 82.32.320, 82.32.330, 82.32.340,  
30 82.32.360, 82.32.394, 82.32.410, 82.32.532, 82.32.533, 82.32.580,  
31 82.32.785, 82.32.790, 82.32.900, 82.32A.005, 82.32A.010, 82.32A.020,  
32 82.32A.030, 82.32A.050, 82.33.040, 82.34.010, 82.45.035, 82.45.090,  
33 82.45.100, 82.45.180, 82.48.020, 82.49.010, 82.49.040, 82.49.050,  
34 82.49.080, 82.60.020, 82.60.080, 82.62.010, 82.62.060, 82.63.010,  
35 82.66.010, 82.73.010, 82.74.010, 82.75.010, 82.80.010, 82.80.110,  
36 82.80.120, 82.82.010, 83.100.160, 84.04.047, 84.08.010, 84.08.020,  
37 84.08.030, 84.08.040, 84.08.050, 84.08.060, 84.08.070, 84.08.080,  
38 84.08.120, 84.08.140, 84.08.190, 84.12.220, 84.12.230, 84.12.240,  
39 84.12.250, 84.12.260, 84.12.270, 84.12.300, 84.12.310, 84.12.330,  
40 84.12.340, 84.12.350, 84.12.360, 84.12.370, 84.12.390, 84.14.020,

1 84.16.010, 84.16.020, 84.16.030, 84.16.032, 84.16.034, 84.16.036,  
2 84.16.040, 84.16.050, 84.16.090, 84.16.100, 84.16.110, 84.16.120,  
3 84.16.130, 84.25.040, 84.26.040, 84.26.080, 84.33.051, 84.33.074,  
4 84.33.075, 84.33.0775, 84.33.086, 84.33.091, 84.33.200, 84.34.030,  
5 84.34.041, 84.34.065, 84.34.141, 84.34.145, 84.34.160, 84.36.037,  
6 84.36.041, 84.36.049, 84.36.255, 84.36.260, 84.36.264, 84.36.310,  
7 84.36.383, 84.36.385, 84.36.387, 84.36.389, 84.36.400, 84.36.590,  
8 84.36.630, 84.36.635, 84.36.640, 84.36.660, 84.36.812, 84.36.813,  
9 84.36.815, 84.36.820, 84.36.830, 84.36.835, 84.36.840, 84.36.850,  
10 84.36.860, 84.36.865, 84.37.070, 84.38.020, 84.38.050, 84.38.100,  
11 84.38.110, 84.38.180, 84.40.025, 84.40.038, 84.40.040, 84.40.065,  
12 84.40.190, 84.40.320, 84.40.340, 84.40.405, 84.41.041, 84.41.060,  
13 84.41.070, 84.41.080, 84.41.090, 84.41.110, 84.41.120, 84.41.130,  
14 84.44.090, 84.48.010, 84.48.014, 84.48.032, 84.48.042, 84.48.046,  
15 84.48.050, 84.48.075, 84.48.080, 84.48.130, 84.48.200, 84.52.043,  
16 84.52.0502, 84.52.063, 84.52.065, 84.55.060, 84.55.100, 84.56.025,  
17 84.56.290, 84.56.440, 84.64.050, 84.68.120, 84.68.130, 84.68.140,  
18 84.69.050, 84.69.100, 84.72.010, 84.72.020, 84.72.030, 88.02.370,  
19 88.02.420, 88.02.570, 88.26.020, 89.08.440, 90.76.010, and 90.76.020;  
20 reenacting and amending RCW 11.08.160, 19.80.005, 28B.145.040,  
21 63.29.010, 82.26.010, 82.32.235, 82.33.020, 82.45.150, 83.100.020,  
22 84.12.200, 84.34.310, 84.34.360, and 84.48.120; creating a new  
23 section; and providing effective dates.

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

25 NEW SECTION. **Sec. 1.** To promote truth in government, the  
26 department of revenue shall be renamed as the department of taxation.  
27 The department shall continue to use existing materials bearing the  
28 name "Department of Revenue" and order new materials with the name  
29 "Department of Taxation" when needed.

30 **Sec. 2.** RCW 6.13.090 and 2007 c 429 s 3 are each amended to read  
31 as follows:

32 A judgment against the owner of a homestead shall become a lien  
33 on the value of the homestead property in excess of the homestead  
34 exemption from the time the judgment creditor records the judgment  
35 with the recording officer of the county where the property is  
36 located. However, if a judgment of a district court of this state has  
37 been transferred to a superior court, the judgment becomes a lien

1 from the time of recording with such recording officer a duly  
2 certified abstract of the record of such judgment as it appears in  
3 the office of the clerk in which the transfer was originally filed. A  
4 department of (~~revenue~~) taxation tax warrant filed pursuant to RCW  
5 82.32.210 shall become a lien on the value of the homestead property  
6 in excess of the homestead exemption from the time of filing in  
7 superior court.

8 **Sec. 3.** RCW 6.13.090 and 2007 c 429 s 3 are each amended to read  
9 as follows:

10 A judgment against the owner of a homestead shall become a lien  
11 on the value of the homestead property in excess of the homestead  
12 exemption from the time the judgment creditor records the judgment  
13 with the recording officer of the county where the property is  
14 located. However, if a judgment of a district court of this state has  
15 been transferred to a superior court, the judgment becomes a lien  
16 from the time of recording with such recording officer a duly  
17 certified abstract of the record of such judgment as it appears in  
18 the office of the clerk in which the transfer was originally filed. A  
19 department of (~~revenue~~) taxation tax warrant filed pursuant to RCW  
20 82.32.210 shall become a lien on the value of the homestead property  
21 in excess of the homestead exemption from the time of filing in  
22 superior court.

23 **Sec. 4.** RCW 9.41.100 and 1994 sp.s. c 7 s 415 are each amended  
24 to read as follows:

25 Every dealer shall be licensed as provided in RCW 9.41.110 and  
26 shall register with the department of (~~revenue~~) taxation as  
27 provided in chapters 82.04 and 82.32 RCW.

28 **Sec. 5.** RCW 9.41.110 and 2019 c 3 s 10 (Initiative Measure No.  
29 1639) are each amended to read as follows:

30 (1) No dealer may sell or otherwise transfer, or expose for sale  
31 or transfer, or have in his or her possession with intent to sell, or  
32 otherwise transfer, any pistol without being licensed as provided in  
33 this section.

34 (2) No dealer may sell or otherwise transfer, or expose for sale  
35 or transfer, or have in his or her possession with intent to sell, or  
36 otherwise transfer, any firearm other than a pistol without being  
37 licensed as provided in this section.

1 (3) No dealer may sell or otherwise transfer, or expose for sale  
2 or transfer, or have in his or her possession with intent to sell, or  
3 otherwise transfer, any ammunition without being licensed as provided  
4 in this section.

5 (4) The duly constituted licensing authorities of any city, town,  
6 or political subdivision of this state shall grant licenses in forms  
7 prescribed by the director of licensing effective for not more than  
8 one year from the date of issue permitting the licensee to sell  
9 firearms within this state subject to the following conditions, for  
10 breach of any of which the license shall be forfeited and the  
11 licensee subject to punishment as provided in RCW 9.41.010 through  
12 9.41.810. A licensing authority shall forward a copy of each license  
13 granted to the department of licensing. The department of licensing  
14 shall notify the department of (~~revenue~~) taxation of the name and  
15 address of each dealer licensed under this section.

16 (5)(a) A licensing authority shall, within thirty days after the  
17 filing of an application of any person for a dealer's license,  
18 determine whether to grant the license. However, if the applicant  
19 does not have a valid permanent Washington driver's license or  
20 Washington state identification card, or has not been a resident of  
21 the state for the previous consecutive ninety days, the licensing  
22 authority shall have up to sixty days to determine whether to issue a  
23 license. No person shall qualify for a license under this section  
24 without first receiving a federal firearms license and undergoing  
25 fingerprinting and a background check. In addition, no person  
26 ineligible to possess a firearm under RCW 9.41.040 or ineligible for  
27 a concealed pistol license under RCW 9.41.070 shall qualify for a  
28 dealer's license.

29 (b) A dealer shall require every employee who may sell a firearm  
30 in the course of his or her employment to undergo fingerprinting and  
31 a background check. An employee must be eligible to possess a  
32 firearm, and must not have been convicted of a crime that would make  
33 the person ineligible for a concealed pistol license, before being  
34 permitted to sell a firearm. Every employee shall comply with  
35 requirements concerning purchase applications and restrictions on  
36 delivery of pistols or semiautomatic assault rifles that are  
37 applicable to dealers.

38 (6)(a) Except as otherwise provided in (b) of this subsection,  
39 the business shall be carried on only in the building designated in

1 the license. For the purpose of this section, advertising firearms  
2 for sale shall not be considered the carrying on of business.

3 (b) A dealer may conduct business temporarily at a location other  
4 than the building designated in the license, if the temporary  
5 location is within Washington state and is the location of a gun show  
6 sponsored by a national, state, or local organization, or an  
7 affiliate of any such organization, devoted to the collection,  
8 competitive use, or other sporting use of firearms in the community.  
9 Nothing in this subsection (6)(b) authorizes a dealer to conduct  
10 business in or from a motorized or towed vehicle.

11 In conducting business temporarily at a location other than the  
12 building designated in the license, the dealer shall comply with all  
13 other requirements imposed on dealers by RCW 9.41.090, 9.41.100, and  
14 this section. The license of a dealer who fails to comply with the  
15 requirements of RCW 9.41.080 and 9.41.090 and subsection (8) of this  
16 section while conducting business at a temporary location shall be  
17 revoked, and the dealer shall be permanently ineligible for a  
18 dealer's license.

19 (7) The license or a copy thereof, certified by the issuing  
20 authority, shall be displayed on the premises in the area where  
21 firearms are sold, or at the temporary location, where it can easily  
22 be read.

23 (8)(a) No pistol or semiautomatic assault rifle may be sold: (i)  
24 In violation of any provisions of RCW 9.41.010 through 9.41.810; nor  
25 (ii) may a pistol or semiautomatic assault rifle be sold under any  
26 circumstances unless the purchaser is personally known to the dealer  
27 or shall present clear evidence of his or her identity.

28 (b) A dealer who sells or delivers any firearm in violation of  
29 RCW 9.41.080 is guilty of a class C felony. In addition to any other  
30 penalty provided for by law, the dealer is subject to mandatory  
31 permanent revocation of his or her dealer's license and permanent  
32 ineligibility for a dealer's license.

33 (c) The license fee for pistols shall be one hundred twenty-five  
34 dollars. The license fee for firearms other than pistols shall be one  
35 hundred twenty-five dollars. The license fee for ammunition shall be  
36 one hundred twenty-five dollars. Any dealer who obtains any license  
37 under subsection (1), (2), or (3) of this section may also obtain the  
38 remaining licenses without payment of any fee. The fees received  
39 under this section shall be deposited in the state general fund.

1 (9) (a) A true record in triplicate shall be made of every pistol  
2 or semiautomatic assault rifle sold, in a book kept for the purpose,  
3 the form of which may be prescribed by the director of licensing and  
4 shall be personally signed by the purchaser and by the person  
5 effecting the sale, each in the presence of the other, and shall  
6 contain the date of sale, the caliber, make, model and manufacturer's  
7 number of the weapon, the name, address, occupation, and place of  
8 birth of the purchaser, and a statement signed by the purchaser that  
9 he or she is not ineligible under state or federal law to possess a  
10 firearm.

11 (b) One copy shall within six hours be sent by certified mail to  
12 the chief of police of the municipality or the sheriff of the county  
13 of which the purchaser is a resident, or the state pursuant to RCW  
14 9.41.090; the duplicate the dealer shall within seven days send to  
15 the director of licensing; the triplicate the dealer shall retain for  
16 six years.

17 (10) Subsections (2) through (9) of this section shall not apply  
18 to sales at wholesale.

19 (11) The dealer's licenses authorized to be issued by this  
20 section are general licenses covering all sales by the licensee  
21 within the effective period of the licenses. The department shall  
22 provide a single application form for dealer's licenses and a single  
23 license form which shall indicate the type or types of licenses  
24 granted.

25 (12) Except as provided in RCW 9.41.090, every city, town, and  
26 political subdivision of this state is prohibited from requiring the  
27 purchaser to secure a permit to purchase or from requiring the dealer  
28 to secure an individual permit for each sale.

29 **Sec. 6.** RCW 9.41.135 and 1995 c 318 s 6 are each amended to read  
30 as follows:

31 (1) At least once every twelve months, the department of  
32 licensing shall obtain a list of dealers licensed under 18 U.S.C.  
33 Sec. 923(a) with business premises in the state of Washington from  
34 the United States bureau of alcohol, tobacco, and firearms. The  
35 department of licensing shall verify that all dealers on the list  
36 provided by the bureau of alcohol, tobacco, and firearms are licensed  
37 and registered as required by RCW 9.41.100.

38 (2) At least once every twelve months, the department of  
39 licensing shall obtain from the department of (~~revenue~~) taxation

1 and the department of (~~revenue~~) taxation shall transmit to the  
2 department of licensing a list of dealers registered with the  
3 department of (~~revenue~~) taxation, and a list of dealers whose names  
4 and addresses were forwarded to the department of (~~revenue~~)  
5 taxation by the department of licensing under RCW 9.41.110, who  
6 failed to register with the department of (~~revenue~~) taxation as  
7 required by RCW 9.41.100.

8 (3) At least once every twelve months, the department of  
9 licensing shall notify the bureau of alcohol, tobacco, and firearms  
10 of all dealers licensed under 18 U.S.C. Sec. 923(a) with business  
11 premises in the state of Washington who have not complied with the  
12 licensing or registration requirements of RCW 9.41.100. In notifying  
13 the bureau of alcohol, tobacco, and firearms, the department of  
14 licensing shall not specify whether a particular dealer has failed to  
15 comply with licensing requirements or has failed to comply with  
16 registration requirements.

17 **Sec. 7.** RCW 9.46.070 and 2012 c 116 s 1 are each amended to read  
18 as follows:

19 The commission shall have the following powers and duties:

20 (1) To authorize and issue licenses for a period not to exceed  
21 one year to bona fide charitable or nonprofit organizations approved  
22 by the commission meeting the requirements of this chapter and any  
23 rules and regulations adopted pursuant thereto permitting said  
24 organizations to conduct bingo games, raffles, amusement games, and  
25 social card games, to utilize punchboards and pull-tabs in accordance  
26 with the provisions of this chapter and any rules and regulations  
27 adopted pursuant thereto and to revoke or suspend said licenses for  
28 violation of any provisions of this chapter or any rules and  
29 regulations adopted pursuant thereto: PROVIDED, That the commission  
30 shall not deny a license to an otherwise qualified applicant in an  
31 effort to limit the number of licenses to be issued: PROVIDED  
32 FURTHER, That the commission or director shall not issue, deny,  
33 suspend, or revoke any license because of considerations of race,  
34 sex, creed, color, or national origin: AND PROVIDED FURTHER, That the  
35 commission may authorize the director to temporarily issue or suspend  
36 licenses subject to final action by the commission;

37 (2) To authorize and issue licenses for a period not to exceed  
38 one year to any person, association, or organization operating a  
39 business primarily engaged in the selling of items of food or drink



1 for consumption on the premises, approved by the commission meeting  
2 the requirements of this chapter and any rules and regulations  
3 adopted pursuant thereto permitting said person, association, or  
4 organization to utilize punchboards and pull-tabs and to conduct  
5 social card games as a commercial stimulant in accordance with the  
6 provisions of this chapter and any rules and regulations adopted  
7 pursuant thereto and to revoke or suspend said licenses for violation  
8 of any provisions of this chapter and any rules and regulations  
9 adopted pursuant thereto: PROVIDED, That the commission shall not  
10 deny a license to an otherwise qualified applicant in an effort to  
11 limit the number of licenses to be issued: PROVIDED FURTHER, That the  
12 commission may authorize the director to temporarily issue or suspend  
13 licenses subject to final action by the commission;

14 (3) To authorize and issue licenses for a period not to exceed  
15 one year to any person, association, or organization approved by the  
16 commission meeting the requirements of this chapter and meeting the  
17 requirements of any rules and regulations adopted by the commission  
18 pursuant to this chapter as now or hereafter amended, permitting said  
19 person, association, or organization to conduct or operate amusement  
20 games in such manner and at such locations as the commission may  
21 determine. The commission may authorize the director to temporarily  
22 issue or suspend licenses subject to final action by the commission;

23 (4) To authorize, require, and issue, for a period not to exceed  
24 one year, such licenses as the commission may by rule provide, to any  
25 person, association, or organization to engage in the selling,  
26 distributing, or otherwise supplying or in the manufacturing of  
27 devices for use within this state for those activities authorized by  
28 this chapter. The commission may authorize the director to  
29 temporarily issue or suspend licenses subject to final action by the  
30 commission;

31 (5) To establish a schedule of annual license fees for carrying  
32 on specific gambling activities upon the premises, and for such other  
33 activities as may be licensed by the commission, which fees shall  
34 provide to the commission not less than an amount of money adequate  
35 to cover all costs incurred by the commission relative to licensing  
36 under this chapter and the enforcement by the commission of the  
37 provisions of this chapter and rules and regulations adopted pursuant  
38 thereto: PROVIDED, That all licensing fees shall be submitted with an  
39 application therefor and such portion of said fee as the commission  
40 may determine, based upon its cost of processing and investigation,

1 shall be retained by the commission upon the withdrawal or denial of  
2 any such license application as its reasonable expense for processing  
3 the application and investigation into the granting thereof: PROVIDED  
4 FURTHER, That if in a particular case the basic license fee  
5 established by the commission for a particular class of license is  
6 less than the commission's actual expenses to investigate that  
7 particular application, the commission may at any time charge to that  
8 applicant such additional fees as are necessary to pay the commission  
9 for those costs. The commission may decline to proceed with its  
10 investigation and no license shall be issued until the commission has  
11 been fully paid therefor by the applicant: AND PROVIDED FURTHER, That  
12 the commission may establish fees for the furnishing by it to  
13 licensees of identification stamps to be affixed to such devices and  
14 equipment as required by the commission and for such other special  
15 services or programs required or offered by the commission, the  
16 amount of each of these fees to be not less than is adequate to  
17 offset the cost to the commission of the stamps and of administering  
18 their dispersal to licensees or the cost of administering such other  
19 special services, requirements or programs;

20 (6) To prescribe the manner and method of payment of taxes, fees  
21 and penalties to be paid to or collected by the commission;

22 (7) To require that applications for all licenses contain such  
23 information as may be required by the commission: PROVIDED, That all  
24 persons (a) having a managerial or ownership interest in any gambling  
25 activity, or the building in which any gambling activity occurs, or  
26 the equipment to be used for any gambling activity, or (b)  
27 participating as an employee in the operation of any gambling  
28 activity, shall be listed on the application for the license and the  
29 applicant shall certify on the application, under oath, that the  
30 persons named on the application are all of the persons known to have  
31 an interest in any gambling activity, building, or equipment by the  
32 person making such application: PROVIDED FURTHER, That the commission  
33 shall require fingerprinting and national criminal history background  
34 checks on any persons seeking licenses, certifications, or permits  
35 under this chapter or of any person holding an interest in any  
36 gambling activity, building, or equipment to be used therefor, or of  
37 any person participating as an employee in the operation of any  
38 gambling activity. All national criminal history background checks  
39 shall be conducted using fingerprints submitted to the United States  
40 department of justice-federal bureau of investigation. The commission

1 must establish rules to delineate which persons named on the  
2 application are subject to national criminal history background  
3 checks. In identifying these persons, the commission must take into  
4 consideration the nature, character, size, and scope of the gambling  
5 activities requested by the persons making such applications;

6 (8) To require that any license holder maintain records as  
7 directed by the commission and submit such reports as the commission  
8 may deem necessary;

9 (9) To require that all income from bingo games, raffles, and  
10 amusement games be recorded and reported as established by rule or  
11 regulation of the commission to the extent deemed necessary by  
12 considering the scope and character of the gambling activity in such  
13 a manner that will disclose gross income from any gambling activity,  
14 amounts received from each player, the nature and value of prizes,  
15 and the fact of distributions of such prizes to the winners thereof;

16 (10) To regulate and establish maximum limitations on income  
17 derived from bingo. In establishing limitations pursuant to this  
18 subsection the commission shall take into account (a) the nature,  
19 character, and scope of the activities of the licensee; (b) the  
20 source of all other income of the licensee; and (c) the percentage or  
21 extent to which income derived from bingo is used for charitable, as  
22 distinguished from nonprofit, purposes. However, the commission's  
23 powers and duties granted by this subsection are discretionary and  
24 not mandatory;

25 (11) To regulate and establish the type and scope of and manner  
26 of conducting the gambling activities authorized by this chapter,  
27 including but not limited to, the extent of wager, money, or other  
28 thing of value which may be wagered or contributed or won by a player  
29 in any such activities;

30 (12) To regulate the collection of and the accounting for the fee  
31 which may be imposed by an organization, corporation, or person  
32 licensed to conduct a social card game on a person desiring to become  
33 a player in a social card game in accordance with RCW 9.46.0282;

34 (13) To cooperate with and secure the cooperation of county,  
35 city, and other local or state agencies in investigating any matter  
36 within the scope of its duties and responsibilities;

37 (14) In accordance with RCW 9.46.080, to adopt such rules and  
38 regulations as are deemed necessary to carry out the purposes and  
39 provisions of this chapter. All rules and regulations shall be

1 adopted pursuant to the administrative procedure act, chapter 34.05  
2 RCW;

3 (15) To set forth for the perusal of counties, city-counties,  
4 cities and towns, model ordinances by which any legislative authority  
5 thereof may enter into the taxing of any gambling activity authorized  
6 by this chapter;

7 (16)(a) To establish and regulate a maximum limit on salaries or  
8 wages which may be paid to persons employed in connection with  
9 activities conducted by bona fide charitable or nonprofit  
10 organizations and authorized by this chapter, where payment of such  
11 persons is allowed, and to regulate and establish maximum limits for  
12 other expenses in connection with such authorized activities,  
13 including but not limited to rent or lease payments. However, the  
14 commissioner's powers and duties granted by this subsection are  
15 discretionary and not mandatory.

16 (b) In establishing these maximum limits the commission shall  
17 take into account the amount of income received, or expected to be  
18 received, from the class of activities to which the limits will apply  
19 and the amount of money the games could generate for authorized  
20 charitable or nonprofit purposes absent such expenses. The commission  
21 may also take into account, in its discretion, other factors,  
22 including but not limited to, the local prevailing wage scale and  
23 whether charitable purposes are benefited by the activities;

24 (17) To authorize, require, and issue for a period not to exceed  
25 one year such licenses or permits, for which the commission may by  
26 rule provide, to any person to work for any operator of any gambling  
27 activity authorized by this chapter in connection with that activity,  
28 or any manufacturer, supplier, or distributor of devices for those  
29 activities in connection with such business. The commission may  
30 authorize the director to temporarily issue or suspend licenses  
31 subject to final action by the commission. The commission shall not  
32 require that persons working solely as volunteers in an authorized  
33 activity conducted by a bona fide charitable or bona fide nonprofit  
34 organization, who receive no compensation of any kind for any purpose  
35 from that organization, and who have no managerial or supervisory  
36 responsibility in connection with that activity, be licensed to do  
37 such work. The commission may require that licensees employing such  
38 unlicensed volunteers submit to the commission periodically a list of  
39 the names, addresses, and dates of birth of the volunteers. If any  
40 volunteer is not approved by the commission, the commission may

1 require that the licensee not allow that person to work in connection  
2 with the licensed activity;

3 (18) To publish and make available at the office of the  
4 commission or elsewhere to anyone requesting it a list of the  
5 commission licensees, including the name, address, type of license,  
6 and license number of each licensee;

7 (19) To establish guidelines for determining what constitutes  
8 active membership in bona fide nonprofit or charitable organizations  
9 for the purposes of this chapter;

10 (20) To renew the license of every person who applies for renewal  
11 within six months after being honorably discharged, removed, or  
12 released from active military service in the armed forces of the  
13 United States upon payment of the renewal fee applicable to the  
14 license period, if there is no cause for denial, suspension, or  
15 revocation of the license;

16 (21) To issue licenses under subsections (1) through (4) of this  
17 section that are valid for a period of up to eighteen months, if it  
18 chooses to do so, in order to transition to the use of the business  
19 licensing services program through the department of ((~~revenue~~))  
20 taxation; and

21 (22) To perform all other matters and things necessary to carry  
22 out the purposes and provisions of this chapter.

23 **Sec. 8.** RCW 11.08.160 and 1988 c 128 s 1 and 1988 c 64 s 23 are  
24 each reenacted and amended to read as follows:

25 The department of ((~~revenue~~)) taxation of this state shall have  
26 supervision of and jurisdiction over escheat property and may  
27 institute and prosecute any proceedings, including any proceeding  
28 under chapter 11.62 RCW, deemed necessary or proper in the handling  
29 of such property, and it shall be the duty of the department of  
30 ((~~revenue~~)) taxation to protect and conserve escheat property for the  
31 benefit of the permanent common school fund of the state until such  
32 property or the proceeds thereof have been forwarded to the state  
33 treasurer or the department of natural resources as hereinafter  
34 provided.

35 **Sec. 9.** RCW 11.08.170 and 1994 c 221 s 3 are each amended to  
36 read as follows:

37 Escheat property may be probated under the provisions of the  
38 probate laws of this state. Whenever such probate proceedings are

1 instituted, whether by special administration or otherwise, the  
2 petitioner shall promptly notify the department of ((~~revenue~~))  
3 taxation in writing thereof on forms furnished by the department of  
4 ((~~revenue~~)) taxation to the county clerks. Thereafter, the department  
5 of ((~~revenue~~)) taxation shall be served with written notice at least  
6 twenty days prior to any hearing on proceedings involving the  
7 valuation or sale of property, on any petition for the allowance of  
8 fees, and on all interim reports, final accounts or petitions for the  
9 determination of heirship. Like notice shall be given of the  
10 presentation of any claims to the court for allowance. Failure to  
11 furnish such notice shall be deemed jurisdictional and any order of  
12 the court entered without such notice shall be void. The department  
13 of ((~~revenue~~)) taxation may waive the provisions of this section in  
14 its discretion. The department shall be deemed to have waived its  
15 right to administer in such probate proceedings under RCW  
16 11.28.120(5) unless application for appointment of the director or  
17 the director's designee is made within forty days immediately  
18 following receipt of notice of institution of proceedings.

19 **Sec. 10.** RCW 11.08.180 and 2010 c 8 s 2007 are each amended to  
20 read as follows:

21 The department of ((~~revenue~~)) taxation may demand copies of any  
22 papers, documents, or pleadings involving the escheat property or the  
23 probate thereof deemed by it to be necessary for the enforcement of  
24 RCW 11.08.140 through 11.08.280 and it shall be the duty of the  
25 administrator or his or her attorney to furnish such copies to the  
26 department.

27 **Sec. 11.** RCW 11.08.185 and 1973 c 25 s 1 are each amended to  
28 read as follows:

29 All records of the department of ((~~revenue~~)) taxation relating to  
30 escheated property or property about to escheat shall be a public  
31 record and shall be made available by the department of ((~~revenue~~))  
32 taxation for public inspection. Without limitation, the records to be  
33 made public shall include all available information regarding  
34 possible heirs, descriptions and amounts of property escheated or  
35 about to escheat, and any information which might serve to identify  
36 the proper heirs.

1       **Sec. 12.** RCW 11.08.200 and 2010 c 8 s 2008 are each amended to  
2 read as follows:

3       If any person shall take possession of escheat property without  
4 proper authorization to do so, and shall have the use thereof for a  
5 period exceeding sixty days, he or she shall be liable to the state  
6 for the reasonable value of such use, payment of which may be  
7 enforced by the department of ((~~revenue~~)) taxation or by the  
8 administrator of the estate.

9       **Sec. 13.** RCW 11.08.210 and 1979 ex.s. c 209 s 19 are each  
10 amended to read as follows:

11       If at the expiration of four months from the date of the first  
12 publication of notice to creditors no heirs have appeared and  
13 established their claim to the estate, the court may enter an interim  
14 order allowing claims, expenses, and partial fees. If at the  
15 expiration of ten months from the date of issuance of letters  
16 testamentary or of administration no heirs have appeared and  
17 established their claim to the estate, all personal property not in  
18 the form of cash shall be sold under order of the court. Personal  
19 property found by the court to be worthless shall be ordered  
20 abandoned. Real property shall not be sold for the satisfaction of  
21 liens thereon, or for the payment of the debts of decedent or  
22 expenses of administration until the proceeds of the personal  
23 property are first exhausted. The court shall then enter a decree  
24 allowing any additional fees and charges deemed proper and  
25 distributing the balance of the cash on hand, together with any real  
26 property, to the state. Remittance of cash on hand shall be made to  
27 the department of ((~~revenue~~)) taxation which shall make proper  
28 records thereof and forthwith forward such funds to the state  
29 treasurer for deposit in the permanent common school fund of the  
30 state.

31       **Sec. 14.** RCW 11.08.220 and 1988 c 128 s 2 are each amended to  
32 read as follows:

33       The department of ((~~revenue~~)) taxation shall be furnished two  
34 certified copies of the decree of the court distributing any real  
35 property to the state, one of which shall be forwarded to the  
36 department of natural resources which shall thereupon assume  
37 supervision of and jurisdiction over such real property and  
38 thereafter handle it the same as state common school lands. The

1 administrator shall also file a certified copy of the decree with the  
2 auditor of any county in which the escheated real property is  
3 situated.

4 **Sec. 15.** RCW 11.08.230 and 2010 c 8 s 2009 are each amended to  
5 read as follows:

6 Upon the appearance of heirs and the establishment of their claim  
7 to the satisfaction of the court prior to entry of the decree of  
8 distribution to the estate, the provisions of RCW 11.08.140 through  
9 11.08.280 shall not further apply, except for purposes of appeal:  
10 PROVIDED, That the department of (~~revenue~~) taxation shall be  
11 promptly given written notice of such appearance by the claimants and  
12 furnished copies of all papers or documents on which such claim of  
13 heirship is based. Any documents in a foreign language shall be  
14 accompanied by translations made by a properly qualified translator,  
15 certified by him or her to be true and correct translations of the  
16 original documents. The administrator or his or her attorney shall  
17 also furnish the department of (~~revenue~~) taxation with any other  
18 available information bearing on the validity of the claim.

19 **Sec. 16.** RCW 11.08.240 and 2010 c 8 s 2010 are each amended to  
20 read as follows:

21 Any claimant to escheated funds or real property shall have seven  
22 years from the date of issuance of letters testamentary or of  
23 administration within which to file his or her claim. Such claim  
24 shall be filed with the court having original jurisdiction of the  
25 estate, and a copy thereof served upon the department of (~~revenue~~)  
26 taxation, together with twenty days notice of the hearing thereon.

27 **Sec. 17.** RCW 11.08.250 and 1993 c 49 s 2 are each amended to  
28 read as follows:

29 Upon establishment of the claim to the satisfaction of the court,  
30 it shall order payment to the claimant of any escheated funds and  
31 delivery of any escheated land, or the proceeds thereof, if sold. If,  
32 however, the escheated property shall have been transferred to the  
33 state parks and recreation commission or local jurisdiction for park  
34 purposes, the court shall order payment to the claimant for the fair  
35 market value of the property at the time of transfer, excluding the  
36 value of physical improvements to the property while managed by a  
37 state agency or local jurisdiction. The value shall be established by



1 independent appraisal obtained by the department of ((~~revenue~~))  
2 taxation.

3 **Sec. 18.** RCW 11.08.260 and 1993 c 49 s 3 are each amended to  
4 read as follows:

5 In the event the order of the court requires the payment of  
6 escheated funds or the proceeds of the sale of escheated real  
7 property or the appraised value of escheated property transferred for  
8 park purposes, a certified copy of such order shall be served upon  
9 the department of ((~~revenue~~)) taxation which shall thereupon take any  
10 steps necessary to effect payment to the claimant out of the general  
11 fund of the state.

12 **Sec. 19.** RCW 11.08.300 and 2008 c 6 s 907 are each amended to  
13 read as follows:

14 Escheat property may be transferred to the department of  
15 ((~~revenue~~)) taxation under the provisions of RCW 11.62.005 through  
16 11.62.020. The department of ((~~revenue~~)) taxation shall furnish proof  
17 of death and an affidavit made by the department which meets the  
18 requirements of RCW 11.62.010 to any person who is indebted to or has  
19 possession of any personal property belonging to the decedent or to  
20 the decedent and his or her surviving spouse or surviving domestic  
21 partner as a community, which debt or personal property is an asset  
22 which is subject to probate. Upon receipt of such proof of death and  
23 affidavit, the person shall pay the indebtedness or deliver the  
24 personal property, or as much of either as is claimed, to the  
25 department of ((~~revenue~~)) taxation pursuant to RCW 11.62.010.

26 The department of ((~~revenue~~)) taxation shall file a copy of its  
27 affidavit made pursuant to chapter 11.62 RCW with the clerk of the  
28 court where any probate administration of the decedent has been  
29 commenced, or, if no probate administration has been commenced, then  
30 with the clerk of the court of any county provided by law as a place  
31 for probate administration of the estate of such person. The  
32 affidavit shall be indexed under the name of the decedent in the  
33 probate index upon payment of a fee of two dollars. Any claimant to  
34 escheated funds shall have seven years from the filing of the  
35 affidavit by the department of ((~~revenue~~)) taxation within which to  
36 file the claim. The claim shall be filed with the clerk of the court  
37 where the affidavit of the department of ((~~revenue~~)) taxation was  
38 filed, and a copy served upon the department of ((~~revenue~~)) taxation,

1 together with twenty days notice of a hearing to be held thereon, and  
2 the provisions of RCW 11.08.250 through 11.08.280 shall apply.

3 **Sec. 20.** RCW 11.44.015 and 1997 c 252 s 41 are each amended to  
4 read as follows:

5 (1) Within three months after appointment, unless a longer time  
6 shall be granted by the court, every personal representative shall  
7 make and verify by affidavit a true inventory and appraisalment of all  
8 of the property of the estate passing under the will or by laws of  
9 intestacy and which shall have come to the personal representative's  
10 possession or knowledge, including a statement of all encumbrances,  
11 liens, or other secured charges against any item. The personal  
12 representative shall determine the fair net value, as of the date of  
13 the decedent's death, of each item contained in the inventory after  
14 deducting the encumbrances, liens, and other secured charges on the  
15 item. Such property shall be classified as follows:

- 16 (a) Real property, by legal description;
- 17 (b) Stocks and bonds;
- 18 (c) Mortgages, notes, and other written evidences of debt;
- 19 (d) Bank accounts and money;
- 20 (e) Furniture and household goods;
- 21 (f) All other personal property accurately identified, including  
22 the decedent's proportionate share in any partnership, but no  
23 inventory of the partnership property shall be required of the  
24 personal representative.

25 (2) The inventory and appraisalment may, but need not be, filed in  
26 the probate cause, but upon receipt of a written request for a copy  
27 of the inventory and appraisalment from any heir, legatee, devisee,  
28 unpaid creditor who has filed a claim, or beneficiary of a nonprobate  
29 asset from whom contribution is sought under RCW 11.18.200, or from  
30 the department of (~~revenue~~) taxation, the personal representative  
31 shall furnish to the person, within ten days of receipt of a request,  
32 a true and correct copy of the inventory and appraisalment.

33 **Sec. 21.** RCW 11.76.220 and 1975 1st ex.s. c 278 s 10 are each  
34 amended to read as follows:

35 If the estate remains in the hands of the agent unclaimed for  
36 three years, any property not in the form of cash shall be sold under  
37 order of the court, and all funds, after deducting a reasonable sum  
38 for expenses and services of the agent, to be fixed by the court,

1 shall be paid into the county treasury. The county treasurer shall  
2 issue triplicate receipts therefor, one of which shall be filed with  
3 the county auditor, one with the court, and one with the department  
4 of (~~revenue~~) taxation. If the funds remain in the county treasury  
5 unclaimed for a period of four years and ninety days, the county  
6 treasurer shall forthwith remit them to the department of (~~revenue~~)  
7 taxation for deposit in the state treasury in the fund in which  
8 escheats and forfeitures are by law required to be deposited.

9       **Sec. 22.** RCW 11.76.240 and 2010 c 8 s 2075 are each amended to  
10 read as follows:

11       During the time the estate is held by the agent, or within four  
12 years after it is delivered to the county treasury, claim may be made  
13 thereto only by the absentee person or his or her legal  
14 representative, excepting that if it clearly appears that such person  
15 died prior to the decedent in whose estate distribution was made to  
16 him or her, but leaving lineal descendants surviving, such lineal  
17 descendants may claim. If any claim to the estate is made during the  
18 period specified above, the claimant shall forthwith notify the  
19 department of (~~revenue~~) taxation in writing of such claim. The  
20 court, being first satisfied as to the right of such person to the  
21 estate, and after the filing of a clearance from the department of  
22 (~~revenue~~) taxation, shall order the agent, or the county treasurer,  
23 as the case may be, to forthwith deliver the estate, or the proceeds  
24 thereof, if sold, to such person.

25       **Sec. 23.** RCW 11.76.245 and 2010 c 8 s 2077 are each amended to  
26 read as follows:

27       After any time limitation prescribed in RCW 11.76.220, 11.76.240  
28 or 11.76.243, the absentee claimant may, at any time, if the assets  
29 of the estate have not been claimed under the provisions of RCW  
30 11.76.240 and 11.76.243, notify the department of (~~revenue~~)  
31 taxation of his or her claim to the estate, and file in the court  
32 which had jurisdiction of the original probate a petition claiming  
33 the assets of the estate. The department of (~~revenue~~) taxation may  
34 appear in answer to such petition. Upon proof being made to the  
35 probate court that the claimant is entitled to the estate assets, the  
36 court shall render its judgment to that effect and the assets shall  
37 be paid to the claimant without interest, upon appropriation made by  
38 the legislature.

1       **Sec. 24.** RCW 14.08.122 and 1999 c 302 s 1 are each amended to  
2 read as follows:

3       An airport operator may adopt all regulations necessary for  
4 rental and use of airport facilities and for the expeditious  
5 collection of airport charges. The regulations may also establish  
6 procedures for the enforcement of these regulations by the airport  
7 operator. The regulations shall include the following:

8       (1) Procedures authorizing airport personnel to take reasonable  
9 measures including, but not limited to, the use of chains, ropes, and  
10 locks to secure aircraft within the airport facility so that the  
11 aircraft are in the possession and control of the airport operator  
12 and cannot be removed from the airport. These procedures may be used  
13 if an owner hangaring or parking an aircraft at the airport fails,  
14 after being notified that charges are owing and of the owner's right  
15 to contest that such charges are owing, to pay the airport charges  
16 owed or to commence legal proceedings. Notification shall be by  
17 registered mail to the owner at his or her last known address. In the  
18 case of an aircraft where an owner's address cannot be determined or  
19 obtained after reasonable effort, the airport operator need not give  
20 such notice prior to securing the aircraft. At the time of securing  
21 the aircraft, an authorized airport employee shall attach to the  
22 aircraft a readily visible notice and shall make a reasonable attempt  
23 to send a copy of the notice to the owner at his or her last known  
24 address by registered mail, return receipt requested, and an  
25 additional copy of the notice by first-class mail. The notice shall  
26 be of a reasonable size and shall contain the following information:

27       (a) The date and time the notice was attached;

28       (b) A reasonable description of the aircraft;

29       (c) The identity of the authorized employee;

30       (d) The amount of airport charges owing;

31       (e) A statement that if the account is not paid in full within  
32 ninety days from the time the notice was attached the aircraft may be  
33 sold at public auction to satisfy the airport charges;

34       (f) A statement of the owner's right to commence legal  
35 proceedings to contest the charges owing and to have the aircraft  
36 released upon posting of an adequate cash bond or other security; and

37       (g) The address and telephone number where additional information  
38 may be obtained concerning the release of the aircraft.

39       (2) Procedures authorizing airport personnel at their discretion  
40 to move aircraft to an area within the airport operator's control or

1 for storage with private persons under the airport operator's control  
2 as bailees of the airport facility. Costs of any such procedure shall  
3 be paid by the aircraft's owner.

4 (3) If an aircraft is secured under subsection (1) of this  
5 section or moved under conditions authorized by subsection (2) of  
6 this section the owner who is obligated for hangaring or parking or  
7 other airport charges may regain possession of the aircraft by:

8 (a) Making arrangements satisfactory with the airport operator  
9 for the immediate removal of the aircraft from the airport's hangar,  
10 or making arrangements for authorized parking; and

11 (b) By making payment to the airport operator of all airport  
12 charges or by posting with the airport operator a sufficient cash  
13 bond or other security acceptable to such operator, to be held in  
14 trust by the airport operator pending written agreement of the  
15 parties with respect to payment by the aircraft owner of the amount  
16 owing, or pending resolution of charges in a civil action in a court  
17 of competent jurisdiction. Upon written agreement or judicial  
18 resolution, the trust shall terminate and the airport operator shall  
19 receive so much of the bond or other security as is necessary to  
20 satisfy the agreement, or any judgment, costs, and interest as may be  
21 awarded to the airport operator. The balance shall be refunded  
22 immediately to the owner at the owner's last known address by  
23 registered mail, return receipt requested. The airport operator shall  
24 send to the owner by first-class mail a notice that the balance of  
25 funds was forwarded to him or her by registered mail, return receipt  
26 requested.

27 (4) If an aircraft parked or hangared at an airport is abandoned,  
28 the airport operator may authorize the public sale of the aircraft by  
29 authorized personnel to the highest and best bidder for cash as  
30 follows:

31 (a) If an aircraft has been secured by the airport operator under  
32 subsection (1) of this section and is not released to the owner under  
33 the bonding provisions of this section within ninety days after  
34 notifying or attempting to notify the owner under subsection (1) of  
35 this section, or in all other cases, for ninety days after the  
36 airport operator secures the aircraft, the aircraft shall be  
37 conclusively presumed to have been abandoned by the owner;

38 (b) Before the aircraft is sold, the owner of the aircraft shall  
39 be given at least twenty days' notice of sale by registered mail,  
40 return receipt requested, if the name and address of the owner are

1 known, and the notice of sale shall be published at least once, more  
2 than ten but less than twenty days before the sale, in a newspaper of  
3 general circulation in the county in which the airport is located.  
4 The notice shall include the name of the aircraft, if any, its  
5 aircraft identification number, the last known owner and address, the  
6 time and place of sale, the amount of airport charges that will be  
7 owing at the time of sale, a reasonable description of the aircraft  
8 to be sold and a statement that the airport operator may bid all or  
9 part of its airport charges at the sale and may become a purchaser at  
10 the sale;

11 (c) Before the aircraft is sold, any person seeking to redeem an  
12 impounded aircraft under this section may commence a lawsuit in the  
13 superior court of the county in which the aircraft was impounded, to  
14 contest the validity of the impoundment or the amount of airport  
15 charges owing. Such lawsuit must be commenced within ten days of the  
16 date the notification was provided under subsection (1) of this  
17 section, or the right to a hearing is waived and the owner is liable  
18 for any airport charges owing the airport operator. In the event of  
19 litigation, the prevailing party is entitled to reasonable attorneys'  
20 fees and costs;

21 (d) The proceeds of a sale under this section shall first be  
22 applied to payment of airport charges owed. The balance, if any,  
23 shall be deposited with the department of (~~revenue~~) taxation to be  
24 held in trust for the owner or owners and lienholders for a period of  
25 one year. If more than one owner appears on the aircraft title,  
26 and/or if any liens appear on the title, the department must, if a  
27 claim is made, interplead the balance into a court of competent  
28 jurisdiction for distribution. The department may release the balance  
29 to the legal owner provided that the claim is made within one year of  
30 sale and only one legal owner and no lienholders appear on the title.  
31 If no valid claim is made within one year of the date of sale, the  
32 excess funds from the sale shall be deposited in the aircraft search  
33 and rescue, safety, and education account created in RCW 47.68.236.  
34 If the sale is for a sum less than the applicable airport charges,  
35 the airport operator is entitled to assert a claim against the  
36 aircraft owner or owners for the deficiency;

37 (e) In the event that no one purchases the aircraft at a sale, or  
38 that the aircraft is not removed from the premises or other  
39 arrangements are not made within ten days of the sale, title to the  
40 aircraft shall revert to the airport operator.

1 (5) The regulations authorized under this section shall be  
2 enforceable only if:

3 (a) The airport operator has had its tariff and/or regulations,  
4 including any and all regulations authorizing the impoundment of an  
5 aircraft that is the subject of delinquent airport charges,  
6 conspicuously posted at the airport manager's office at all times(~~(-~~  
7 ~~+))~~);

8 (b) All impounding remedies available to the airport operator are  
9 included in any written contract for airport charges between an  
10 airport operator and an aircraft owner; and

11 (c) All rules and regulations authorized under this section are  
12 adopted either pursuant to chapter 34.05 RCW, or by resolution of the  
13 appropriate legislative authority, as applicable.

14 **Sec. 25.** RCW 15.100.040 and 2002 c 251 s 3 are each amended to  
15 read as follows:

16 (1) The director shall call the initial meeting of producers of  
17 forest products for the purpose of nominating their respective  
18 members of the commission after receiving notice from an association  
19 representing producers of forest products that substantial interest  
20 exists in forming a forest products commission. Public notice of the  
21 meeting shall be given by the director in the manner the director  
22 determines is appropriate. A producer may on his or her own motion  
23 file his or her name with the director for the purpose of receiving  
24 notice of the meeting. The nonreceipt of the notice by any interested  
25 person does not invalidate the proceedings.

26 (2) Prior to the nomination of commission members, the department  
27 of (~~revenue~~) taxation shall provide the director with a list of all  
28 qualified producers within the state based upon tax records of the  
29 department.

30 (3) For the initial election of commission members, any qualified  
31 producer may be nominated orally for a commissioner position at the  
32 meeting convened by the director. Nominations may also be made within  
33 five days prior to the meeting by a written petition filed with the  
34 department, signed by at least five producers who reside in the  
35 state. If the director determines that one of the positions from  
36 eastern Washington will go unfilled because of a lack of candidates,  
37 the director shall announce that this position shall be filled by a  
38 member from western Washington. If the position designated for  
39 eastern Washington is filled by a member from western Washington

1 because of a lack of candidates from eastern Washington, this  
2 position shall be designated as position number seven by the director  
3 for purposes of RCW 15.100.030(5). Under no circumstances will there  
4 be less than two board members from eastern Washington.

5 (4) The initial members of the commission shall be elected by  
6 secret mail ballot under the supervision of the director at the same  
7 time the referendum is submitted under RCW 15.100.120 calling for the  
8 creation of the commission and the imposition of the initial  
9 assessment. If a nominee does not receive a majority of the votes on  
10 the first ballot, a runoff election shall be held by mail in a  
11 similar manner between the two candidates for the position receiving  
12 the largest number of votes.

13 (5) If the director determines under RCW 15.100.120(3) that the  
14 requisite approval for the establishment of a commission has not been  
15 given, any subsequent efforts to create a commission must follow the  
16 procedures established under this chapter for the initial nomination  
17 and election of members.

18 **Sec. 26.** RCW 15.100.050 and 2001 c 314 s 5 are each amended to  
19 read as follows:

20 (1) After the initial election of commission members, the  
21 commission shall establish rules for electing commission members,  
22 including the method used for notification, nominating, and voting.  
23 The commission may create commission districts and boundaries, and  
24 may also establish a weighted voting procedure for election of  
25 commission members. The commission shall hold its annual meeting  
26 during the month of October each year for the purpose of nominating  
27 commission members and the transaction of other business. Public  
28 notice of the meeting shall be given by the commission in the manner  
29 it determines is appropriate. A producer may on his or her own motion  
30 file his or her name with the commission for the purpose of receiving  
31 notice of the meeting. The nonreceipt of the notice by any interested  
32 person does not invalidate the proceedings.

33 (2) Prior to the nomination of commission members, the department  
34 of (~~revenue~~) taxation shall provide the commission with a list of  
35 all qualified producers within the state based upon tax records of  
36 the department.

37 **Sec. 27.** RCW 15.100.100 and 2001 c 314 s 10 are each amended to  
38 read as follows:



1           (1) The commission shall cause a list to be prepared of all  
2 Washington producers of forest products from any information  
3 available from the commission, producers' association, or producers,  
4 including tax records from the department of (~~revenue~~) taxation.  
5 This list shall contain the names and addresses of all persons who  
6 produce forest products within this state, the amount of forest  
7 products produced during the period designated by the commission, and  
8 the assessment amount for each member. The list is considered  
9 confidential and may be reviewed only by the employees of the  
10 commission, except for information that may be disclosed to the  
11 public and commission members under subsection (4) of this section. A  
12 qualified person may, at any time, have his or her name placed upon  
13 the list by delivering or mailing the information to the commission.  
14 This list shall be corrected and brought up-to-date in accordance  
15 with evidence and information available to the commission on or  
16 before December 31st of each year, or as soon thereafter as possible.  
17 For all purposes of giving notice and holding referendums, the list  
18 on hand, corrected up to the day next preceding the date for issuing  
19 notices or ballots as the case may be, is, for purposes of this  
20 chapter, the list of all producers entitled to notice or to assent or  
21 dissent or to vote.

22           (2) The commission shall develop a reporting system to document  
23 that the producers of forest products in this state are reporting  
24 quantities of forest products produced and subject to the assessment  
25 as provided in RCW 15.100.110.

26           (3) The department of (~~revenue~~) taxation may charge the  
27 commission for the reasonable costs of providing reports of harvest  
28 activity on a quarterly basis.

29           (4) Any taxpayer information received by the commission from the  
30 department of (~~revenue~~) taxation may only be used for the limited  
31 purposes of establishing lists of producers necessary to determine  
32 eligibility for voting, eligibility for serving as a commission  
33 member, the amount of assessments owed, or other necessary purposes  
34 as established by law. Any return or tax information received from  
35 the department of (~~revenue~~) taxation may be reviewed only by the  
36 employees of the commission. Employees may disclose to the public and  
37 commission members a list of commission members, groupings of at  
38 least three commission members by the amount of forest products  
39 harvested over any time period designated by the commission of at

1 least one quarter, and the members who are eligible for the various  
2 positions on the commission.

3 **Sec. 28.** RCW 18.11.085 and 2002 c 86 s 206 are each amended to  
4 read as follows:

5 Every individual, before acting as an auctioneer, shall obtain an  
6 auctioneer certificate of registration. To be licensed as an  
7 auctioneer, an individual shall meet all of the following  
8 requirements:

9 (1) Be at least eighteen years of age or sponsored by a licensed  
10 auctioneer.

11 (2) File with the department a completed application on a form  
12 prescribed by the director.

13 (3) Show that the proper tax registration certificate required by  
14 RCW 82.32.030 has been obtained from the department of (~~revenue~~)  
15 taxation.

16 (4) Pay the auctioneer registration fee required under the agency  
17 rules adopted pursuant to this chapter.

18 (5) Except as otherwise provided under RCW 18.11.121, file with  
19 the department an auctioneer surety bond in the amount and form  
20 required by RCW 18.11.121 and the agency rules adopted pursuant to  
21 this chapter.

22 (6) Have no disqualifications under RCW 18.11.160 or 18.235.130.

23 **Sec. 29.** RCW 18.11.095 and 2002 c 86 s 207 are each amended to  
24 read as follows:

25 Every person, before operating an auction company as defined in  
26 RCW 18.11.050, shall obtain an auction company certificate of  
27 registration.

28 (1) Except as provided in subsection (2) of this section, to be  
29 licensed as an auction company, a person shall meet all of the  
30 following requirements:

31 (a) File with the department a completed application on a form  
32 prescribed by the director.

33 (b) Sign a notarized statement included on the application form  
34 that all auctioneers hired by the auction company to do business in  
35 the state shall be properly registered under this chapter.

36 (c) Show that the proper tax registration certificate required by  
37 RCW 82.32.030 has been obtained from the department of (~~revenue~~)  
38 taxation.

1 (d) Pay the auction company registration fee required under the  
2 agency rules adopted pursuant to this chapter.

3 (e) File with the department an auction company surety bond in  
4 the amount and form required by RCW 18.11.121 and the agency rules  
5 adopted pursuant to this chapter.

6 (f) Have no disqualifications under RCW 18.11.160 or 18.235.130.

7 (2) An auction company shall not be charged a license fee if it  
8 is a sole proprietorship or a partnership owned by an auctioneer or  
9 auctioneers, each of whom is licensed under this chapter, and if it  
10 has in effect a surety bond or bonds or other security approved by  
11 the director in the amount that would otherwise be required for an  
12 auction company to be granted or to retain a license under RCW  
13 18.11.121.

14 **Sec. 30.** RCW 18.16.050 and 2015 c 62 s 3 are each amended to  
15 read as follows:

16 (1) There is created a state cosmetology, hair design, barbering,  
17 esthetics, and manicuring advisory board consisting of a maximum of  
18 ten members appointed by the director. These members of the board  
19 shall include: A representative of private schools licensed under  
20 this chapter; a representative from an approved apprenticeship  
21 program conducted in an approved salon/shop; a representative of  
22 public vocational technical schools licensed under this chapter; a  
23 consumer who is unaffiliated with the cosmetology, hair design,  
24 barbering, esthetics, master esthetics, or manicuring industry; and  
25 six members who are currently practicing licensees who have been  
26 engaged in the practice of manicuring, esthetics, master esthetics,  
27 barbering, hair design, or cosmetology for at least three years.  
28 Members shall serve a term of three years. Any board member may be  
29 removed for just cause. The director may appoint a new member to fill  
30 any vacancy on the board for the remainder of the unexpired term.

31 (2) Board members shall be entitled to compensation pursuant to  
32 RCW 43.03.240 for each day spent conducting official business and to  
33 reimbursement for travel expenses as provided by RCW 43.03.050 and  
34 43.03.060.

35 (3) The board may seek the advice and input of officials from the  
36 following state agencies: (a) The workforce training and education  
37 coordinating board; (b) the employment security department; (c) the  
38 department of labor and industries; (d) the department of health; (e)

1 the department of licensing; and (f) the department of (~~revenue~~)  
2 taxation.

3 **Sec. 31.** RCW 18.16.175 and 2015 c 62 s 7 are each amended to  
4 read as follows:

5 (1) A salon/shop or mobile unit shall meet the following minimum  
6 requirements:

7 (a) Maintain an outside entrance separate from any rooms used for  
8 sleeping or residential purposes;

9 (b) Provide and maintain for the use of its customers adequate  
10 toilet facilities located within or adjacent to the salon/shop or  
11 mobile unit;

12 (c) Any room used wholly or in part as a salon/shop or mobile  
13 unit shall not be used for residential purposes, except that toilet  
14 facilities may be used for both residential and business purposes;

15 (d) Meet the zoning requirements of the county, city, or town, as  
16 appropriate;

17 (e) Provide for safe storage and labeling of chemicals used in  
18 the practices under this chapter;

19 (f) Meet all applicable local and state fire codes; and

20 (g) Certify that the salon/shop or mobile unit is covered by a  
21 public liability insurance policy in an amount not less than one  
22 hundred thousand dollars for combined bodily injury and property  
23 damage liability.

24 (2) The director may by rule determine other requirements that  
25 are necessary for safety and sanitation of salons/shops, personal  
26 services, or mobile units. The director may consult with the state  
27 board of health and the department of labor and industries in  
28 establishing minimum salon/shop, personal services, and mobile unit  
29 safety requirements.

30 (3) Personal services license holders shall certify coverage of a  
31 public liability insurance policy in an amount not less than one  
32 hundred thousand dollars for combined bodily injury and property  
33 damage liability.

34 (4) Upon receipt of a written complaint that a salon/shop or  
35 mobile unit has violated any provisions of this chapter, chapter  
36 18.235 RCW, or the rules adopted under either chapter, or at least  
37 once every two years for an existing salon/shop or mobile unit, the  
38 director or the director's designee shall inspect each salon/shop or  
39 mobile unit. If the director determines that any salon/shop or mobile

1 unit is not in compliance with this chapter, the director shall send  
2 written notice to the salon/shop or mobile unit. A salon/shop or  
3 mobile unit which fails to correct the conditions to the satisfaction  
4 of the director within a reasonable time shall, upon due notice, be  
5 subject to the penalties imposed by the director under RCW  
6 18.235.110. The director may enter any salon/shop or mobile unit  
7 during business hours for the purpose of inspection. The director may  
8 contract with health authorities of local governments to conduct the  
9 inspections under this subsection.

10 (5) A salon/shop, personal services, or mobile unit shall obtain  
11 a certificate of registration from the department of (~~revenue~~)  
12 taxation.

13 (6) This section does not prohibit the use of motor homes as  
14 mobile units if the motor home meets the health and safety standards  
15 of this section.

16 (7) Salon/shop or mobile unit licenses issued by the department  
17 must be posted in the salon/shop or mobile unit's reception area.

18 (8) Cosmetology, hair design, barbering, esthetics, master  
19 esthetics, and manicuring licenses issued by the department must be  
20 posted at the licensed person's workstation.

21 **Sec. 32.** RCW 18.27.030 and 2008 c 120 s 1 are each amended to  
22 read as follows:

23 (1) An applicant for registration as a contractor shall submit an  
24 application under oath upon a form to be prescribed by the director  
25 and which shall include the following information pertaining to the  
26 applicant:

27 (a) Employer social security number.

28 (b) Unified business identifier number.

29 (c) Evidence of workers' compensation coverage for the  
30 applicant's employees working in Washington, as follows:

31 (i) The applicant's industrial insurance account number issued by  
32 the department;

33 (ii) The applicant's self-insurer number issued by the  
34 department; or

35 (iii) For applicants domiciled in a state or province of Canada  
36 subject to an agreement entered into under RCW 51.12.120(7), as  
37 permitted by the agreement, filing a certificate of coverage issued  
38 by the agency that administers the workers' compensation law in the  
39 applicant's state or province of domicile certifying that the

1 applicant has secured the payment of compensation under the other  
2 state's or province's workers' compensation law.

3 (d) Employment security department number.

4 (e) Unified business identifier (UBI) account number may be  
5 substituted for the information required by (c) and (d) of this  
6 subsection if the applicant will not employ employees in Washington.

7 (f) Type of contracting activity, whether a general or a  
8 specialty contractor and if the latter, the type of specialty.

9 (g) The name and address of each partner if the applicant is a  
10 firm or partnership, or the name and address of the owner if the  
11 applicant is an individual proprietorship, or the name and address of  
12 the corporate officers and statutory agent, if any, if the applicant  
13 is a corporation or the name and address of all members of other  
14 business entities. The information contained in such application is a  
15 matter of public record and open to public inspection.

16 (2) The department may verify the workers' compensation coverage  
17 information provided by the applicant under subsection (1)(c) of this  
18 section, including but not limited to information regarding the  
19 coverage of an individual employee of the applicant. If coverage is  
20 provided under the laws of another state, the department may notify  
21 the other state that the applicant is employing employees in  
22 Washington.

23 (3) (a) The department shall deny an application for registration  
24 if: (i) The applicant has been previously performing work subject to  
25 this chapter as a sole proprietor, partnership, corporation, or other  
26 entity and the department has notice that the applicant has an  
27 unsatisfied final judgment against him or her in an action based on  
28 work performed subject to this chapter or the applicant owes the  
29 department money for penalties assessed or fees due under this  
30 chapter as a result of a final judgment; (ii) the applicant was an  
31 owner, principal, or officer of a partnership, corporation, or other  
32 entity that either has an unsatisfied final judgment against it in an  
33 action that was incurred for work performed subject to this chapter  
34 or owes the department money for penalties assessed or fees due under  
35 this chapter as a result of a final judgment; (iii) the applicant  
36 does not have a valid unified business identifier number; (iv) the  
37 department determines that the applicant has falsified information on  
38 the application, unless the error was inadvertent; or (v) the  
39 applicant does not have an active and valid certificate of  
40 registration with the department of (~~revenue~~) taxation.

1 (b) The department shall suspend an active registration if (i)  
2 the department has determined that the registrant has an unsatisfied  
3 final judgment against it for work within the scope of this chapter;  
4 (ii) the department has determined that the registrant is a sole  
5 proprietor or an owner, principal, or officer of a registered  
6 contractor that has an unsatisfied final judgment against it for work  
7 within the scope of this chapter; (iii) the registrant does not  
8 maintain a valid unified business identifier number; (iv) the  
9 department has determined that the registrant falsified information  
10 on the application, unless the error was inadvertent; or (v) the  
11 registrant does not have an active and valid certificate of  
12 registration with the department of (~~revenue~~) taxation.

13 (c) The department may suspend an active registration if the  
14 department has determined that an owner, principal, partner, or  
15 officer of the registrant was an owner, principal, or officer of a  
16 previous partnership, corporation, or other entity that has an  
17 unsatisfied final judgment against it.

18 (4) The department shall not deny an application or suspend a  
19 registration because of an unsatisfied final judgment if the  
20 applicant's or registrant's unsatisfied final judgment was determined  
21 by the director to be the result of the fraud or negligence of  
22 another party.

23 **Sec. 33.** RCW 18.27.390 and 2001 c 159 s 13 are each amended to  
24 read as follows:

25 (1) The legislature finds that it is contrary to public policy to  
26 allow unregistered contractors to continue doing business illegally.

27 (2) The department of labor and industries, the employment  
28 security department, and the department of (~~revenue~~) taxation shall  
29 establish an unregistered contractors enforcement team. The team  
30 shall develop a written plan to coordinate the activities of the  
31 participating agencies to enforce the state's contractor registration  
32 laws and rules and other state laws and rules deemed appropriate by  
33 the team. In developing the plan, the team shall seek the input and  
34 advice of interested stakeholders who support the work of the team.

35 (3) The director or the director's designee shall call the  
36 initial meeting of the unregistered contractors enforcement team by  
37 September 1, 2001. The team shall complete the plan and forward it to  
38 the appropriate standing committees of the legislature and to the  
39 departments that contribute members to the team by December 1, 2001.

1 (4) The department of labor and industries, the employment  
2 security department, and the department of (~~revenue~~) taxation shall  
3 accomplish the tasks listed in this section within existing  
4 resources, including but not limited to fees charged under RCW  
5 18.27.075.

6 **Sec. 34.** RCW 18.300.020 and 2009 c 412 s 3 are each amended to  
7 read as follows:

8 In addition to any other duties imposed by law, including RCW  
9 18.235.030 and 18.235.040, the director has the following powers and  
10 duties:

11 (1) To set all license, examination, and renewal fees in  
12 accordance with RCW 43.24.086;

13 (2) To adopt rules necessary to implement this chapter;

14 (3) To prepare and administer or approve the preparation and  
15 administration of licensing;

16 (4) To establish minimum safety and sanitation standards for  
17 practitioners of body art, body piercing, or tattooing as determined  
18 by the department of health;

19 (5) To maintain the official department record of applicants and  
20 licensees;

21 (6) To set license expiration dates and renewal periods for all  
22 licenses consistent with this chapter;

23 (7) To ensure that all informational notices produced and mailed  
24 by the department regarding statutory and regulatory changes  
25 affecting any particular class of licensees are mailed to each  
26 licensee in good standing in the affected class whose mailing address  
27 on record with the department has not resulted in mail being returned  
28 as undeliverable for any reason; and

29 (8) To make information available to the department of  
30 (~~revenue~~) taxation to assist in collecting taxes from persons and  
31 businesses required to be licensed under this chapter.

32 **Sec. 35.** RCW 18.300.070 and 2009 c 412 s 8 are each amended to  
33 read as follows:

34 (1) A body art, body piercing, or tattooing shop or business  
35 shall meet the following minimum requirements:

36 (a) Maintain an outside entrance separate from any rooms used for  
37 sleeping or residential purposes;



1 (b) Provide and maintain for the use of its customers adequate  
2 toilet facilities located within or adjacent to the shop or business;

3 (c) Any room used wholly or in part as a shop or business may not  
4 be used for residential purposes, except that toilet facilities may  
5 be used for both residential and business purposes;

6 (d) Meet the zoning requirements of the county, city, or town, as  
7 appropriate;

8 (e) Provide for safe storage and labeling of equipment and  
9 substances used in the practices under this chapter;

10 (f) Meet all applicable local and state fire codes; and

11 (g) Certify that the shop or business is covered by a public  
12 liability insurance policy in an amount not less than one hundred  
13 thousand dollars for combined bodily injury and property damage  
14 liability.

15 (2) The director may by rule determine other requirements that  
16 are necessary for safety and sanitation of shops or businesses. The  
17 director may consult with the state board of health and the  
18 department of labor and industries in establishing minimum shop and  
19 business safety requirements.

20 (3) Upon receipt of a written complaint that a shop or business  
21 has violated any provisions of this chapter, chapter 18.235 RCW, or  
22 the rules adopted under either chapter, or at least once every two  
23 years for an existing shop or business, the director or the  
24 director's designee shall inspect each shop or business. If the  
25 director determines that any shop or business is not in compliance  
26 with this chapter, the director shall send written notice to the shop  
27 or business. A shop or business which fails to correct the conditions  
28 to the satisfaction of the director within a reasonable time is, upon  
29 due notice, subject to the penalties imposed by the director under  
30 RCW 18.235.110. The director may enter any shop or business during  
31 business hours for the purpose of inspection. The director may  
32 contract with health authorities of local governments to conduct the  
33 inspections under this subsection.

34 (4) A shop or business shall obtain a certificate of registration  
35 from the department of (~~revenue~~) taxation.

36 (5) Shop or business location licenses issued by the department  
37 must be posted in the shop or business's reception area.

38 (6) Body art, body piercing, and tattooing practitioner  
39 individual licenses issued by the department must be posted at the  
40 licensed person's workstation.

1       **Sec. 36.** RCW 19.02.020 and 2013 c 144 s 16 are each amended to  
2 read as follows:

3       The definitions in this section apply throughout this chapter  
4 unless the context clearly requires otherwise.

5       (1) "Business license" means the single document designed for  
6 public display issued by the business licensing service, which  
7 certifies state agency or local government license approval and which  
8 incorporates the endorsements for individual licenses included in the  
9 business licensing system, which the state or local government  
10 requires for any person subject to this chapter.

11       (2) "Business license application" means a document incorporating  
12 pertinent data from existing applications for licenses covered under  
13 this chapter.

14       (3) "Business licensing service" means the business registration  
15 and licensing service established by this chapter and located in and  
16 under the administrative control of the department of (~~revenue~~)  
17 taxation.

18       (4) "Department" means the department of (~~revenue~~) taxation.

19       (5) "Director" means the director of the department.

20       (6) "License" means the whole or part of any agency or local  
21 government permit, license, certificate, approval, registration,  
22 charter, or any form or permission required by law, including agency  
23 rule, to engage in any activity.

24       (7) "License information packet" means a collection of  
25 information about licensing requirements and application procedures  
26 custom-assembled for each request.

27       (8) "Participating local government" means a municipal  
28 corporation or political subdivision that participates in the  
29 business licensing system established by this chapter.

30       (9) "Person" means any individual, sole proprietorship,  
31 partnership, association, cooperative, corporation, nonprofit  
32 organization, state or local government agency, and any other  
33 organization required to register with the state or a participating  
34 local government to do business in the state or the participating  
35 local government and to obtain one or more licenses from the state or  
36 any of its agencies or the participating local government.

37       (10) "Regulatory" means all licensing and other governmental or  
38 statutory requirements pertaining to business or professional  
39 activities.

1 (11) "Regulatory agency" means any state agency, board,  
2 commission, division, or local government that regulates one or more  
3 professions, occupations, industries, businesses, or activities.

4 (12) "Renewal application" means a document used to collect  
5 pertinent data for renewal of licenses covered under this chapter.

6 (13) "System" or "business licensing system" means the procedure  
7 by which business licenses are issued and renewed, license and  
8 regulatory information is collected and disseminated with due regard  
9 to privacy statutes, and account data is exchanged by the agencies  
10 and participating local governments.

11 **Sec. 37.** RCW 19.02.050 and 2018 c 58 s 33 are each amended to  
12 read as follows:

13 Each of the following agencies must fully participate in the  
14 implementation of this chapter:

- 15 (1) Department of agriculture;
- 16 (2) Secretary of state;
- 17 (3) Department of social and health services;
- 18 (4) Department of (~~revenue~~) taxation;
- 19 (5) Department of fish and wildlife;
- 20 (6) Employment security department;
- 21 (7) Department of labor and industries;
- 22 (8) Liquor and cannabis board;
- 23 (9) Department of health;
- 24 (10) Department of licensing;
- 25 (11) Utilities and transportation commission;
- 26 (12) Board of accountancy;
- 27 (13) Department of archaeology and historic preservation;
- 28 (14) Department of children, youth, and families;
- 29 (15) Department of ecology;
- 30 (16) Department of financial institutions;
- 31 (17) Department of transportation;
- 32 (18) Gambling commission;
- 33 (19) Horse racing commission;
- 34 (20) Office of the insurance commissioner;
- 35 (21) State lottery;
- 36 (22) Student achievement council;
- 37 (23) Washington state patrol;
- 38 (24) Workforce training and education coordinating board; and
- 39 (25) Other agencies as determined by the governor.

1       **Sec. 38.** RCW 19.02.115 and 2017 c 323 s 701 are each amended to  
2 read as follows:

3       (1) The definitions in this subsection apply throughout this  
4 section unless the context clearly requires otherwise.

5       (a) "Disclose" means to make known to any person in any manner  
6 licensing information.

7       (b) "Licensing information" means any information created or  
8 obtained by the department in the administration of this chapter and  
9 chapters 19.80 and 59.30 RCW, which information relates to any person  
10 who: (i) Has applied for or has been issued a license or trade name;  
11 or (ii) has been issued an assessment or delinquency fee. Licensing  
12 information includes initial and renewal business license  
13 applications, and business licenses.

14       (c) "Person" has the same meaning as in RCW 82.04.030 and also  
15 includes the state and the state's departments and institutions.

16       (d) "State agency" means every Washington state office,  
17 department, division, bureau, board, commission, or other state  
18 agency.

19       (2) Licensing information is confidential and privileged, and  
20 except as authorized by this section, neither the department nor any  
21 other person may disclose any licensing information. Nothing in this  
22 chapter requires any person possessing licensing information made  
23 confidential and privileged by this section to delete information  
24 from such information so as to permit its disclosure.

25       (3) This section does not prohibit the department of (~~revenue~~)  
26 taxation, or any other person receiving licensing information from  
27 the department under this subsection, from:

28       (a) Disclosing licensing information in a civil or criminal  
29 judicial proceeding or an administrative proceeding:

30       (i) In which the person about whom such licensing information is  
31 sought and the department, another state agency, or a local  
32 government are adverse parties in the proceeding; or

33       (ii) Involving a dispute arising out of the department's  
34 administration of chapter 19.80 or 59.30 RCW, or this chapter if the  
35 licensing information relates to a party in the proceeding;

36       (b) Disclosing, subject to such requirements and conditions as  
37 the director prescribes by rules adopted pursuant to chapter 34.05  
38 RCW, such licensing information regarding a license applicant or  
39 license holder to such license applicant or license holder or to such  
40 person or persons as that license applicant or license holder may

1 designate in a request for, or consent to, such disclosure, or to any  
2 other person, at the license applicant's or license holder's request,  
3 to the extent necessary to comply with a request for information or  
4 assistance made by the license applicant or license holder to such  
5 other person. However, licensing information not received from the  
6 license applicant or holder must not be so disclosed if the director  
7 determines that such disclosure would compromise any investigation or  
8 litigation by any federal, state, or local government agency in  
9 connection with the civil or criminal liability of the license  
10 applicant, license holder, or another person, or that such disclosure  
11 would identify a confidential informant, or that such disclosure is  
12 contrary to any agreement entered into by the department that  
13 provides for the reciprocal exchange of information with other  
14 government agencies, which agreement requires confidentiality with  
15 respect to such information unless such information is required to be  
16 disclosed to the license applicant or license holder by the order of  
17 any court;

18 (c) Publishing statistics so classified as to prevent the  
19 identification of particular licensing information;

20 (d) Disclosing licensing information for official purposes only,  
21 to the governor or attorney general, or to any state agency, or to  
22 any committee or subcommittee of the legislature dealing with matters  
23 of taxation, revenue, trade, commerce, the control of industry or the  
24 professions, or licensing;

25 (e) Permitting the department's records to be audited and  
26 examined by the proper state officer, his or her agents and  
27 employees;

28 (f) Disclosing any licensing information to a peace officer as  
29 defined in RCW 9A.04.110 or county prosecuting attorney, for official  
30 purposes. The disclosure may be made only in response to a search  
31 warrant, subpoena, or other court order, unless the disclosure is for  
32 the purpose of criminal tax or license enforcement. A peace officer  
33 or county prosecuting attorney who receives the licensing information  
34 may disclose that licensing information only for use in the  
35 investigation and a related court proceeding, or in the court  
36 proceeding for which the licensing information originally was sought;

37 (g) Disclosing, in a manner that is not associated with other  
38 licensing information, the name of a license applicant or license  
39 holder, entity type, registered trade name, business address, mailing  
40 address, unified business identifier number, list of licenses issued

1 to a person through the business licensing system established in this  
2 chapter and their issuance and expiration dates, and the dates of  
3 opening of a business. This subsection may not be construed as giving  
4 authority to the department to give, sell, or provide access to any  
5 list of persons for any commercial purpose;

6 (h) Disclosing licensing information that is also maintained by  
7 another Washington state or local governmental agency as a public  
8 record available for inspection and copying under the provisions of  
9 chapter 42.56 RCW or is a document maintained by a court of record  
10 and is not otherwise prohibited from disclosure;

11 (i) Disclosing any licensing information when the disclosure is  
12 specifically authorized under any other section of the Revised Code  
13 of Washington;

14 (j) Disclosing licensing information to the proper officer of the  
15 licensing or tax department of any city, town, or county of this  
16 state, for official purposes. If the licensing information does not  
17 relate to a license issued by the city, town, or county requesting  
18 the licensing information, disclosure may be made only if the laws of  
19 the requesting city, town, or county grants substantially similar  
20 privileges to the proper officers of this state; or

21 (k) Disclosing licensing information to the federal government  
22 for official purposes.

23 (4) Notwithstanding anything to the contrary in this section, a  
24 state agency or local government agency may disclose licensing  
25 information relating to a license issued on its behalf by the  
26 department pursuant to this chapter if the disclosure is authorized  
27 by another statute, local law, or administrative rule.

28 (5) The department, any other state agency, or local government  
29 may refuse to disclose licensing information that is otherwise  
30 disclosable under subsection (3) of this section if such disclosure  
31 would violate federal law or any information sharing agreement  
32 between the state or local government and federal government.

33 (6) Any person acquiring knowledge of any licensing information  
34 in the course of his or her employment with the department and any  
35 person acquiring knowledge of any licensing information as provided  
36 under subsection (3)(d), (e), (f), (j), or (k) of this section, who  
37 discloses any such licensing information to another person not  
38 entitled to knowledge of such licensing information under the  
39 provisions of this section, is guilty of a misdemeanor. If the person  
40 guilty of such violation is an officer or employee of the state, such

1 person must forfeit such office or employment and is incapable of  
2 holding any public office or employment in this state for a period of  
3 two years thereafter.

4 **Sec. 39.** RCW 19.02.210 and 2016 sp.s. c 36 s 916 are each  
5 amended to read as follows:

6 The business license account is created in the state treasury.  
7 Unless otherwise indicated in RCW 19.02.075, all receipts from  
8 handling and business license delinquency fees must be deposited into  
9 the account. Moneys in the account may be spent only after  
10 appropriation beginning in fiscal year 1993. Expenditures from the  
11 account may be used only to administer the business licensing service  
12 program. During the 2015-2017 fiscal biennium, moneys from the  
13 business license account may be used for operations of the department  
14 of (~~revenue~~) taxation.

15 **Sec. 40.** RCW 19.80.005 and 2011 c 298 s 13 are each reenacted  
16 and amended to read as follows:

17 The definitions in this section apply throughout this chapter  
18 unless the context clearly requires otherwise.

19 (1) "Business" means an occupation, profession, or employment  
20 engaged in for the purpose of seeking a profit.

21 (2) "Department" means the department of (~~revenue~~) taxation.

22 (3) "Person" means any individual, partnership, limited liability  
23 company, or corporation conducting or having an interest in a  
24 business in the state.

25 (4) "Trade name" means a word or name, or any combination of a  
26 word or name, used by a person to identify the person's business  
27 which:

28 (a) Is not, or does not include, the true and real name of all  
29 persons conducting the business; or

30 (b) Includes words which suggest additional parties of interest  
31 such as "company," "and sons," or "and associates."

32 (5) "True and real name" means:

33 (a) The surname of an individual coupled with one or more of the  
34 individual's other names, one or more of the individual's initials,  
35 or any combination;

36 (b) The designation or appellation by which an individual is best  
37 known and called in the business community where that individual

1 transacts business, if this is used as that individual's legal  
2 signature;

3 (c) The registered corporate name of a domestic corporation as  
4 filed with the secretary of state;

5 (d) The registered corporate name of a foreign corporation  
6 authorized to do business within the state of Washington as filed  
7 with the secretary of state;

8 (e) The registered partnership name of a domestic limited  
9 partnership as filed with the secretary of state;

10 (f) The registered partnership name of a foreign limited  
11 partnership as filed with the secretary of state; or

12 (g) The name of a general partnership which includes in its name  
13 the true and real names, as defined in (a) through (f) of this  
14 subsection, of each general partner as required in RCW 19.80.010.

15 **Sec. 41.** RCW 19.94.015 and 2013 c 144 s 34 are each amended to  
16 read as follows:

17 (1) Except as provided in subsection (4) of this section for the  
18 initial registration of an instrument or device, no weighing or  
19 measuring instrument or device may be used for commercial purposes in  
20 the state unless its commercial use is registered annually. If its  
21 commercial use is within a city that has a city sealer and a weights  
22 and measures program as provided by RCW 19.94.280, the commercial use  
23 of the instrument or device must be registered with the city if the  
24 city has adopted fees pursuant to subsection (2) of this section. If  
25 its commercial use is outside of such a city, the commercial use of  
26 the instrument or device must be registered with the department.

27 (2) A city with such a sealer and program may establish an annual  
28 fee for registering the commercial use of such a weighing or  
29 measuring instrument or device with the city. The annual fee may not  
30 exceed the fee established in RCW 19.94.175 for registering the use  
31 of a similar instrument or device with the department. Fees upon  
32 weighing or measuring instruments or devices within the jurisdiction  
33 of the city that are collected under this subsection by city sealers  
34 must be deposited into the general fund, or other account, of the  
35 city as directed by the governing body of the city.

36 (3) Registrations with the department are accomplished as part of  
37 the business licensing system under chapter 19.02 RCW. Payment of the  
38 registration fee for a weighing or measuring instrument or device



1 under the business licensing system constitutes the registration  
2 required by this section.

3 (4) The fees established by or under RCW 19.94.175 for  
4 registering a weighing or measuring instrument or device must be paid  
5 to the department of (~~revenue~~) taxation concurrently with an  
6 application for a business license under chapter 19.02 RCW or with  
7 the annual renewal of a business license under chapter 19.02 RCW. A  
8 weighing or measuring instrument or device must be initially  
9 registered with the state at the time the owner applies for a  
10 business license for a new business or at the first renewal of the  
11 license that occurs after the instrument or device is first placed  
12 into commercial use. The department of (~~revenue~~) taxation must  
13 remit to the department of agriculture all fees collected under this  
14 provision less reasonable collection expenses.

15 (5) Each city charging registration fees under this section must  
16 notify the department of agriculture at the time such fees are  
17 adopted and whenever changes in the fees are adopted.

18 **Sec. 42.** RCW 19.240.080 and 2004 c 168 s 9 are each amended to  
19 read as follows:

20 An issuer is not required to honor a gift certificate presumed  
21 abandoned under RCW 63.29.110, reported, and delivered to the  
22 department of (~~revenue~~) taxation in the dissolution of a business  
23 association.

24 **Sec. 43.** RCW 19.305.010 and 2008 c 239 s 1 are each amended to  
25 read as follows:

26 The definitions in this section apply throughout this chapter  
27 unless the context clearly requires otherwise.

28 (1) "Agent" means any person licensed by the department of  
29 (~~revenue~~) taxation to purchase and affix adhesive or meter stamps  
30 on packages of cigarettes.

31 (2) "Cigarette" means any roll for smoking made wholly or in part  
32 of tobacco, irrespective of size or shape and irrespective of the  
33 tobacco being flavored, adulterated, or mixed with any other  
34 ingredient, when the roll has a wrapper or cover made of paper or any  
35 material, except when the wrapper is wholly or in the greater part  
36 made of natural leaf tobacco in its natural state.

37 (3) "Manufacturer" means:

1 (a) Any entity that manufactures or otherwise produces cigarettes  
2 or causes cigarettes to be manufactured or produced anywhere that the  
3 manufacturer intends to be sold in this state, including cigarettes  
4 intended to be sold in the United States through an importer;

5 (b) The first purchaser anywhere that intends to resell in the  
6 United States cigarettes manufactured anywhere that the original  
7 manufacturer or maker does not intend to be sold in the United  
8 States; or

9 (c) Any entity that becomes a successor of an entity described in  
10 (a) or (b) of this subsection.

11 (4) "Quality control and quality assurance program" means the  
12 laboratory procedures implemented to ensure that operator bias,  
13 systematic and nonsystematic methodological errors, and  
14 equipment-related problems do not affect the results of the testing.  
15 Such a program ensures that the testing repeatability remains within  
16 the required repeatability values stated in RCW 19.305.020(1)(f) for  
17 all test trials used to certify cigarettes in accordance with this  
18 chapter.

19 (5) "Repeatability" means the range of values within which the  
20 repeat results of cigarette test trials from a single laboratory will  
21 fall ninety-five percent of the time.

22 (6) "Retail dealer" means any person, other than a manufacturer  
23 or wholesale dealer, engaged in selling cigarettes or tobacco  
24 products.

25 (7) "Sale" or "sell" means any transfer of title of cigarettes  
26 for consideration, exchange, barter, gift, offer for sale, or  
27 distribution, in any manner or by any means.

28 (8) "Wholesale dealer" means any person who sells cigarettes or  
29 tobacco products to retail dealers or other persons for purposes of  
30 resale, and any person who owns, operates, or maintains one or more  
31 cigarette or tobacco product vending machines in, at, or upon  
32 premises owned or occupied by any other person.

33 **Sec. 44.** RCW 19.305.030 and 2008 c 239 s 3 are each amended to  
34 read as follows:

35 (1) Each manufacturer shall submit to the state director of fire  
36 protection a written certification attesting that:

37 (a) Each cigarette listed in the certification has been tested in  
38 accordance with RCW 19.305.020; and

1 (b) Each cigarette listed in the certification meets the  
2 performance standard set forth in RCW 19.305.020(1)(c).

3 (2) Each cigarette listed in the certification shall be described  
4 with the following information:

5 (a) Brand or trade name on the package;

6 (b) Style, such as light or ultra light;

7 (c) Length in millimeters;

8 (d) Circumference in millimeters;

9 (e) Flavor, such as menthol or chocolate, if applicable;

10 (f) Filter or nonfilter;

11 (g) Package description, such as soft pack or box;

12 (h) Marking approved in accordance with RCW 19.305.040;

13 (i) The name, address, and telephone number of the laboratory, if  
14 different than the manufacturer that conducted the test; and

15 (j) The date the testing occurred.

16 (3) The certifications must be made available to the attorney  
17 general for purposes consistent with this chapter and the department  
18 of (~~revenue~~) taxation for the purposes of ensuring compliance with  
19 this section.

20 (4) Each cigarette certified under this section must be  
21 recertified every three years.

22 (5) For each cigarette listed in a certification, a manufacturer  
23 shall pay to the state director of fire protection a fee of two  
24 hundred fifty dollars. The state director of fire protection is  
25 authorized to annually adjust this fee to ensure it defrays the  
26 actual costs of the processing, testing, enforcement, and oversight  
27 activities required by this chapter.

28 (6) If a manufacturer has certified a cigarette under this  
29 section, and thereafter makes any change to that cigarette that is  
30 likely to alter its compliance with the reduced cigarette ignition  
31 propensity standards required by this chapter, that cigarette may not  
32 be sold or offered for sale in this state until the manufacturer  
33 retests the cigarette in accordance with the testing standards set  
34 forth in RCW 19.305.020 and maintains records of that retesting as  
35 required by RCW 19.305.020. Any altered cigarette which does not meet  
36 the performance standard set forth in RCW 19.305.020 may not be sold  
37 in this state.

38 **Sec. 45.** RCW 19.305.040 and 2008 c 239 s 4 are each amended to  
39 read as follows:

1 (1) Cigarettes that are certified by a manufacturer in accordance  
2 with RCW 19.305.030 must be marked to indicate compliance with the  
3 requirements of RCW 19.305.020. The marking must be in eight-point  
4 type or larger and consist of:

5 (a) Modification of the universal product code to include a  
6 visible mark printed at or around the area of the code. The mark may  
7 consist of alphanumeric or symbolic characters permanently stamped,  
8 engraved, embossed, or printed in conjunction with the universal  
9 product code; or

10 (b) Any visible combination of alphanumeric or symbolic  
11 characters permanently stamped, engraved, or embossed upon the  
12 cigarette package or cellophane wrap; or

13 (c) Printed, stamped, engraved, or embossed text that indicates  
14 that the cigarettes meet the standards of this chapter.

15 (2) A manufacturer shall use only one marking, and shall apply  
16 this marking uniformly for all packages, including but not limited to  
17 packs, cartons, and cases, and brands marketed by that manufacturer.

18 (3) The state director of fire protection must be notified as to  
19 the marking that is selected.

20 (4) Prior to the certification of any cigarette, a manufacturer  
21 shall present its proposed marking to the state director of fire  
22 protection for approval. Upon receipt of the request, the state  
23 director of fire protection shall approve or disapprove the marking  
24 offered, except that the state director of fire protection shall (a)  
25 approve the letters "FSC," which signify fire standards compliant;  
26 and (b) give preference to any packaging marking in use and approved  
27 for that cigarette in New York pursuant to New York Executive Law  
28 section 156-c, Fire Safety Standards for Cigarettes, unless the state  
29 director of fire protection demonstrates a reasonable basis why that  
30 marking should not be approved under this chapter. Proposed markings  
31 are deemed approved if the state director of fire protection fails to  
32 act within ten business days of receiving a request for approval.

33 (5) A manufacturer shall not modify its approved marking unless  
34 the modification has been approved by the state director of fire  
35 protection in accordance with this section.

36 (6) Manufacturers certifying cigarettes in accordance with RCW  
37 19.305.030 shall provide a copy of the certifications to all  
38 wholesale dealers and agents to which they sell cigarettes, and shall  
39 also provide sufficient copies of an illustration of the package  
40 marking utilized by the manufacturer under this section for each

1 retail dealer to which the wholesale dealers or agents sell  
2 cigarettes. Wholesale dealers and agents shall provide a copy of  
3 these package markings received from manufacturers to all retail  
4 dealers to which they sell cigarettes. Wholesale dealers, agents, and  
5 retail dealers shall permit the state director of fire protection,  
6 the department of (~~revenue~~) taxation, the attorney general, and  
7 their employees to inspect markings of cigarette packaging marked in  
8 accordance with this section.

9 **Sec. 46.** RCW 19.305.060 and 2008 c 239 s 6 are each amended to  
10 read as follows:

11 (1) The state director of fire protection may adopt rules  
12 necessary to implement this chapter.

13 (2) The department of (~~revenue~~) taxation in the regular course  
14 of conducting inspections of wholesale dealers, agents, and retail  
15 dealers, as authorized under chapter 82.24 RCW, may inspect  
16 cigarettes to determine if the cigarettes are marked as required by  
17 RCW 19.305.040. If the cigarettes are not marked as required, the  
18 department of (~~revenue~~) taxation shall notify the state director of  
19 fire protection.

20 **Sec. 47.** RCW 19.365.010 and 2015 c 166 s 1 are each amended to  
21 read as follows:

22 (1) Any radiology benefit manager that is owned by a carrier as  
23 defined in RCW 48.43.005 or acts as a subcontractor for a carrier  
24 must be registered with the department of (~~revenue's~~) taxation's  
25 business licensing service and annually renew the registration.

26 (2)(a) For purposes of this section, a "radiology benefit  
27 manager" means a person that contracts with, or is owned by, a  
28 carrier or a third-party payor to:

29 (i) Process claims for services and procedures performed by a  
30 licensed radiologist or advanced diagnostic imaging service provider;  
31 or

32 (ii) Pay or authorize payment to radiology clinics, radiologists,  
33 or advanced diagnostic imaging service providers for services or  
34 procedures;

35 (b) "Radiology benefit manager" does not include a health care  
36 service contractor as defined in RCW 48.44.010, a health maintenance  
37 organization as defined in RCW 48.46.020, or an issuer as defined in  
38 RCW 48.01.053.

1 (3) To register under this section, a radiology benefit manager  
2 must:

3 (a) Submit an application requiring the following information:

4 (i) The identity of the radiology benefit manager;

5 (ii) The name, business address, phone number, and medical  
6 director for the radiology benefit manager; and

7 (iii) Where applicable, the federal tax employer identification  
8 number for the entity; and

9 (b) Pay a registration fee of two hundred dollars.

10 (4) To renew a registration under this section, a radiology  
11 benefit manager must pay a renewal fee of two hundred dollars.

12 (5) All receipts from registrations and renewals collected by the  
13 department of (~~revenue~~) taxation must be deposited into the  
14 business license account created in RCW 19.02.210.

15 **Sec. 48.** RCW 19.370.060 and 2016 c 38 s 6 are each amended to  
16 read as follows:

17 (1) The department of (~~revenue~~) taxation shall inform  
18 proprietors of their rights and responsibilities regarding the public  
19 performance of copyrighted music as part of the business licensing  
20 service.

21 (2) Performing rights societies are encouraged to conduct  
22 outreach campaigns to educate existing proprietors on their rights  
23 and responsibilities regarding the public performance of copyrighted  
24 music.

25 **Sec. 49.** RCW 22.28.040 and 2011 c 336 s 651 are each amended to  
26 read as follows:

27 If the amount due for the rental of any safe or box in the vaults  
28 of any safe deposit company shall not have been paid for one year, it  
29 may, at the expiration thereof, send to the person in whose name such  
30 safe or box stands on its books a notice in writing in securely  
31 closed, postpaid and certified mail, return receipt requested,  
32 directed to such person at his or her post office address, as  
33 recorded upon the books of the safe deposit company, notifying such  
34 person that if the amount due for the rental of such safe or box is  
35 not paid within thirty days from date, the safe deposit company will  
36 then cause such safe or box to be opened, and the contents thereof to  
37 be inventoried, sealed, and placed in one of its general safes or  
38 boxes.

1       Upon the expiration of thirty days from the date of mailing such  
2 notice, and the failure of the person in whose name the safe or box  
3 stands on the books of the company to pay the amount due for the  
4 rental thereof to the date of notice, the corporation may, in the  
5 presence of two officers of the corporation, cause such safe or box  
6 to be opened, and the contents thereof, if any, to be removed,  
7 inventoried and sealed in a package, upon which the officers shall  
8 distinctly mark the name of the person in whose name the safe or box  
9 stood on the books of the company, and the date of removal of the  
10 property, and when such package has been so marked for identification  
11 by the officers, it shall be placed in one of the general safes or  
12 boxes of the company at a rental not to exceed the original rental of  
13 the safe or box which was opened, and shall remain in such general  
14 safe or box for a period of not less than one year, unless sooner  
15 removed by the owner thereof, and two officers of the corporation  
16 shall thereupon file with the company a certificate which shall fully  
17 set out the date of the opening of such safe or box, the name of the  
18 person in whose name it stood and a reasonable description of the  
19 contents, if any.

20       A copy of such certificate shall within ten days thereafter be  
21 mailed to the person in whose name the safe or box so opened stood on  
22 the books of the company, at his or her last known post office  
23 address, in securely closed, postpaid and certified mail, return  
24 receipt requested, together with a notice that the contents will be  
25 kept, at the expense of such person, in a general safe or box in the  
26 vaults of the company, for a period of not less than one year. At any  
27 time after the mailing of such certificate and notice, and before the  
28 expiration of one year, such person may require the delivery of the  
29 contents of the safe as shown by said certificate, upon the payment  
30 of all rentals due at the time of opening of the safe or box, the  
31 cost of opening the box, and the payment of all further charges  
32 accrued during the period the contents remained in the general safe  
33 or box of the company.

34       The company may sell all the property or articles of value set  
35 out in said certificate, at public auction, provided a notice of the  
36 time and place of sale has been published once within ten days prior  
37 to the sale in a newspaper published in the county where the contents  
38 of the safe or box is located and where the holder chooses to conduct  
39 the sale. If the holder chooses not to sell the contents at public

1 sale, the contents shall be delivered to the department of  
2 ((~~revenue~~)) taxation as unclaimed property.

3 From the proceeds of the sale, the company shall deduct amounts  
4 which shall then be due for rental up to the time of opening the  
5 safe, the cost of opening thereof, and the further cost of  
6 safekeeping all of its contents for the period since the safe or box  
7 was opened, plus any additional charges accruing to the time of sale,  
8 including advertising and cost of sale. The balance, if any, of such  
9 proceeds, together with any unsold property, shall be deposited by  
10 the company within thirty days after the receipt of the same, with  
11 the department of ((~~revenue~~)) taxation as unclaimed property. The  
12 company shall file with such deposit a certificate stating the name  
13 and last known place of residence of the owner of the property sold,  
14 the articles sold, the price obtained therefor, and showing that the  
15 notices herein required were duly mailed and that the sale was  
16 advertised as required herein.

17 **Sec. 50.** RCW 22.28.060 and 1983 c 289 s 2 are each amended to  
18 read as follows:

19 Whenever the contents of any such safe or box, so opened, shall  
20 consist either wholly or in part, of documents or letters or other  
21 papers of a private nature, such documents, letters, or papers shall  
22 not be sold, but shall be deposited with the department of  
23 ((~~revenue~~)) taxation as unclaimed property unless sooner claimed by  
24 the owner. The department may hold or destroy documents or letters or  
25 other papers, and the holder shall not be held liable to any person  
26 or persons whatsoever for the destruction of papers or other contents  
27 which the department declines to accept.

28 The provision of this section shall not preclude any other remedy  
29 by action or otherwise now existing for the enforcement of the claims  
30 of a corporation against the person in whose name such safe or box  
31 stood, nor bar the right of a safe deposit company to recover so much  
32 of the debt due it as shall not be paid by the proceeds of the sale  
33 of the property deposited with it. The sale or disposition of  
34 property in accordance with this chapter shall discharge the holder  
35 of all liability to the owner for such sale or disposition,  
36 irrespective of whether a better price could have been obtained by a  
37 sale at a different time or in a different method from that selected  
38 by the holder.



1       **Sec. 51.** RCW 23.90.040 and 2015 c 176 s 9112 are each amended to  
2 read as follows:

3       (1) Any Massachusetts trust desiring to do business in this state  
4 shall file with the secretary of state, in accordance with Article 2  
5 of chapter 23.95 RCW, a verified copy of the trust instrument  
6 creating such a trust and any amendment thereto, the assumed business  
7 name, if any, and the names and addresses of its trustees.

8       (2) Any person dealing with such Massachusetts trust shall be  
9 bound by the terms and conditions of the trust instrument and any  
10 amendments thereto so filed.

11       (3) Any Massachusetts trust created under this chapter or  
12 entering this state pursuant thereto shall pay such taxes and fees as  
13 are imposed by the laws, ordinances, and resolutions of the state of  
14 Washington and any counties and municipalities thereof on domestic  
15 and foreign corporations, respectively, on an identical basis  
16 therewith. In computing such taxes and fees, the shares of beneficial  
17 interest of such a trust shall have the character for tax purposes of  
18 shares of stock in private corporations.

19       (4) Any Massachusetts trust shall be subject to such applicable  
20 provisions of law, now or hereafter enacted, with respect to domestic  
21 and foreign corporations, respectively, as relate to the issuance of  
22 securities, filing of required statements or reports, service of  
23 process, general grants of power to act, right to sue and be sued,  
24 limitation of individual liability of shareholders, rights to  
25 acquire, mortgage, sell, lease, operate and otherwise to deal in real  
26 and personal property, and other applicable rights and duties  
27 existing under the common law and statutes of this state in a manner  
28 similar to those applicable to domestic and foreign corporations.

29       (5) The secretary of state, director of licensing, and the  
30 department of (~~revenue~~) taxation of the state of Washington are  
31 each authorized and directed to prescribe binding rules and  
32 regulations applicable to said Massachusetts trusts consistent with  
33 this chapter.

34       **Sec. 52.** RCW 24.03.220 and 2004 c 265 s 23 are each amended to  
35 read as follows:

36       A corporation may dissolve and wind up its affairs in the  
37 following manner:

38       (1) Where there are members having voting rights with regard to  
39 the question, the board of directors shall adopt a resolution

1 recommending that the corporation be dissolved, and directing that  
2 the question of such dissolution be submitted to a vote at a meeting  
3 of members having such voting rights, which may be either an annual  
4 or a special meeting. Notice in the form of a record stating that the  
5 purpose, or one of the purposes, of such meeting is to consider the  
6 advisability of dissolving the corporation, shall be given to each  
7 member entitled to vote at such meeting, within the time and in the  
8 manner provided in this chapter for the giving of notice of meetings  
9 of members. A resolution to dissolve the corporation shall be adopted  
10 upon receiving at least two-thirds of the votes which members present  
11 at such meeting or represented by proxy are entitled to cast.

12 (2) Where there are no members, or no members having voting  
13 rights with regard to the question, the dissolution of the  
14 corporation shall be authorized at a meeting of the board of  
15 directors upon the adoption of a resolution to dissolve by the vote  
16 of a majority of the directors in office.

17 Upon the adoption of such resolution by the members, or by the  
18 board of directors where there are no members or no members having  
19 voting rights, the corporation shall cease to conduct its affairs  
20 except in so far as may be necessary for the winding up thereof,  
21 shall immediately cause a notice of the proposed dissolution to be  
22 mailed to each known creditor of the corporation, to the attorney  
23 general with respect to assets subject to RCW 24.03.225(3), and to  
24 the department of (~~revenue~~) taxation, and shall proceed to collect  
25 its assets and apply and distribute them as provided in this chapter.

26 **Sec. 53.** RCW 24.06.260 and 2000 c 167 s 12 are each amended to  
27 read as follows:

28 A corporation may dissolve and wind up its affairs in the  
29 following manner:

30 (1) The board of directors shall adopt a resolution recommending  
31 that the corporation be dissolved, and directing that the question of  
32 such dissolution be submitted to a vote at a meeting of members and  
33 shareholders which may be either an annual or a special meeting.

34 (2) Written or printed notice or, if specifically permitted by  
35 the articles of incorporation or bylaws of the corporation, notice by  
36 electronic transmission, stating that the purpose or one of the  
37 purposes of such meeting is to consider the advisability of  
38 dissolving the corporation shall be given to each member and  
39 shareholder within the time and in the manner provided in this

1 chapter for the giving of notice of meetings of members and  
2 shareholders.

3 (3) A resolution to dissolve the corporation shall be adopted  
4 upon receiving at least two-thirds of the votes which members and  
5 shareholders present in person or by mail or by electronic  
6 transmission at such meeting or represented by proxy are entitled to  
7 cast.

8 Upon the adoption of such resolution by the members and  
9 shareholders, the corporation shall cease to conduct its affairs and,  
10 except insofar as may be necessary for the winding up thereof, shall  
11 immediately cause a notice of the proposed dissolution to be mailed  
12 to each known creditor of the corporation and to the department of  
13 (~~revenue~~) taxation, and shall proceed to collect its assets and to  
14 apply and distribute them as provided in RCW 24.06.265.

15 **Sec. 54.** RCW 26.23.065 and 2018 c 150 s 201 are each amended to  
16 read as follows:

17 (1) The definitions in this subsection apply throughout this  
18 section unless the context clearly requires otherwise.

19 (a) "Electronic funds transfer" means any transfer of funds,  
20 other than a transaction originated or accomplished by conventional  
21 check, drafts, or similar paper instrument, which is initiated  
22 through an electronic terminal, telephonic instrument, or computer or  
23 magnetic tape so as to order, instruct, or authorize a financial  
24 institution to debit or credit a checking or other deposit account.  
25 "Electronic funds transfer" includes payments made:

26 (i) By electronic check (echeck); and

27 (ii) By any means made available through the division of child  
28 support's web-based payment services.

29 (b) "Income withholding order" means an order to withhold income,  
30 order to withhold and deliver, or notice of payroll deduction issued  
31 under this chapter or chapter 26.10, 26.18, 74.20, or 74.20A RCW.

32 (c) "Payroll processor" means a person, entity, agent, or company  
33 which provides payroll services to an employer or other business such  
34 as calculating paychecks and providing electronic funds transfer  
35 services for payments to employees and other entities.

36 (2) Except as provided in subsection (4) of this section, an  
37 employer or other business that has received an income withholding  
38 order from the department of social and health services requiring  
39 payment to the Washington state support registry must remit payments

1 through electronic funds transfer when the following conditions  
2 apply:

3 (a) The income withholding order applies to a person who is  
4 either an employee or contractor of the business, and the employer or  
5 business has:

6 (i) Ten or more employees; or

7 (ii) Ten or more contractors;

8 (b) The employer or business has received an income withholding  
9 order for more than one employee or contractor, even if the employer  
10 or business has fewer than ten employees or contractors, but has  
11 received an income withholding order for more than one employee or  
12 contractor;

13 (c) The employer or business uses a payroll processor to handle  
14 its payroll, payment, and tax processes and the payroll processor has  
15 the capacity to transmit payments through electronic funds transfer;  
16 or

17 (d) The employer or business is required by the department of  
18 (~~revenue~~) taxation to file and pay taxes electronically under RCW  
19 82.32.080.

20 (3) All electronic funds transfer payments must identify the  
21 person from whom the payment was withheld, the amount of the payment,  
22 the person's identifying number assigned by the division of child  
23 support, or the division of child support case number to which the  
24 payment is to be applied. If a business, employer, or payroll  
25 processor required to remit payments by electronic funds transfer  
26 under this section fails to comply with this requirement, the  
27 division of child support may issue a notice of noncompliance  
28 pursuant to RCW 74.20A.350.

29 (4) The department may waive the requirement to remit payments  
30 electronically for a business, employer, or payroll processor that is  
31 unable to comply despite good faith efforts or due to circumstances  
32 beyond that entity's reasonable control. Grounds for approving a  
33 waiver include, but are not limited to, circumstances in which:

34 (a) The business, employer, or payroll processor does not have a  
35 computer that meets the minimum standards necessary for electronic  
36 remittance;

37 (b) Additional time is needed to program the entity's computer;

38 (c) The business, employer, or payroll processor does not  
39 currently file data electronically with any business or government  
40 agency;

1 (d) Compliance conflicts with the entity's business procedures;

2 (e) Compliance would cause a financial hardship.

3 (5) The department has the discretion to terminate a waiver  
4 granted under subsection (4) of this section if:

5 (a) The business or employer has received at least one income  
6 withholding order for a person or employee and has failed to withhold  
7 or failed to withhold within the time provided in the order at least  
8 twice;

9 (b) The business, employer, or payroll processor has submitted at  
10 least one dishonored check; or

11 (c) The business, employer, or payroll processor continues to  
12 incorrectly identify withholdings or makes other errors that affect  
13 proper distribution of the support, despite contact and information  
14 from the department on how to correct the error.

15 (6) The department of social and health services has rule-making  
16 authority to enact rules in compliance with this section, including,  
17 but not limited to:

18 (a) The necessary conditions required for a business, employer,  
19 or payroll processor to electronically remit child support payments  
20 to the Washington state support registry;

21 (b) Options for electronic funds transfers and the process by  
22 which one must comply in order to establish such payment  
23 arrangements;

24 (c) Which types of payment meet the definition of electronic  
25 funds transfer; and

26 (d) Reasons for exemption from the requirement to remit funds by  
27 electronic funds transfer.

28 **Sec. 55.** RCW 28A.150.400 and 1990 c 33 s 117 are each amended to  
29 read as follows:

30 State and county funds which may become due and apportionable to  
31 school districts shall be apportioned in such a manner that any  
32 apportionment factors used shall utilize data and statistics derived  
33 in the school year that such funds are paid: PROVIDED, That the  
34 superintendent of public instruction may make necessary  
35 administrative provision for the use of estimates, and corresponding  
36 adjustments to the extent necessary: PROVIDED FURTHER, That as to  
37 those revenues used in determining the amount of state funds to be  
38 apportioned to school districts pursuant to RCW 28A.150.250, any  
39 apportionment factors shall utilize data and statistics derived in an

1 annual period established pursuant to rules and regulations  
2 promulgated by the superintendent of public instruction in  
3 cooperation with the department of (~~revenue~~) taxation.

4 **Sec. 56.** RCW 28A.150.412 and 2018 c 266 s 203 are each amended  
5 to read as follows:

6 (1) Beginning with the 2023 regular legislative session, and  
7 every four years thereafter, the legislature shall review and rebase  
8 state basic education compensation allocations compared to school  
9 district compensation data, regionalization factors, what  
10 inflationary measure is the most representative of actual market  
11 experience for school districts, and other economic information. The  
12 legislature shall revise the minimum allocations, regionalization  
13 factors, and inflationary measure if necessary to ensure that state  
14 basic education allocations continue to provide market-rate salaries  
15 and that regionalization adjustments reflect actual economic  
16 differences between school districts.

17 (2)(a) For school districts with single-family residential values  
18 above the statewide median residential value, regionalization factors  
19 for school years 2018-19 through school year 2022-23 are as follows:

20 (i) For school districts in tercile 1, state salary allocations  
21 for school district employees are regionalized by six percent;

22 (ii) For school districts in tercile 2, state salary allocations  
23 for school district employees are regionalized by twelve percent; and

24 (iii) For school districts in tercile 3, state salary allocations  
25 for school district employees are regionalized by eighteen percent.

26 (b) In addition to the regionalization factors specified in (a)  
27 of this subsection, school districts located west of the crest of the  
28 Cascade mountains and sharing a boundary with any school district  
29 with a regionalization factor more than one tercile higher, are  
30 regionalized by six additional percentage points.

31 (c) In addition to the regionalization factors specified in this  
32 subsection, for school districts that have certificated instructional  
33 staff median years of experience that exceed the statewide average  
34 certificated instructional staff years of experience and a ratio of  
35 certificated instructional staff advanced degrees to bachelor degrees  
36 above the statewide ratio, an experience factor of four percentage  
37 points is added to the regionalization factor, beginning in the  
38 2019-20 school year.

1 (d) Additional school district adjustments are identified in the  
2 omnibus appropriations act, and these adjustments are partially  
3 reduced or eliminated by the 2022-23 school year as follows:

4 (i) Adjustments that increase the regionalization factor to a  
5 value that is greater than the tercile 3 regionalization factor must  
6 be reduced by two percentage points each school year beginning with  
7 school year 2020-21, through 2022-23.

8 (ii) Adjustments that increase the regionalization factor to a  
9 value that is less than or equal to the tercile 3 regionalization  
10 factor must be reduced by one percentage point each school year  
11 beginning with school year 2020-21, through 2022-23.

12 (3) To aid the legislature in reviewing and rebasing  
13 regionalization factors, the department of (~~revenue~~) taxation  
14 shall, by November 1, 2022, and by November 1st every four years  
15 thereafter, determine the median single-family residential value of  
16 each school district as well as the median value of proximate  
17 districts within fifteen miles of the boundary of the school district  
18 for which the median residential value is being calculated.

19 (4) No district may receive less state funding for the minimum  
20 state salary allocation as compared to its prior school year salary  
21 allocation as a result of adjustments that reflect updated  
22 regionalized salaries.

23 (5) The definitions in this subsection apply throughout this  
24 section unless the context clearly requires otherwise.

25 (a) "Median residential value of each school district" means the  
26 median value of all single-family residential parcels included within  
27 a school district and any other school district that is proximate to  
28 the school district.

29 (b) "Proximate to the school district" means within fifteen miles  
30 of the boundary of the school district for which the median  
31 residential value is being calculated.

32 (c) "School district employees" means state-funded certificated  
33 instructional staff, certificated administrative staff, and  
34 classified staff.

35 (d) "School districts in tercile 1" means school districts with  
36 median single-family residential values in the first tercile of  
37 districts with single-family residential values above the statewide  
38 median residential value.

39 (e) "School districts in tercile 2" means school districts with  
40 median single-family residential values in the second tercile of

1 districts with single-family residential values above the statewide  
2 median residential value.

3 (f) "School districts in tercile 3" means school districts with  
4 median single-family residential values in the third tercile of  
5 districts with single-family residential values above the statewide  
6 median residential value.

7 (g) "Statewide median residential value" means the median value  
8 of single-family residential parcels located within all school  
9 districts, reduced by five percent.

10 **Sec. 57.** RCW 28B.145.040 and 2018 c 209 s 9 and 2018 c 114 s 5  
11 are each reenacted and amended to read as follows:

12 (1) The opportunity scholarship program is established.

13 (2) The purpose of this scholarship program is to provide  
14 scholarships that will help low and middle-income Washington  
15 residents earn professional-technical certificates, professional-  
16 technical degrees, or baccalaureate degrees in high employer demand  
17 and other programs of study and advanced degrees in health  
18 professions needed in service obligation areas, and encourage them to  
19 remain in the state to work. The program must be designed for  
20 students starting professional-technical certificate or degree  
21 programs, students starting at two-year institutions of higher  
22 education and intending to transfer to four-year institutions of  
23 higher education, students starting at four-year institutions of  
24 higher education, and students enrolled in an eligible advanced  
25 degree program.

26 (3) The opportunity scholarship board shall determine which  
27 programs of study, including but not limited to high employer demand  
28 programs, are eligible for purposes of the opportunity scholarship.  
29 For eligible advanced degree programs, the board shall limit  
30 scholarships to eligible students enrolling in programs that lead to  
31 credentials in health professions needed in service obligation areas.

32 (4) The source of funds for the program shall be a combination of  
33 private grants and contributions and state matching funds. A state  
34 match may be earned under this section for private contributions made  
35 on or after June 6, 2011. A state match, up to a maximum of fifty  
36 million dollars annually, shall be provided beginning the later of  
37 January 1, 2014, or January 1st next following the end of the fiscal  
38 year in which collections of state retail sales and use tax, state  
39 business and occupation tax, and state public utility tax exceed, by



1 ten percent the amounts collected from these tax resources in the  
2 fiscal year that ended June 30, 2008, as determined by the department  
3 of ((revenue)) taxation.

4 **Sec. 58.** RCW 28C.04.420 and 2013 c 103 s 1 are each amended to  
5 read as follows:

6 The college board may, subject to appropriation from the  
7 legislature or from funds made available from any other public or  
8 private source and pursuant to rules adopted by the college board,  
9 and with the advice of the workforce training customer advisory  
10 committee established in RCW 28C.04.390, provide job skills grants to  
11 educational institutions. The job skills grants shall be used  
12 exclusively for programs which are consistent with the job skills  
13 program. The college board shall work in collaboration with the  
14 workforce training customer advisory committee established in RCW  
15 28C.04.390 to assure that:

16 (1) The program is within the scope of the job skills program  
17 under this chapter and may reasonably be expected to succeed and  
18 thereby increase employment within the state;

19 (2) Provision has been made to use any available alternative  
20 funding from local, state, and federal sources;

21 (3) The job skills grant will only be used to cover the costs  
22 associated with the program;

23 (4) The program will not unnecessarily duplicate existing  
24 programs and could not be provided by another educational institution  
25 more effectively or efficiently;

26 (5) The program involves an area of skills training and education  
27 for which there is a demonstrable need;

28 (6) The applicant has made provisions for the use of existing  
29 federal and state resources for student financial assistance;

30 (7) The job skills grant is essential to the success of the  
31 program as the resources of the applicant are inadequate to attract  
32 the technical assistance and financial support necessary for the  
33 program from business and industry;

34 (8) The program represents a collaborative partnership between  
35 business, industry, labor, educational institutions, and other  
36 partners, as appropriate;

37 (9) (a) The commitment of financial support from businesses with  
38 an annual gross business income of five hundred thousand dollars or

1 more shall be equal to or greater than the amount of the requested  
2 job skills grant;

3 (b) The commitment of financial support from businesses with an  
4 annual gross business income of less than five hundred thousand  
5 dollars shall be at least equal to the trainees' salaries and  
6 benefits while in training;

7 (c) The annual gross business income shall be the income reported  
8 to the department of (~~revenue~~) taxation for the previous fiscal  
9 year;

10 (10) The job skills program gives priority to applications:

11 (a) Proposing training that provides college credit or leads to a  
12 recognized industry credential;

13 (b) From firms in strategic industry clusters as identified by  
14 the state or local areas;

15 (c) Proposing coordination with other cluster-based programs or  
16 initiatives including, but not limited to, industry skill panels,  
17 centers of excellence, innovation partnership zones, state-supported  
18 cluster growth grants, and local cluster-based economic development  
19 initiatives;

20 (d) From consortia of colleges or consortia of employers; and

21 (e) Proposing increased capacity for educational institutions  
22 that can be made available to industry and students beyond the grant  
23 recipients;

24 (11) Binding commitments have been made to the college board by  
25 the applicant for adequate reporting of information and data  
26 regarding the program to the college board, particularly information  
27 concerning the recruitment and employment of trainees and students,  
28 and including a requirement for an annual or other periodic audit of  
29 the books of the applicant directly related to the program, and for  
30 such control on the part of the college board as it considers prudent  
31 over the management of the program, so as to protect the use of  
32 public funds, including, in the discretion of the college board and  
33 without limitation, right of access to financial and other records of  
34 the applicant directly related to the programs; and

35 (12) A provision has been made by the applicant to work, in  
36 cooperation with the employment security department, to identify and  
37 screen potential trainees, and that provision has been made by the  
38 applicant for the participation as trainees of low-income persons  
39 including temporary assistance for needy families recipients,

1 dislocated workers, and persons from minority and economically  
2 disadvantaged groups to participate in the program.

3 Beginning January 1, 2014, and every year thereafter, the college  
4 board shall provide the legislature and the governor with a report  
5 describing the activities and outcomes of the state job skills  
6 program.

7 **Sec. 59.** RCW 30A.22.200 and 1988 c 29 s 9 are each amended to  
8 read as follows:

9 In each case where it is provided in this chapter that payment  
10 may be made to the personal representative of the estate of a  
11 deceased depositor or trust or P.O.D. account beneficiary, financial  
12 institutions may make payment of the funds on deposit in a deceased  
13 depositor's or beneficiary's account to the personal representative  
14 of the decedent's estate appointed under the laws of any other state  
15 or territory or country after:

16 (1) At least sixty days have elapsed since the date of the  
17 deceased depositor's death; and

18 (2) Upon receipt of the following:

19 (a) Proof of death of the deceased depositor or beneficiary;

20 (b) Proof of the appointment and continuing authority of the  
21 personal representative requesting payment;

22 (c) The personal representative's, or its agent's, affidavit to  
23 the effect that to the best of his or her knowledge no personal  
24 representative has been or will be appointed under the laws of this  
25 state; and

26 (d) Receipt of either an estate tax release from the department  
27 of (~~revenue~~) taxation or the personal representative's, or its  
28 agent's, affidavit that the estate is not subject to Washington  
29 estate tax. However, if a personal representative of the deceased  
30 depositor's or beneficiary's estate is appointed and qualified as  
31 such under the laws of this state, and delivers proof of the  
32 appointment and qualification to the office or branch of the  
33 financial institution in which the deposit is maintained prior to the  
34 transmissions of the sums on deposit to the foreign personal  
35 representative, then the funds shall be paid to the personal  
36 representative of the deceased depositor's or beneficiary's estate  
37 who has been appointed and qualified in this state.

38 (3) The financial institution paying, delivering, transferring,  
39 or issuing funds on deposit in a deceased depositor's or

1 beneficiary's account in accordance with the provisions of this  
2 section is discharged and released to the same extent as if such  
3 person has dealt with a personal representative of the decedent,  
4 unless at the time of such payment, delivery, transfer, or issuance  
5 such institution had actual knowledge of the falsity of any statement  
6 or affidavit required to be provided under this section. Such  
7 institution is not required to see to the application of funds, or to  
8 inquire into the truth of any matter specified in any statement or  
9 affidavit required to be provided under this section.

10 **Sec. 60.** RCW 34.05.010 and 2014 c 97 s 101 are each amended to  
11 read as follows:

12 The definitions in this section apply throughout this chapter  
13 unless the context clearly requires otherwise.

14 (1) "Adjudicative proceeding" means a proceeding before an agency  
15 in which an opportunity for hearing before that agency is required by  
16 statute or constitutional right before or after the entry of an order  
17 by the agency. Adjudicative proceedings also include all cases of  
18 licensing and rate making in which an application for a license or  
19 rate change is denied except as limited by RCW 66.08.150, or a  
20 license is revoked, suspended, or modified, or in which the granting  
21 of an application is contested by a person having standing to contest  
22 under the law.

23 (2) "Agency" means any state board, commission, department,  
24 institution of higher education, or officer, authorized by law to  
25 make rules or to conduct adjudicative proceedings, except those in  
26 the legislative or judicial branches, the governor, or the attorney  
27 general except to the extent otherwise required by law and any local  
28 governmental entity that may request the appointment of an  
29 administrative law judge under chapter 42.41 RCW.

30 (3) "Agency action" means licensing, the implementation or  
31 enforcement of a statute, the adoption or application of an agency  
32 rule or order, the imposition of sanctions, or the granting or  
33 withholding of benefits.

34 Agency action does not include an agency decision regarding (a)  
35 contracting or procurement of goods, services, public works, and the  
36 purchase, lease, or acquisition by any other means, including eminent  
37 domain, of real estate, as well as all activities necessarily related  
38 to those functions, or (b) determinations as to the sufficiency of a  
39 showing of interest filed in support of a representation petition, or

1 mediation or conciliation of labor disputes or arbitration of labor  
2 disputes under a collective bargaining law or similar statute, or (c)  
3 any sale, lease, contract, or other proprietary decision in the  
4 management of public lands or real property interests, or (d) the  
5 granting of a license, franchise, or permission for the use of  
6 trademarks, symbols, and similar property owned or controlled by the  
7 agency.

8 (4) "Agency head" means the individual or body of individuals in  
9 whom the ultimate legal authority of the agency is vested by any  
10 provision of law. If the agency head is a body of individuals, a  
11 majority of those individuals constitutes the agency head.

12 (5) "Entry" of an order means the signing of the order by all  
13 persons who are to sign the order, as an official act indicating that  
14 the order is to be effective.

15 (6) "Filing" of a document that is required to be filed with an  
16 agency means delivery of the document to a place designated by the  
17 agency by rule for receipt of official documents, or in the absence  
18 of such designation, at the office of the agency head.

19 (7) "Institutions of higher education" are the University of  
20 Washington, Washington State University, Central Washington  
21 University, Eastern Washington University, Western Washington  
22 University, The Evergreen State College, the various community  
23 colleges, and the governing boards of each of the above, and the  
24 various colleges, divisions, departments, or offices authorized by  
25 the governing board of the institution involved to act for the  
26 institution, all of which are sometimes referred to in this chapter  
27 as "institutions."

28 (8) "Interpretive statement" means a written expression of the  
29 opinion of an agency, entitled an interpretive statement by the  
30 agency head or its designee, as to the meaning of a statute or other  
31 provision of law, of a court decision, or of an agency order.

32 (9) (a) "License" means a franchise, permit, certification,  
33 approval, registration, charter, or similar form of authorization  
34 required by law, but does not include (i) a license required solely  
35 for revenue purposes, or (ii) a certification of an exclusive  
36 bargaining representative, or similar status, under a collective  
37 bargaining law or similar statute, or (iii) a license, franchise, or  
38 permission for use of trademarks, symbols, and similar property owned  
39 or controlled by the agency.

1 (b) "Licensing" includes the agency process respecting the  
2 issuance, denial, revocation, suspension, or modification of a  
3 license.

4 (10) "Mail" or "send," for purposes of any notice relating to  
5 rule making or policy or interpretive statements, means regular mail  
6 or electronic distribution, as provided in RCW 34.05.260. "Electronic  
7 distribution" or "electronically" means distribution by electronic  
8 mail or facsimile mail.

9 (11)(a) "Order," without further qualification, means a written  
10 statement of particular applicability that finally determines the  
11 legal rights, duties, privileges, immunities, or other legal  
12 interests of a specific person or persons.

13 (b) "Order of adoption" means the official written statement by  
14 which an agency adopts, amends, or repeals a rule.

15 (12) "Party to agency proceedings," or "party" in a context so  
16 indicating, means:

17 (a) A person to whom the agency action is specifically directed;  
18 or

19 (b) A person named as a party to the agency proceeding or allowed  
20 to intervene or participate as a party in the agency proceeding.

21 (13) "Party to judicial review or civil enforcement proceedings,"  
22 or "party" in a context so indicating, means:

23 (a) A person who files a petition for a judicial review or civil  
24 enforcement proceeding; or

25 (b) A person named as a party in a judicial review or civil  
26 enforcement proceeding, or allowed to participate as a party in a  
27 judicial review or civil enforcement proceeding.

28 (14) "Person" means any individual, partnership, corporation,  
29 association, governmental subdivision or unit thereof, or public or  
30 private organization or entity of any character, and includes another  
31 agency.

32 (15) "Policy statement" means a written description of the  
33 current approach of an agency, entitled a policy statement by the  
34 agency head or its designee, to implementation of a statute or other  
35 provision of law, of a court decision, or of an agency order,  
36 including where appropriate the agency's current practice, procedure,  
37 or method of action based upon that approach.

38 (16) "Rule" means any agency order, directive, or regulation of  
39 general applicability (a) the violation of which subjects a person to  
40 a penalty or administrative sanction; (b) which establishes, alters,

1 or revokes any procedure, practice, or requirement relating to agency  
2 hearings; (c) which establishes, alters, or revokes any qualification  
3 or requirement relating to the enjoyment of benefits or privileges  
4 conferred by law; (d) which establishes, alters, or revokes any  
5 qualifications or standards for the issuance, suspension, or  
6 revocation of licenses to pursue any commercial activity, trade, or  
7 profession; or (e) which establishes, alters, or revokes any  
8 mandatory standards for any product or material which must be met  
9 before distribution or sale. The term includes the amendment or  
10 repeal of a prior rule, but does not include (i) statements  
11 concerning only the internal management of an agency and not  
12 affecting private rights or procedures available to the public, (ii)  
13 declaratory rulings issued pursuant to RCW 34.05.240, (iii) traffic  
14 restrictions for motor vehicles, bicyclists, and pedestrians  
15 established by the secretary of transportation or his or her designee  
16 where notice of such restrictions is given by official traffic  
17 control devices, (iv) rules of institutions of higher education  
18 involving standards of admission, academic advancement, academic  
19 credit, graduation and the granting of degrees, employment  
20 relationships, or fiscal processes, or (v) the determination and  
21 publication of updated nexus thresholds by the department of  
22 (~~revenue~~) taxation in accordance with RCW 82.04.067.

23 (17) "Rules review committee" or "committee" means the joint  
24 administrative rules review committee created pursuant to RCW  
25 34.05.610 for the purpose of selectively reviewing existing and  
26 proposed rules of state agencies.

27 (18) "Rule making" means the process for formulation and adoption  
28 of a rule.

29 (19) "Service," except as otherwise provided in this chapter,  
30 means posting in the United States mail, properly addressed, postage  
31 prepaid, or personal or electronic service. Service by mail is  
32 complete upon deposit in the United States mail. Agencies may, by  
33 rule, authorize service by electronic transmission, or by commercial  
34 parcel delivery company.

35 **Sec. 61.** RCW 34.05.030 and 2015 3rd sp.s. c 1 s 309 are each  
36 amended to read as follows:

37 (1) This chapter shall not apply to:

38 (a) The state militia, or

39 (b) The board of clemency and pardons, or

1 (c) The department of corrections or the indeterminate sentencing  
2 review board with respect to persons who are in their custody or are  
3 subject to the jurisdiction of those agencies.

4 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not  
5 apply:

6 (a) To adjudicative proceedings of the board of industrial  
7 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

8 (b) Except for actions pursuant to chapter 46.29 RCW, to the  
9 denial, suspension, or revocation of a driver's license by the  
10 department of licensing;

11 (c) To the department of labor and industries where another  
12 statute expressly provides for review of adjudicative proceedings of  
13 a department action, order, decision, or award before the board of  
14 industrial insurance appeals;

15 (d) To actions of the Washington personnel resources board, the  
16 director of financial management, and the department of enterprise  
17 services when carrying out their duties under chapter 41.06 RCW;

18 (e) To adjustments by the department of (~~revenue~~) taxation of  
19 the amount of the surcharge imposed under RCW 82.04.261; or

20 (f) To the extent they are inconsistent with any provisions of  
21 chapter 43.43 RCW.

22 (3) Unless a party makes an election for a formal hearing  
23 pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through  
24 34.05.598 do not apply to a review hearing conducted by the board of  
25 tax appeals.

26 (4) The rule-making provisions of this chapter do not apply to:

27 (a) Reimbursement unit values, fee schedules, arithmetic  
28 conversion factors, and similar arithmetic factors used to determine  
29 payment rates that apply to goods and services purchased under  
30 contract for clients eligible under chapter 74.09 RCW; and

31 (b) Adjustments by the department of (~~revenue~~) taxation of the  
32 amount of the surcharge imposed under RCW 82.04.261.

33 (5) All other agencies, whether or not formerly specifically  
34 excluded from the provisions of all or any part of the administrative  
35 procedure act, shall be subject to the entire act.

36 **Sec. 62.** RCW 34.05.110 and 2011 c 18 s 1 are each amended to  
37 read as follows:

38 (1) Agencies must provide to a small business a copy of the state  
39 law or agency rule that a small business is violating and a period of



1 at least seven calendar days to correct the violation before the  
2 agency may impose any fines, civil penalties, or administrative  
3 sanctions for a violation of a state law or agency rule by a small  
4 business. If no correction is possible or if an agency is acting in  
5 response to a complaint made by a third party and the third party  
6 would be disadvantaged by the application of this subsection, the  
7 requirements in this subsection do not apply.

8 (2) Except as provided in subsection (4) of this section,  
9 agencies shall waive any fines, civil penalties, or administrative  
10 sanctions for first-time paperwork violations by a small business.

11 (3) When an agency waives a fine, penalty, or sanction under this  
12 section, when possible it shall require the small business to correct  
13 the violation within a reasonable period of time, in a manner  
14 specified by the agency. If correction is impossible, no correction  
15 may be required and failure to correct is not grounds for  
16 reinstatement of fines, penalties, or sanctions under subsection  
17 (5)(b) of this section.

18 (4) Exceptions to requirements of subsection (1) of this section  
19 and the waiver requirement in subsection (2) of this section may be  
20 made for any of the following reasons:

21 (a) The agency head determines that the effect of the violation  
22 or waiver presents a direct danger to the public health, results in a  
23 loss of income or benefits to an employee, poses a potentially  
24 significant threat to human health or the environment, or causes  
25 serious harm to the public interest;

26 (b) The violation involves a knowing or willful violation;

27 (c) The violation is of a requirement concerning the assessment,  
28 collection, or administration of any tax, tax program, debt, revenue,  
29 receipt, a regulated entity's financial filings, or insurance rate or  
30 form filing;

31 (d) The requirements of this section are in conflict with federal  
32 law or program requirements, federal requirements that are a  
33 prescribed condition to the allocation of federal funds to the state,  
34 or the requirements for eligibility of employers in this state for  
35 federal unemployment tax credits, as determined by the agency head;

36 (e) The small business committing the violation previously  
37 violated a substantially similar requirement; or

38 (f) The owner or operator of the small business committing the  
39 violation owns or operates, or owned or operated a different small

1 business which previously violated a substantially similar  
2 requirement.

3 (5) (a) Nothing in this section prohibits an agency from waiving  
4 fines, civil penalties, or administrative sanctions incurred by a  
5 small business for a paperwork violation that is not a first-time  
6 offense.

7 (b) Any fine, civil penalty, or administrative sanction that is  
8 waived under this section may be reinstated and imposed in addition  
9 to any additional fines, penalties, or administrative sanctions  
10 associated with a subsequent violation for noncompliance with a  
11 substantially similar paperwork requirement, or failure to correct  
12 the previous violation as required by the agency under subsection (3)  
13 of this section.

14 (6) Nothing in this section may be construed to diminish the  
15 responsibility for any citizen or business to apply for and obtain a  
16 permit, license, or authorizing document that is required to engage  
17 in a regulated activity, or otherwise comply with state or federal  
18 law.

19 (7) Nothing in this section shall be construed to apply to small  
20 businesses required to provide accurate and complete information and  
21 documentation in relation to any claim for payment of state or  
22 federal funds or who are licensed or certified to provide care and  
23 services to vulnerable adults or children.

24 (8) Nothing in this section affects the attorney general's  
25 authority to impose fines, civil penalties, or administrative  
26 sanctions as otherwise authorized by law; nor shall this section  
27 affect the attorney general's authority to enforce the consumer  
28 protection act, chapter 19.86 RCW.

29 (9) As used in this section:

30 (a) "Small business" means a business with two hundred fifty or  
31 fewer employees or a gross revenue of less than seven million dollars  
32 annually as reported on its most recent federal income tax return or  
33 its most recent return filed with the department of (~~revenue~~)  
34 taxation.

35 (b) "Paperwork violation" means the violation of any statutory or  
36 regulatory requirement that mandates the collection of information by  
37 an agency, or the collection, posting, or retention of information by  
38 a small business. This includes but is not limited to requirements in  
39 the Revised Code of Washington, the Washington Administrative Code,  
40 the Washington State Register, or any other agency directive.

1 (c) "First-time paperwork violation" means the first instance of  
2 a particular or substantially similar paperwork violation.

3 **Sec. 63.** RCW 34.05.328 and 2018 c 207 s 8 are each amended to  
4 read as follows:

5 (1) Before adopting a rule described in subsection (5) of this  
6 section, an agency must:

7 (a) Clearly state in detail the general goals and specific  
8 objectives of the statute that the rule implements;

9 (b) Determine that the rule is needed to achieve the general  
10 goals and specific objectives stated under (a) of this subsection,  
11 and analyze alternatives to rule making and the consequences of not  
12 adopting the rule;

13 (c) Provide notification in the notice of proposed rule making  
14 under RCW 34.05.320 that a preliminary cost-benefit analysis is  
15 available. The preliminary cost-benefit analysis must fulfill the  
16 requirements of the cost-benefit analysis under (d) of this  
17 subsection. If the agency files a supplemental notice under RCW  
18 34.05.340, the supplemental notice must include notification that a  
19 revised preliminary cost-benefit analysis is available. A final cost-  
20 benefit analysis must be available when the rule is adopted under RCW  
21 34.05.360;

22 (d) Determine that the probable benefits of the rule are greater  
23 than its probable costs, taking into account both the qualitative and  
24 quantitative benefits and costs and the specific directives of the  
25 statute being implemented;

26 (e) Determine, after considering alternative versions of the rule  
27 and the analysis required under (b), (c), and (d) of this subsection,  
28 that the rule being adopted is the least burdensome alternative for  
29 those required to comply with it that will achieve the general goals  
30 and specific objectives stated under (a) of this subsection;

31 (f) Determine that the rule does not require those to whom it  
32 applies to take an action that violates requirements of another  
33 federal or state law;

34 (g) Determine that the rule does not impose more stringent  
35 performance requirements on private entities than on public entities  
36 unless required to do so by federal or state law;

37 (h) Determine if the rule differs from any federal regulation or  
38 statute applicable to the same activity or subject matter and, if so,  
39 determine that the difference is justified by the following:

1 (i) A state statute that explicitly allows the agency to differ  
2 from federal standards; or

3 (ii) Substantial evidence that the difference is necessary to  
4 achieve the general goals and specific objectives stated under (a) of  
5 this subsection; and

6 (i) Coordinate the rule, to the maximum extent practicable, with  
7 other federal, state, and local laws applicable to the same activity  
8 or subject matter.

9 (2) In making its determinations pursuant to subsection (1)(b)  
10 through (h) of this section, the agency must place in the rule-making  
11 file documentation of sufficient quantity and quality so as to  
12 persuade a reasonable person that the determinations are justified.

13 (3) Before adopting rules described in subsection (5) of this  
14 section, an agency must place in the rule-making file a rule  
15 implementation plan for rules filed under each adopting order. The  
16 plan must describe how the agency intends to:

17 (a) Implement and enforce the rule, including a description of  
18 the resources the agency intends to use;

19 (b) Inform and educate affected persons about the rule;

20 (c) Promote and assist voluntary compliance; and

21 (d) Evaluate whether the rule achieves the purpose for which it  
22 was adopted, including, to the maximum extent practicable, the use of  
23 interim milestones to assess progress and the use of objectively  
24 measurable outcomes.

25 (4) After adopting a rule described in subsection (5) of this  
26 section regulating the same activity or subject matter as another  
27 provision of federal or state law, an agency must do all of the  
28 following:

29 (a) Coordinate implementation and enforcement of the rule with  
30 the other federal and state entities regulating the same activity or  
31 subject matter by making every effort to do one or more of the  
32 following:

33 (i) Deferring to the other entity;

34 (ii) Designating a lead agency; or

35 (iii) Entering into an agreement with the other entities  
36 specifying how the agency and entities will coordinate implementation  
37 and enforcement.

38 If the agency is unable to comply with this subsection (4)(a),  
39 the agency must report to the legislature pursuant to (b) of this  
40 subsection;

1 (b) Report to the joint administrative rules review committee:

2 (i) The existence of any overlap or duplication of other federal  
3 or state laws, any differences from federal law, and any known  
4 overlap, duplication, or conflict with local laws; and

5 (ii) Make recommendations for any legislation that may be  
6 necessary to eliminate or mitigate any adverse effects of such  
7 overlap, duplication, or difference.

8 (5)(a) Except as provided in (b) of this subsection, this section  
9 applies to:

10 (i) Significant legislative rules of the departments of ecology,  
11 labor and industries, health, revenue, social and health services,  
12 and natural resources, the employment security department, the forest  
13 practices board, the office of the insurance commissioner, the state  
14 building code council, and to the legislative rules of the department  
15 of fish and wildlife implementing chapter 77.55 RCW; and

16 (ii) Any rule of any agency, if this section is voluntarily made  
17 applicable to the rule by the agency, or is made applicable to the  
18 rule by a majority vote of the joint administrative rules review  
19 committee within forty-five days of receiving the notice of proposed  
20 rule making under RCW 34.05.320.

21 (b) This section does not apply to:

22 (i) Emergency rules adopted under RCW 34.05.350;

23 (ii) Rules relating only to internal governmental operations that  
24 are not subject to violation by a nongovernment party;

25 (iii) Rules adopting or incorporating by reference without  
26 material change federal statutes or regulations, Washington state  
27 statutes, rules of other Washington state agencies, shoreline master  
28 programs other than those programs governing shorelines of statewide  
29 significance, or, as referenced by Washington state law, national  
30 consensus codes that generally establish industry standards, if the  
31 material adopted or incorporated regulates the same subject matter  
32 and conduct as the adopting or incorporating rule;

33 (iv) Rules that only correct typographical errors, make address  
34 or name changes, or clarify language of a rule without changing its  
35 effect;

36 (v) Rules the content of which is explicitly and specifically  
37 dictated by statute;

38 (vi) Rules that set or adjust fees under the authority of RCW  
39 19.02.075 or that set or adjust fees or rates pursuant to legislative

1 standards, including fees set or adjusted under the authority of RCW  
2 19.80.045;

3 (vii) Rules of the department of social and health services  
4 relating only to client medical or financial eligibility and rules  
5 concerning liability for care of dependents; or

6 (viii) Rules of the department of (~~revenue~~) taxation that adopt  
7 a uniform expiration date for reseller permits as authorized in RCW  
8 82.32.780 and 82.32.783.

9 (c) For purposes of this subsection:

10 (i) A "procedural rule" is a rule that adopts, amends, or repeals  
11 (A) any procedure, practice, or requirement relating to any agency  
12 hearings; (B) any filing or related process requirement for making  
13 application to an agency for a license or permit; or (C) any policy  
14 statement pertaining to the consistent internal operations of an  
15 agency.

16 (ii) An "interpretive rule" is a rule, the violation of which  
17 does not subject a person to a penalty or sanction, that sets forth  
18 the agency's interpretation of statutory provisions it administers.

19 (iii) A "significant legislative rule" is a rule other than a  
20 procedural or interpretive rule that (A) adopts substantive  
21 provisions of law pursuant to delegated legislative authority, the  
22 violation of which subjects a violator of such rule to a penalty or  
23 sanction; (B) establishes, alters, or revokes any qualification or  
24 standard for the issuance, suspension, or revocation of a license or  
25 permit; or (C) adopts a new, or makes significant amendments to, a  
26 policy or regulatory program.

27 (d) In the notice of proposed rule making under RCW 34.05.320, an  
28 agency must state whether this section applies to the proposed rule  
29 pursuant to (a) (i) of this subsection, or if the agency will apply  
30 this section voluntarily.

31 (6) By January 31, 1996, and by January 31st of each even-  
32 numbered year thereafter, the office of regulatory assistance, after  
33 consulting with state agencies, counties, and cities, and business,  
34 labor, and environmental organizations, must report to the governor  
35 and the legislature regarding the effects of this section on the  
36 regulatory system in this state. The report must document:

37 (a) The rules proposed to which this section applied and to the  
38 extent possible, how compliance with this section affected the  
39 substance of the rule, if any, that the agency ultimately adopted;

1 (b) The costs incurred by state agencies in complying with this  
2 section;

3 (c) Any legal action maintained based upon the alleged failure of  
4 any agency to comply with this section, the costs to the state of  
5 such action, and the result;

6 (d) The extent to which this section has adversely affected the  
7 capacity of agencies to fulfill their legislatively prescribed  
8 mission;

9 (e) The extent to which this section has improved the  
10 acceptability of state rules to those regulated; and

11 (f) Any other information considered by the office of financial  
12 management to be useful in evaluating the effect of this section.

13 **Sec. 64.** RCW 34.05.422 and 2012 c 39 s 6 are each amended to  
14 read as follows:

15 (1) Unless otherwise provided by law: (a) Applications for rate  
16 changes and uncontested applications for licenses may, in the  
17 agency's discretion, be conducted as adjudicative proceedings; (b)  
18 applications for licenses that are contested by a person having  
19 standing to contest under the law and review of denials of  
20 applications for licenses or rate changes must be conducted as  
21 adjudicative proceedings; and (c) an agency may not revoke, suspend,  
22 or modify a license unless the agency gives notice of an opportunity  
23 for an appropriate adjudicative proceeding in accordance with this  
24 chapter or other statute.

25 (2) An agency with authority to grant or deny a professional or  
26 occupational license must notify an applicant for a new or renewal  
27 license not later than twenty days prior to the date of the  
28 examination required for that license of any grounds for denial of  
29 the license which are based on specific information disclosed in the  
30 application submitted to the agency. The agency must notify the  
31 applicant either that the license is denied or that the decision to  
32 grant or deny the license will be made at a future date. If the  
33 agency fails to give the notification prior to the examination and  
34 the applicant is denied licensure, the examination fee must be  
35 refunded to the applicant. If the applicant takes the examination,  
36 the agency must notify the applicant of the result.

37 (3) When a licensee has made timely and sufficient application  
38 for the renewal of a license or a new license with reference to any  
39 activity of a continuing nature, an existing full, temporary, or

1 provisional license does not expire until the application has been  
2 finally determined by the agency, and, in case the application is  
3 denied or the terms of the new license limited, until the last day  
4 for seeking review of the agency order or a later date fixed by order  
5 of the reviewing court.

6 (4) If the agency finds that public health, safety, or welfare  
7 imperatively requires emergency action, and incorporates a finding to  
8 that effect in its order, summary suspension of a license may be  
9 ordered pending proceedings for revocation or other action. These  
10 proceedings must be promptly instituted and determined.

11 (5) This section does not apply to requests made by the  
12 department of (~~revenue~~) taxation, under the authority of RCW  
13 82.08.155, to the liquor (~~control~~) and cannabis board to suspend a  
14 person's spirits license and to refuse to renew any spirits license  
15 held by the person and to issue any new spirits license to the  
16 person.

17 **Sec. 65.** RCW 35.21.392 and 2013 c 144 s 36 are each amended to  
18 read as follows:

19 A city that issues a business license to a person required to be  
20 registered under chapter 18.27 RCW may verify that the person is  
21 registered under chapter 18.27 RCW and report violations to the  
22 department of labor and industries. The department of (~~revenue~~)  
23 taxation must conduct the verification for cities that participate in  
24 the business licensing system.

25 **Sec. 66.** RCW 35.42.090 and 1975 1st ex.s. c 278 s 22 are each  
26 amended to read as follows:

27 All leases executed pursuant to RCW 35.42.010 through 35.42.090  
28 shall be exempt from the tax imposed by chapter 19, Laws of 1951  
29 second extraordinary session, as amended, and chapter 82.45 RCW;  
30 section 5, chapter 389, Laws of 1955, and RCW 82.04.040; and section  
31 9, chapter 178, Laws of 1941, and RCW 82.08.090, and by rules and  
32 regulations of the department of (~~revenue~~) taxation issued pursuant  
33 thereto.

34 **Sec. 67.** RCW 35.90.010 and 2017 c 209 s 1 are each amended to  
35 read as follows:

36 The definitions in this section apply throughout this chapter  
37 unless the context clearly requires otherwise.



1 (1) "Business licensing service," "business licensing system,"  
2 and "business license" have the same meaning as in RCW 19.02.020.

3 (2) "City" means a city, town, or code city.

4 (3) "Department" means the department of (~~revenue~~) taxation.

5 (4) "General business license" means a license, not including a  
6 regulatory license or a temporary license, that a city requires all  
7 or most businesses to obtain to conduct business within that city.

8 (5) "Partner" means the relationship between a city and the  
9 department under which general business licenses are issued and  
10 renewed through the business licensing service in accordance with  
11 chapter 19.02 RCW.

12 (6) "Regulatory business license" means a license, other than a  
13 general business license, required for certain types of businesses  
14 that a city has determined warrants additional regulation, such as  
15 taxicab or other for hire vehicle operators, adult entertainment  
16 businesses, amusement device operators, massage parlors, debt  
17 collectors, door-to-door sales persons, trade-show operators, and  
18 home-based businesses.

19 **Sec. 68.** RCW 35.100.050 and 2002 c 79 s 5 are each amended to  
20 read as follows:

21 A city or town shall determine at its own cost the amount of  
22 local sales and use tax increment revenue that may be generated in  
23 the downtown and neighborhood commercial districts it designates. The  
24 department of (~~revenue~~) taxation may, at its discretion, provide  
25 advice or other assistance to cities and towns to assist in  
26 determining local sales and use tax increment revenue.

27 **Sec. 69.** RCW 35.101.052 and 2009 c 442 s 2 are each amended to  
28 read as follows:

29 (1) A legislative authority shall contract, prior to the  
30 effective date of an ordinance imposing a lodging charge under RCW  
31 35.101.050, for the administration and collection of the charge by  
32 the state department of (~~revenue~~) taxation. The department may  
33 deduct a percentage amount, as provided by contract, for the  
34 administration and collection expenses incurred by the department.

35 (2) This section only applies to a legislative authority  
36 consisting of a county with a population of one million or more or a  
37 city or town within such a county.

1       **Sec. 70.** RCW 35.101.090 and 2003 c 148 s 9 are each amended to  
2 read as follows:

3       (1) The charge authorized by this chapter shall be administered  
4 by the department of (~~revenue~~) taxation and shall be collected by  
5 lodging businesses from those persons who are taxable by the state  
6 under chapter 82.08 RCW. Chapter 82.32 RCW applies to the charge  
7 imposed under this chapter.

8       (2) At least seventy-five days prior to the effective date of the  
9 resolution or ordinance imposing the charge, the legislative  
10 authority shall contract for the administration and collection by the  
11 department of (~~revenue~~) taxation.

12       (3) The charges authorized by this chapter that are collected by  
13 the department of (~~revenue~~) taxation shall be deposited by the  
14 department in the local tourism promotion account created in RCW  
15 35.101.100.

16       **Sec. 71.** RCW 35.102.040 and 2010 c 271 s 706 are each amended to  
17 read as follows:

18       (1)(a) The cities, working through the association of Washington  
19 cities, shall form a model ordinance development committee made up of  
20 a representative sampling of cities that as of July 27, 2003, impose  
21 a business and occupation tax. This committee shall work through the  
22 association of Washington cities to adopt a model ordinance on  
23 municipal gross receipts business and occupation tax. The model  
24 ordinance and subsequent amendments shall be adopted using a process  
25 that includes opportunity for substantial input from business  
26 stakeholders and other members of the public. Input shall be  
27 solicited from statewide business associations and from local  
28 chambers of commerce and downtown business associations in cities  
29 that levy a business and occupation tax.

30       (b) The department of commerce shall contract to post the model  
31 ordinance on an internet web site and to make paper copies available  
32 for inspection upon request. The department of (~~revenue~~) taxation  
33 and the department of licensing shall post copies of or links to the  
34 model ordinance on their internet web sites. Additionally, a city  
35 that imposes a business and occupation tax must make copies of its  
36 ordinance available for inspection and copying as provided in chapter  
37 42.56 RCW.

38       (c) The definitions and tax classifications in the model  
39 ordinance may not be amended more frequently than once every four

1 years, however the model ordinance may be amended at any time to  
2 comply with changes in state law. Any amendment to a mandatory  
3 provision of the model ordinance must be adopted with the same  
4 effective date by all cities.

5 (2) A city that imposes a business and occupation tax must adopt  
6 the mandatory provisions of the model ordinance. The following  
7 provisions are mandatory:

8 (a) A system of credits that meets the requirements of RCW  
9 35.102.060 and a form for such use;

10 (b) A uniform, minimum small business tax threshold of at least  
11 the equivalent of twenty thousand dollars in gross income annually. A  
12 city may elect to deviate from this requirement by creating a higher  
13 threshold or exemption but it shall not deviate lower than the level  
14 required in this subsection. If a city has a small business threshold  
15 or exemption in excess of that provided in this subsection as of  
16 January 1, 2003, and chooses to deviate below the threshold or  
17 exemption level that was in place as of January 1, 2003, the city  
18 must notify all businesses licensed to do business within the city at  
19 least one hundred twenty days prior to the potential implementation  
20 of a lower threshold or exemption amount;

21 (c) Tax reporting frequencies that meet the requirements of RCW  
22 35.102.070;

23 (d) Penalty and interest provisions that meet the requirements of  
24 RCW 35.102.080 and 35.102.090;

25 (e) Claim periods that meet the requirements of RCW 35.102.100;

26 (f) Refund provisions that meet the requirements of RCW  
27 35.102.110; and

28 (g) Definitions, which at a minimum, must include the definitions  
29 enumerated in RCW 35.102.030 and 35.102.120. The definitions in  
30 chapter 82.04 RCW shall be used as the baseline for all definitions  
31 in the model ordinance, and any deviation in the model ordinance from  
32 these definitions must be described by a comment in the model  
33 ordinance.

34 (3) Except for the deduction required by RCW 35.102.160 and the  
35 system of credits developed to address multiple taxation under  
36 subsection (2)(a) of this section, a city may adopt its own  
37 provisions for tax exemptions, tax credits, and tax deductions.

38 (4) Any city that adopts an ordinance that deviates from the  
39 nonmandatory provisions of the model ordinance shall make a

1 description of such differences available to the public, in written  
2 and electronic form.

3 **Sec. 72.** RCW 35.102.1301 and 2003 c 79 s 15 are each amended to  
4 read as follows:

5 (1) The department of (~~revenue~~) taxation shall conduct a study  
6 of the net fiscal impacts of chapter 79, Laws of 2003, with  
7 particular emphasis on the revenue impacts of the apportionment and  
8 allocation method contained in RCW 35.102.130 and any revenue impact  
9 resulting from the increased uniformity and consistency provided  
10 through the model ordinance. In conducting the study, the department  
11 shall use, and regularly consult with, a committee composed of an  
12 equal representation from interested business representatives and  
13 from a representative sampling of cities imposing business and  
14 occupation taxes. The department shall report the final results of  
15 the study to the governor and the fiscal committees of the  
16 legislature by November 30, 2005. In addition, the department shall  
17 provide progress reports to the governor and the fiscal committees of  
18 the legislature on November 30, 2003, and November 30, 2004. As part  
19 of its report, the department shall examine and recommend options to  
20 address any adverse revenue impacts to local jurisdictions.

21 (2) For the purposes of this section, "net fiscal impacts" means  
22 accounting for the potential of both positive and negative fiscal  
23 impacts on local jurisdictions that may result from chapter 79, Laws  
24 of 2003.

25 (3) It is the intent of the legislature through this study to  
26 provide accurate fiscal impact analysis and recommended options to  
27 alleviate revenue impacts from chapter 79, Laws of 2003 so as to  
28 allow local jurisdictions to anticipate and appropriately address any  
29 potential adverse revenue impacts from chapter 79, Laws of 2003.

30 **Sec. 73.** RCW 35A.21.340 and 2013 c 144 s 37 are each amended to  
31 read as follows:

32 A city that issues a business license to a person required to be  
33 registered under chapter 18.27 RCW may verify that the person is  
34 registered under chapter 18.27 RCW and report violations to the  
35 department of labor and industries. The department of (~~revenue~~)  
36 taxation must conduct the verification for cities that participate in  
37 the business licensing system.

1       **Sec. 74.** RCW 36.21.011 and 2011 1st sp.s. c 43 s 470 are each  
2 amended to read as follows:

3       Any assessor who deems it necessary in order to complete the  
4 listing and the valuation of the property of the county within the  
5 time prescribed by law, (1) may appoint one or more well qualified  
6 persons to act as assistants or deputies who shall not engage in the  
7 private practice of appraising within the county in which he or she  
8 is employed without the written permission of the assessor filed with  
9 the auditor; and each such assistant or deputy so appointed shall,  
10 under the direction of the assessor, after taking the required oath,  
11 perform all the duties enjoined upon, vested in or imposed upon  
12 assessors, and (2) may contract with any persons, firms or  
13 corporations, who are expert appraisers, to assist in the valuation  
14 of property.

15       To assist each assessor in obtaining adequate and well qualified  
16 assistants or deputies, the office of financial management, after  
17 consultation with the Washington state association of county  
18 assessors, the Washington state association of counties, and the  
19 department of (~~revenue~~) taxation, shall establish by July 1, 1967,  
20 and shall thereafter maintain, a classification and salary plan for  
21 those employees of an assessor who act as appraisers. The plan shall  
22 recommend the salary range and employment qualifications for each  
23 position encompassed by it, and shall, to the fullest extent  
24 practicable, conform to the classification plan, salary schedules and  
25 employment qualifications for state employees performing similar  
26 appraisal functions.

27       An assessor who intends to put such plan into effect shall inform  
28 the department of (~~revenue~~) taxation and the county legislative  
29 authority of this intent in writing. The department of (~~revenue~~)  
30 taxation and the county legislative authority may thereupon each  
31 designate a representative, and such representative or  
32 representatives as may be designated by the department of (~~revenue~~)  
33 taxation or the county legislative authority, or both, shall form  
34 with the assessor a committee. The committee so formed may, by  
35 unanimous vote only, determine the required number of certified  
36 appraiser positions and their salaries necessary to enable the  
37 assessor to carry out the requirements relating to revaluation of  
38 property in chapter 84.41 RCW. The determination of the committee  
39 shall be certified to the county legislative authority. The committee  
40 may be formed only once in a period of four calendar years.

1 After such determination, the assessor may provide, in each of  
2 the four next succeeding annual budget estimates, for as many  
3 positions as are established in such determination. Each county  
4 legislative authority to which such a budget estimate is submitted  
5 shall allow sufficient funds for such positions. An employee may be  
6 appointed to a position covered by the plan only if the employee  
7 meets the employment qualifications established by the plan.

8 **Sec. 75.** RCW 36.21.015 and 1991 c 218 s 3 are each amended to  
9 read as follows:

10 (1) Any person having the responsibility of valuing real property  
11 for purposes of taxation including persons acting as assistants or  
12 deputies to a county assessor under RCW 36.21.011 shall have first:

13 (a) Had at least one year of experience in transactions involving  
14 real property, in appraisal of real property, or in assessment of  
15 real property, or at least one year of experience in a combination of  
16 the three;

17 (b) Become knowledgeable in repair and remodeling of buildings  
18 and improvement of land, and in the significance of locality and area  
19 to the value of real property;

20 (c) Become knowledgeable in the standards for appraising property  
21 set forth by the department of (~~revenue~~) taxation; and

22 (d) Met other minimum requirements specified by department of  
23 (~~revenue~~) taxation rule.

24 (2) The department of (~~revenue~~) taxation shall prepare and  
25 administer an examination on subjects related to the valuation of  
26 real property. No person shall assess real property for purposes of  
27 taxation without having passed said examination or having received an  
28 examination waiver from the department of (~~revenue~~) taxation upon  
29 showing education or experience determined by the department to be  
30 equivalent to passing the examination. A person passing said  
31 examination or receiving an examination waiver shall be accredited  
32 accordingly by the department of (~~revenue~~) taxation.

33 (3) The department of (~~revenue~~) taxation may by rule establish  
34 continuing education requirements for persons assessing real property  
35 for purposes of taxation. The department shall provide accreditation  
36 of completion of requirements imposed under this section. No person  
37 shall assess real property for purposes of taxation without complying  
38 with requirements imposed under this subsection.

1 (4) To the extent practical, the department of (~~revenue~~)  
2 taxation shall coordinate accreditation requirements under this  
3 section with the requirements for certified real estate appraisers  
4 under chapter 18.140 RCW.

5 (5) The examination requirements of subsection (2) of this  
6 section shall not apply to any person who shall have either:

7 (a) Been certified as a real property appraiser by the department  
8 of personnel prior to July 1, 1992; or

9 (b) Attended and satisfactorily completed the assessor's school  
10 operated jointly by the department of (~~revenue~~) taxation and the  
11 Washington state assessors association prior to August 9, 1971.

12 **Sec. 76.** RCW 36.21.100 and 1991 c 218 s 4 are each amended to  
13 read as follows:

14 Every county assessor shall report to the department of  
15 (~~revenue~~) taxation on the property tax levies and related matters  
16 within the county annually at a date and in a form prescribed by the  
17 department of (~~revenue~~) taxation. The report shall include, but  
18 need not be limited to, the results of sales-assessment ratio studies  
19 performed by the assessor. The ratio studies shall be based on use  
20 classes of real property and shall be performed under a plan approved  
21 by the department of (~~revenue~~) taxation.

22 **Sec. 77.** RCW 36.35.140 and 2013 c 221 s 3 are each amended to  
23 read as follows:

24 The board of county commissioners of any county may, pending sale  
25 of any county property acquired by foreclosure of delinquent taxes or  
26 amounts deferred under chapter 84.37 or 84.38 RCW, rent any portion  
27 thereof on a tenancy from month to month. From the proceeds of the  
28 rentals the board of county commissioners must first pay all expense  
29 in management of said property and in repairing, maintaining and  
30 insuring the improvements thereon. The balance of said proceeds must  
31 first be paid to reimburse the county for the costs of foreclosure  
32 and sale as defined in RCW 36.35.110. The remainder of the proceeds,  
33 if any, must be paid to the department of (~~revenue~~) taxation in the  
34 amount of any taxes deferred under chapter 84.37 or 84.38 RCW on the  
35 property, including accrued interest, outstanding at the time the  
36 county acquired the property by tax deed, and then to the various  
37 taxing units interested in the taxes levied against said property in

1 the same proportion as the current tax levies of the taxing units  
2 having levies against said property.

3 **Sec. 78.** RCW 36.38.020 and 2009 c 549 s 4080 are each amended to  
4 read as follows:

5 In addition to the provisions levying and fixing the amount of  
6 tax, the ordinance may contain any or all of the following  
7 provisions:

8 (1) A provision defining the words and terms used therein;

9 (2) A provision requiring the price (exclusive of the tax to be  
10 paid by the person paying for admission) at which every admission  
11 ticket or card is sold to be conspicuously and indelibly printed or  
12 written on the face or back of that part of the ticket which is to be  
13 taken up by the management of the place for which an admission charge  
14 is exacted, and making the violation of such provision a misdemeanor  
15 punishable by fine of not exceeding one hundred dollars;

16 (3) Provisions fixing reasonable exemptions from such tax;

17 (4) Provisions allowing as an offset against the tax, the amount  
18 of like taxes levied, fixed, and collected within their jurisdiction  
19 by incorporated cities and towns in the county;

20 (5) A provision requiring persons receiving payments for  
21 admissions taxed under said ordinance to collect the amount of the  
22 tax from the persons making such payments;

23 (6) A provision to the effect that the tax imposed by said  
24 ordinance shall be deemed to be held in trust by the person required  
25 to collect the same until paid to the county treasurer, and making it  
26 a misdemeanor for any person receiving payment of the tax and  
27 appropriating or converting the same to his or her own use or to any  
28 use other than the payment of the tax as provided in said ordinance  
29 to the extent that the amount of such tax is not available for  
30 payment on the due date for filing returns as provided in said  
31 ordinance;

32 (7) A provision that in case any person required by the ordinance  
33 to collect the tax imposed thereby fails to collect the same, or  
34 having collected the tax fails to pay the same to the county  
35 treasurer in the manner prescribed by the ordinance, whether such  
36 failure is the result of such person's own acts or the result of acts  
37 or conditions beyond such person's control, such person shall  
38 nevertheless be personally liable to the county for the amount of the  
39 tax;



1 (8) Provisions fixing the time when the taxes imposed by the  
2 ordinance shall be due and payable to the county treasurer; requiring  
3 persons receiving payments for admissions to make periodic returns to  
4 the county treasurer on such forms and setting forth such information  
5 as the county treasurer may specify; requiring such return to show  
6 the amount of tax upon admissions for which such person is liable for  
7 specified preceding periods, and requiring such person to sign and  
8 transmit the same to the county treasurer together with a remittance  
9 for the amount;

10 (9) A provision requiring taxpayers to file with the county  
11 treasurer verified annual returns setting forth such additional  
12 information as he or she may deem necessary to determine tax  
13 liability correctly;

14 (10) A provision to the effect that whenever a certificate of  
15 registration, if required by the ordinance, is obtained for operating  
16 or conducting temporary places of amusement by persons who are not  
17 the owners, lessees, or custodians of the building, lot or place  
18 where the amusement is to be conducted, or whenever the business is  
19 permitted to be conducted without the procurement of a certificate,  
20 the tax imposed shall be returned and paid as provided in the  
21 ordinance by such owner, lessee, or custodian, unless paid by the  
22 person conducting the place of amusement;

23 (11) A provision requiring the applicant for a temporary  
24 certificate of registration, if required by the ordinance, to furnish  
25 with the application therefor, the name and address of the owner,  
26 lessee, or custodian of the premises upon which the amusement is to  
27 be conducted, and requiring the county treasurer to notify such  
28 owner, lessee, or custodian of the issuance of any such temporary  
29 certificate, and of the joint liability for such tax;

30 (12) A provision empowering the county treasurer to declare the  
31 tax upon temporary or itinerant places of amusement to be immediately  
32 due and payable and to collect the same, when he or she believes  
33 there is a possibility that the tax imposed under the ordinance will  
34 not be otherwise paid;

35 (13) Any or all of the applicable general administrative  
36 provisions contained in RCW 82.32.010 through 82.32.340 and  
37 82.32.380, and the amendments thereto, except that unless otherwise  
38 indicated by the context of said sections, in all provisions so  
39 incorporated in such ordinance (a) the term "county treasurer" (of  
40 the county enacting said ordinance) shall be substituted for each

1 reference made in said sections to the "department," the "department  
2 of (~~revenue~~) taxation," "any employee of the department," or  
3 "director of the department of (~~revenue~~) taxation"; (b) the name of  
4 the county enacting such ordinance shall be substituted for each  
5 reference made in said sections to the "state" or to the "state of  
6 Washington"; (c) the term "this ordinance" shall be substituted for  
7 each reference made in said sections to "this chapter"; (d) the name  
8 of the county enacting said ordinance shall be substituted for each  
9 reference made in said sections to "Thurston county"; and (e) the  
10 term "board of county commissioners" shall be substituted for each  
11 reference made in said sections to the "director of financial  
12 management."

13 **Sec. 79.** RCW 36.57A.210 and 2003 c 83 s 202 are each amended to  
14 read as follows:

15 (1) A public transportation benefit area may, as part of a  
16 passenger-only ferry investment plan, recommend some or all of the  
17 following revenue sources as provided in this chapter:

18 (a) A motor vehicle excise tax, as provided in RCW 82.80.130;

19 (b) A sales and use tax, as provided in RCW 82.14.440;

20 (c) Tolls for passengers and packages and, where applicable,  
21 parking; and

22 (d) Charges or licensing fees for advertising, leasing space for  
23 services to ferry passengers, and other revenue-generating  
24 activities.

25 (2) Taxes may not be imposed without an affirmative vote of the  
26 majority of the voters within the boundaries of the area voting on a  
27 single ballot proposition to both approve a passenger-only ferry  
28 investment plan and to approve taxes to implement the plan. Revenues  
29 from these taxes and fees may be used only to implement the plan and  
30 must be used for the benefit of the residents of the benefit area. A  
31 district may contract with the state department of (~~revenue~~)  
32 taxation or other appropriate entities for administration and  
33 collection of any of the taxes or charges authorized in this section.

34 **Sec. 80.** RCW 36.57A.224 and 2015 3rd sp.s. c 44 s 314 are each  
35 amended to read as follows:

36 (1) A passenger-only ferry service district may, as part of a  
37 passenger-only ferry investment plan, recommend some or all of the  
38 following revenue sources as provided in this chapter:

- 1 (a) A sales and use tax, as authorized in RCW 82.14.445;  
2 (b) A parking tax, as authorized in RCW 82.80.035;  
3 (c) Tolls for passengers, packages, and, where applicable,  
4 parking; and  
5 (d) Charges or licensing fees for advertising, leasing space for  
6 services to ferry passengers, and other revenue generating  
7 activities.

8 (2) Taxes may not be imposed without an affirmative vote of the  
9 majority of the voters within the boundaries of the passenger-only  
10 ferry service district voting on a single ballot proposition to both  
11 approve a passenger-only ferry investment plan and to approve taxes  
12 to implement the plan. Revenues from these taxes and fees may be used  
13 only to implement the plan and must be used for the benefit of the  
14 residents of the passenger-only ferry service district. A district  
15 must contract with the department of (~~revenue~~) taxation for the  
16 administration and collection of a sales and use tax as authorized in  
17 RCW 82.14.445. A district may contract with other appropriate  
18 entities for the administration and collection of any of the other  
19 taxes or charges authorized in this section.

20 **Sec. 81.** RCW 36.100.040 and 2018 c 245 s 2 are each amended to  
21 read as follows:

22 (1) A public facilities district may impose an excise tax on the  
23 sale of or charge made for the furnishing of lodging that is subject  
24 to tax under chapter 82.08 RCW, except that no such tax may be levied  
25 on any premises having fewer than forty lodging units. Except for any  
26 tax imposed under subsection (4) or (5) of this section, if a public  
27 facilities district has not imposed such an excise tax prior to  
28 December 31, 1995, the public facilities district may only impose the  
29 excise tax if a ballot proposition authorizing the imposition of the  
30 tax has been approved by a simple majority vote of voters of the  
31 public facilities district voting on the proposition.

32 (2) The rate of the tax may not exceed two percent and the  
33 proceeds of the tax may only be used for the acquisition, design,  
34 construction, remodeling, maintenance, equipping, reequipping,  
35 repairing, and operation of its public facilities. This excise tax  
36 may not be imposed until the district has approved the proposal to  
37 acquire, design, and construct the public facilities.

38 (3) Except for a public facilities district created within a  
39 county with a population of one million five hundred thousand or more

1 for the purpose of acquiring, owning, and operating a convention and  
2 trade center, a public facilities district may not impose the tax  
3 authorized in this section if, after the tax authorized in this  
4 section was imposed, the effective combined rate of state and local  
5 excise taxes, including sales and use taxes and excise taxes on  
6 lodging, imposed on the sale of or charge made for furnishing of  
7 lodging in any jurisdiction in the public facilities district exceeds  
8 eleven and one-half percent.

9 (4) (a) To replace the tax authorized by RCW 67.40.090, a public  
10 facilities district created within a county with a population of one  
11 million five hundred thousand or more for the purpose of acquiring,  
12 owning, operating, renovating, and expanding a convention and trade  
13 center may impose an excise tax on the sale of or charge made for the  
14 furnishing of lodging (including but not limited to any short-term  
15 rental) that is subject to tax under chapter 82.08 RCW, except that  
16 no such tax may be levied on:

17 (i) Any premises:

18 (A) Having fewer than sixty lodging units if the premises is  
19 located in a town with a population less than three hundred; or

20 (B) Classified as a hostel;

21 (ii) Any lodging that is concurrently subject to a tax on  
22 engaging in the business of being a short-term rental operator  
23 imposed by a city in which a convention and trade center is located;  
24 or

25 (iii) Any lodging that is operated by a university health care  
26 system exclusively for family members of patients.

27 (b) The rate of the tax may not exceed seven percent within the  
28 portion of the district that corresponds to the boundaries of the  
29 largest city within the public facilities district and may not exceed  
30 2.8 percent in the remainder of the district. The tax imposed under  
31 this subsection (4) may not be collected prior to the transfer date  
32 defined in RCW 36.100.230.

33 (5) To replace the tax authorized by RCW 67.40.130, a public  
34 facilities district created within a county with a population of one  
35 million five hundred thousand or more for the purpose of acquiring,  
36 owning, operating, renovating, and expanding a convention and trade  
37 center may impose an additional excise tax on the sale of or charge  
38 made for the furnishing of lodging (including but not limited to any  
39 short-term rental) that is subject to tax under chapter 82.08 RCW,  
40 except that no such tax may be levied on any premises: (a) Having

1 fewer than sixty lodging units if the premises is located in a town  
2 with a population less than three hundred; or (b) classified as a  
3 hostel. The rate of the additional excise tax may not exceed two  
4 percent and may be imposed only within the portion of the district  
5 that corresponds to the boundaries of the largest city within the  
6 public facilities district and may not be imposed in the remainder of  
7 the district. The tax imposed under this subsection (5) may not be  
8 collected prior to the transfer date specified in RCW 36.100.230. The  
9 tax imposed under this subsection (5) must be credited against the  
10 amount of the tax otherwise due to the state from those same  
11 taxpayers under chapter 82.08 RCW. The tax under this subsection (5)  
12 may be imposed only for the purpose of paying or securing the payment  
13 of the principal of and interest on obligations issued or incurred by  
14 the public facilities district and paying annual payment amounts to  
15 the state under subsection (6)(a) of this section. The authority to  
16 impose the additional excise tax under this subsection (5) expires on  
17 the date that is the earlier of (i) July 1, 2029, or (ii) the date on  
18 which all obligations issued or incurred by the public facilities  
19 district to implement any redemption, prepayment, or legal defeasance  
20 of outstanding obligations under RCW 36.100.230(3)(a) are no longer  
21 outstanding.

22 (6)(a) Commencing with the first full fiscal year of the state  
23 after the transfer date defined in RCW 36.100.230 and for so long as  
24 a public facilities district imposes a tax under subsection (5) of  
25 this section, the public facilities district must transfer to the  
26 state of Washington on June 30th of each state fiscal year an annual  
27 payment amount.

28 (b) For the purposes of this subsection (6), "annual payment  
29 amount" means an amount equal to revenues received by the public  
30 facilities district in the fiscal year from the additional excise tax  
31 imposed under subsection (5) of this section plus an interest charge  
32 calculated on one-half the annual payment amount times an interest  
33 rate equal to the average annual rate of return for the prior  
34 calendar year in the Washington state local government investment  
35 pool created in chapter 43.250 RCW.

36 (c)(i) If the public facilities district in any fiscal year is  
37 required to apply additional lodging excise tax revenues to the  
38 payment of principal and interest on obligations it issues or incurs,  
39 and the public facilities district is unable to pay all or any  
40 portion of the annual payment amount to the state, the deficiency is

1 deemed to be a loan from the state to the public facilities district  
2 for the purpose of assisting the district in paying such principal  
3 and interest and must be repaid by the public facilities district to  
4 the state after providing for the payment of the principal of and  
5 interest on obligations issued or incurred by the public facilities  
6 district, all on terms established by an agreement between the state  
7 treasurer and the public facilities district executed prior to the  
8 transfer date. Any agreement between the state treasurer and the  
9 public facilities district must specify the term for the repayment of  
10 the deficiency in the annual payment amount with an interest rate  
11 equal to the twenty bond general obligation bond buyer index plus one  
12 percentage point.

13 (ii) Outstanding obligations to repay any loans deemed to have  
14 been made to the public facilities district as provided in any such  
15 agreements between the state treasurer and the public facilities  
16 district survive the expiration of the additional excise tax under  
17 subsection (5) of this section.

18 (iii) For the purposes of this subsection (6)(c), "additional  
19 lodging excise tax revenues" mean the tax revenues received by the  
20 public facilities district under subsection (5) of this section.

21 (7) A public facilities district is authorized to pledge any of  
22 its revenues, including without limitation revenues from the taxes  
23 authorized in this section, to pay or secure the payment of  
24 obligations issued or incurred by the public facilities district,  
25 subject to the terms established by the board of directors of the  
26 public facilities district. So long as a pledge of the taxes  
27 authorized under this section is in effect, the legislature may not  
28 withdraw or modify the authority to levy and collect the taxes at the  
29 rates permitted under this section and may not increase the annual  
30 payment amount to be transferred to the state under subsection (6) of  
31 this section.

32 (8) The department of (~~revenue~~) taxation must perform the  
33 collection of such taxes on behalf of the public facilities district  
34 at no cost to the district, and the state treasurer must distribute  
35 those taxes as available on a monthly basis to the district or, upon  
36 the direction of the district, to a fiscal agent, paying agent, or  
37 trustee for obligations issued or incurred by the district.

38 (9) Except as expressly provided in this chapter, all of the  
39 provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32

1 RCW have full force and application with respect to taxes imposed  
2 under the provisions of this section.

3 (10) In determining the effective combined rate of tax for  
4 purposes of the limit in subsection (3) of this section, the tax rate  
5 under RCW 82.14.530 is not included.

6 (11) The taxes imposed in this section do not apply to sales of  
7 temporary medical housing exempt under RCW 82.08.997.

8 (12) The definitions in this subsection apply throughout this  
9 section unless the context clearly requires otherwise.

10 (a) (i) "Hostel" means a structure or facility where a majority of  
11 the rooms for sleeping accommodations are hostel dormitories  
12 containing a minimum of four standard beds designed for single-person  
13 occupancy within the facility. Hostel accommodations are supervised  
14 and must include at least one common area and at least one common  
15 kitchen for guest use.

16 (ii) For the purpose of this subsection (12)(a), "hostel  
17 dormitory" means a single room, containing four or more standard beds  
18 designed for single-person occupancy, used exclusively as nonprivate  
19 communal sleeping quarters, generally for unrelated persons, where  
20 such persons independently acquire the right to occupy individual  
21 beds, with the operator supervising and determining which bed each  
22 person will occupy.

23 (b) "Short-term rental" means a lodging use, that is not a hotel  
24 or motel, in which a dwelling unit, or portion thereof, that is  
25 offered or provided to a guest or guests by a short-term rental  
26 operator for a fee for fewer than thirty consecutive nights. The term  
27 "short-term rental" does not include:

28 (i) A dwelling unit, or portion thereof, that is used by the same  
29 person for thirty or more consecutive nights; and

30 (ii) A dwelling unit, or portion thereof, that is operated by an  
31 organization or government entity that is registered as a charitable  
32 organization with the secretary of state, state of Washington, and/or  
33 is classified by the federal internal revenue service as a public  
34 charity or a private foundation, and provides temporary housing to  
35 individuals who are being treated for trauma, injury, or disease  
36 and/or their family members.

37 (13) Taxes authorized under subsections (4) and (5) of this  
38 section are deemed to have been imposed on December 1, 2000, for the  
39 purposes of RCW 82.14.410.

1 (14) (a) Beginning on the date that the condition in (b) of this  
2 subsection is satisfied, a public facilities district created within  
3 a county with a population of one million five hundred thousand or  
4 more for the purpose of acquiring, owning, operating, renovating, and  
5 expanding a convention and trade center must make quarterly payments  
6 from tax revenue collected by a public facilities district as a  
7 result of the tax imposed in chapter 245, Laws of 2018 to a city in  
8 which the convention and trade center is located that has authorized  
9 on or before December 31, 2017, a tax on engaging in the business of  
10 being a short-term rental operator. Such payments must be made no  
11 more than thirty days after the last day of each fiscal quarter and  
12 must equal the portion of the revenues received by the public  
13 facilities district during such fiscal quarter from the lodging taxes  
14 authorized under subsection (4) of this section that are determined  
15 by the department of (~~revenue~~) taxation to be derived from the  
16 short-term rental activity within such city.

17 (b) The public facilities district is not required to make any  
18 payments under this subsection (14) unless the city has repealed any  
19 ordinance authorizing a tax on engaging in the business of being a  
20 short-term rental operator.

21 (c) The public facilities district is not required to make any  
22 payments to a city under this subsection (14), if the city, after  
23 satisfying the condition in (b) of this subsection imposes any tax  
24 specifically on the act of engaging in the business of being a short-  
25 term rental operator.

26 (d) The proceeds of any payments made by a public facilities  
27 district to a city under this subsection (14) must be used by the  
28 city to support community-initiated equitable development and  
29 affordable housing programs, as determined by the city in its sole  
30 discretion.

31 (15) Fifty percent of any tax revenue collected by a public  
32 facilities district as a result of the tax imposed in chapter 245,  
33 Laws of 2018 must be distributed by the public facilities district to  
34 the county in which the convention and trade center is located.  
35 However, if a city has satisfied the condition in subsection (14) (b)  
36 of this section, payments made under this subsection to the county in  
37 which the convention and trade center is located must be calculated  
38 after deducting any payments made to a city under subsection (14) of  
39 this section from the total tax revenue received by the public  
40 facilities district as a result of the enactment of chapter 245, Laws



1 of 2018. The proceeds of such payments to a county under this  
2 subsection (15) must be used by the county to support affordable  
3 housing programs, as determined by the county, in its sole  
4 discretion.

5 **Sec. 82.** RCW 36.100.090 and 1995 1st sp.s. c 14 s 6 are each  
6 amended to read as follows:

7 (1) The governing board of a public facilities district may apply  
8 for deferral of taxes on the construction of buildings, site  
9 preparation, and the acquisition of related machinery and equipment  
10 for a new public facility. Application shall be made to the  
11 department of (~~revenue~~) taxation in a form and manner prescribed by  
12 the department of (~~revenue~~) taxation. The application shall contain  
13 information regarding the location of the public facility, estimated  
14 or actual costs, time schedules for completion and operation, and  
15 other information required by the department of (~~revenue~~) taxation.  
16 The department of (~~revenue~~) taxation shall approve the application  
17 within sixty days if it meets the requirements of this section.

18 (2) The department of (~~revenue~~) taxation shall issue a sales  
19 and use tax deferral certificate for state and local sales and use  
20 taxes due under chapters 82.08, 82.12, and 82.14 RCW on the public  
21 facility. The use of the certificate shall be governed by rules  
22 established by the department of (~~revenue~~) taxation.

23 (3) The public facilities district shall begin paying the  
24 deferred taxes in the fifth year after the date certified by the  
25 department of (~~revenue~~) taxation as the date on which the public  
26 facility is operationally complete. The first payment is due on  
27 December 31st of the fifth calendar year after such certified date,  
28 with subsequent annual payments due on December 31st of the following  
29 nine years. Each payment shall equal ten percent of the deferred tax.

30 (4) The department of (~~revenue~~) taxation may authorize an  
31 accelerated repayment schedule upon request of the public facilities  
32 district.

33 (5) Interest shall not be charged on any taxes deferred under  
34 this section for the period of deferral, although all other penalties  
35 and interest applicable to delinquent excise taxes may be assessed  
36 and imposed for delinquent payments under this section. The debt for  
37 deferred taxes is not extinguished by insolvency or other failure of  
38 the public facilities district.

1 (6) Applications and any other information received by the  
2 department of (~~revenue~~) taxation under this section are not  
3 confidential and are subject to disclosure. Chapter 82.32 RCW applies  
4 to the administration of this section.

5 (7) As used in this section, "public facility" means a baseball  
6 stadium with a retractable roof or canopy and natural turf.

7 **Sec. 83.** RCW 36.102.070 and 1997 c 220 s 201 are each amended to  
8 read as follows:

9 (1) The governing board of a public stadium authority may apply  
10 for deferral of taxes on the construction of buildings, site  
11 preparation, and the acquisition of related machinery and equipment  
12 for a stadium and exhibition center. Application shall be made to the  
13 department of (~~revenue~~) taxation in a form and manner prescribed by  
14 the department of (~~revenue~~) taxation. The application shall contain  
15 information regarding the location of the stadium and exhibition  
16 center, estimated or actual costs, time schedules for completion and  
17 operation, and other information required by the department of  
18 (~~revenue~~) taxation. The department of (~~revenue~~) taxation shall  
19 approve the application within sixty days if it meets the  
20 requirements of this section.

21 (2) The department of (~~revenue~~) taxation shall issue a sales  
22 and use tax deferral certificate for state and local sales and use  
23 taxes due under chapters 82.08, 82.12, and 82.14 RCW on the public  
24 facility.

25 (3) The public stadium authority shall begin paying the deferred  
26 taxes in the fifth year after the date certified by the department of  
27 (~~revenue~~) taxation as the date on which the stadium and exhibition  
28 center is operationally complete. The first payment is due on  
29 December 31st of the fifth calendar year after such certified date,  
30 with subsequent annual payments due on December 31st of the following  
31 nine years. Each payment shall equal ten percent of the deferred tax.

32 (4) The department of (~~revenue~~) taxation may authorize an  
33 accelerated repayment schedule upon request of the public stadium  
34 authority.

35 (5) Interest shall not be charged on any taxes deferred under  
36 this section for the period of deferral, although all other penalties  
37 and interest applicable to delinquent excise taxes may be assessed  
38 and imposed for delinquent payments under this section. The debt for

1 deferred taxes is not extinguished by insolvency or other failure of  
2 the public stadium authority.

3 (6) The repayment of deferred taxes and interest, if any, shall  
4 be deposited into the stadium and exhibition center account created  
5 in RCW 43.99N.060 and used to retire bonds issued under RCW  
6 43.99N.020 to finance the construction of the stadium and exhibition  
7 center.

8 (7) Applications and any other information received by the  
9 department of (~~revenue~~) taxation under this section are not  
10 confidential and are subject to disclosure. Chapter 82.32 RCW applies  
11 to the administration of this section.

12 **Sec. 84.** RCW 36.120.050 and 2008 c 122 s 16 are each amended to  
13 read as follows:

14 (1) A regional transportation investment district planning  
15 committee may, as part of a regional transportation investment plan,  
16 recommend the imposition or authorization of some or all of the  
17 following revenue sources, which a regional transportation investment  
18 district may impose or authorize upon approval of the voters as  
19 provided in this chapter:

20 (a) A regional sales and use tax, as specified in RCW 82.14.430,  
21 of up to 0.1 percent of the selling price, in the case of a sales  
22 tax, or value of the article used, in the case of a use tax, upon the  
23 occurrence of any taxable event in the regional transportation  
24 investment district;

25 (b) A local option vehicle license fee, as specified under RCW  
26 82.80.100, of up to one hundred dollars per vehicle registered in the  
27 district. As used in this subsection, "vehicle" means motor vehicle  
28 as defined in RCW 46.04.320. Certain classes of vehicles, as defined  
29 under chapter 46.04 RCW, may be exempted from this fee;

30 (c) A parking tax under RCW 82.80.030;

31 (d) A local motor vehicle excise tax under RCW 81.100.060;

32 (e) A local option fuel tax under RCW 82.80.120;

33 (f) An employer excise tax under RCW 81.100.030; and

34 (g) Vehicle tolls on new or reconstructed local or regional  
35 arterials or state routes within the boundaries of the district, if  
36 the following conditions are met:

37 (i) Consistent with RCW 47.56.820, the vehicle toll must first be  
38 authorized by the legislature if the toll is imposed on a state  
39 route;

1 (ii) Consistent with RCW 47.56.850, the vehicle toll, including  
2 any change in an existing toll rate, must first be reviewed and  
3 approved by the tolling authority designated in RCW 47.56.850 if the  
4 toll, or change in toll rate, would have a significant impact, as  
5 determined by the tolling authority, on the operation of any state  
6 facility;

7 (iii) The regional transportation investment plan must identify  
8 the facilities that may be tolled; and

9 (iv) Unless otherwise specified by law, the department shall  
10 administer the collection of vehicle tolls on designated facilities,  
11 and the state transportation commission, or its successor, shall be  
12 the tolling authority, and shall act in accordance with RCW  
13 47.56.850.

14 (2) Taxes, fees, and tolls may not be imposed or authorized  
15 without an affirmative vote of the majority of the voters within the  
16 boundaries of the district voting on a ballot proposition as set  
17 forth in RCW 36.120.070. Revenues from these taxes and fees may be  
18 used only to implement the plan as set forth in this chapter. A  
19 district may contract with the state department of (~~revenue~~)  
20 taxation or other appropriate entities for administration and  
21 collection of any of the taxes or fees authorized in this section.

22 (3) Existing statewide motor vehicle fuel and special fuel taxes,  
23 at the distribution rates in effect on January 1, 2001, are not  
24 intended to be altered by this chapter.

25 **Sec. 85.** RCW 38.52.510 and 2010 1st sp.s. c 19 s 14 are each  
26 amended to read as follows:

27 Each county, singly or in combination with one or more adjacent  
28 counties, must implement countywide or multicounty-wide enhanced 911  
29 emergency communications systems so that enhanced 911 is available  
30 throughout the state. The county must provide funding for the  
31 enhanced 911 communications system in the county in an amount equal  
32 to the amount the maximum tax under RCW 82.14B.030(1) would generate  
33 in the county less any applicable administrative fee charged by the  
34 department of (~~revenue~~) taxation or the amount necessary to provide  
35 full funding of the system in the county. The state enhanced 911  
36 coordination office established by RCW 38.52.520 must assist and  
37 facilitate enhanced 911 implementation throughout the state.

1       **Sec. 86.** RCW 39.08.010 and 2017 c 75 s 1 are each amended to  
2 read as follows:

3       (1) (a) Whenever any board, council, commission, trustees, or body  
4 acting for the state or any county or municipality or any public body  
5 must contract with any person or corporation to do any work for the  
6 state, county, or municipality, or other public body, city, town, or  
7 district, such board, council, commission, trustees, or body must  
8 require the person or persons with whom such contract is made to  
9 make, execute, and deliver to such board, council, commission,  
10 trustees, or body a good and sufficient bond, with a surety company  
11 as surety, conditioned that such person or persons must:

12       (i) Faithfully perform all the provisions of such contract;

13       (ii) Pay all laborers, mechanics, and subcontractors and material  
14 suppliers, and all persons who supply such person or persons, or  
15 subcontractors, with provisions and supplies for the carrying on of  
16 such work; and

17       (iii) Pay the taxes, increases, and penalties incurred on the  
18 project under Titles 50, 51, and 82 RCW on: (A) Projects referred to  
19 in RCW 60.28.011(1)(b); and/or (B) projects for which the bond is  
20 conditioned on the payment of such taxes, increases, and penalties.

21       (b) The bond, in cases of cities and towns, must be filed with  
22 the clerk or comptroller thereof, and any person or persons  
23 performing such services or furnishing material to any subcontractor  
24 has the same right under the provisions of such bond as if such work,  
25 services, or material was furnished to the original contractor.

26       (2) The provisions of RCW 39.08.010 through 39.08.030 do not  
27 apply to any money loaned or advanced to any such contractor,  
28 subcontractor, or other person in the performance of any such work.

29       (3) On contracts of one hundred fifty thousand dollars or less,  
30 at the option of the contractor or the general contractor/  
31 construction manager as defined in RCW 39.10.210, the respective  
32 public entity may, in lieu of the bond, retain ten percent of the  
33 contract amount for a period of thirty days after date of final  
34 acceptance, or until receipt of all necessary releases from the  
35 department of (~~revenue~~) taxation, the employment security  
36 department, and the department of labor and industries and settlement  
37 of any liens filed under chapter 60.28 RCW, whichever is later. The  
38 recovery of unpaid wages and benefits must be the first priority for  
39 any actions filed against retainage held by a state agency or  
40 authorized local government.

1 (4) For contracts of one hundred fifty thousand dollars or less,  
2 the public entity may accept a full payment and performance bond from  
3 an individual surety or sureties.

4 (5) The surety must agree to be bound by the laws of the state of  
5 Washington and subjected to the jurisdiction of the state of  
6 Washington.

7 **Sec. 87.** RCW 39.08.030 and 2018 c 89 s 1 are each amended to  
8 read as follows:

9 (1)(a) The bond mentioned in RCW 39.08.010 must be in an amount  
10 equal to the full contract price agreed to be paid for such work or  
11 improvement, except under subsection (2) of this section, and must be  
12 to the state of Washington, except as otherwise provided in RCW  
13 39.08.100, and except in cases of cities, towns, public  
14 transportation benefit areas, passenger-only ferry service districts,  
15 and water-sewer districts, in which cases such municipalities may by  
16 general ordinance or resolution fix and determine the amount of such  
17 bond and to whom such bond runs. However, the same may not be for a  
18 less amount than twenty-five percent of the contract price of any  
19 such improvement for cities, towns, public transportation benefit  
20 areas, and passenger-only ferry service districts, and not less than  
21 the full contract price of any such improvement for water-sewer  
22 districts, and may designate that the same must be payable to such  
23 city, town, water-sewer district, public transportation benefit area,  
24 or passenger-only ferry service district, and not to the state of  
25 Washington, and all such persons mentioned in RCW 39.08.010 have a  
26 right of action in his, her, or their own name or names on such bond  
27 for work done by such laborers or mechanics, and for materials  
28 furnished or provisions and goods supplied and furnished in the  
29 prosecution of such work, or the making of such improvements, and the  
30 state has a right of action for the collection of taxes, increases,  
31 and penalties specified in RCW 39.08.010: PROVIDED, That, except for  
32 the state with respect to claims for taxes, increases, and penalties  
33 specified in RCW 39.08.010, such persons do not have any right of  
34 action on such bond for any sum whatever, unless within thirty days  
35 from and after the completion of the contract with an acceptance of  
36 the work by the affirmative action of the board, council, commission,  
37 trustees, officer, or body acting for the state, county or  
38 municipality, or other public body, city, town or district, the  
39 laborer, mechanic or subcontractor, or material supplier, or person



1 (2) Under the job order contracting procedure described in RCW  
2 39.10.420, bonds will be in an amount not less than the dollar value  
3 of all open work orders.

4 (3) Where retainage is not withheld pursuant to RCW  
5 60.28.011(1)(b), upon final acceptance of the public works project,  
6 the state, county, municipality, or other public body must within  
7 thirty days notify the department of (~~revenue~~) taxation, the  
8 employment security department, and the department of labor and  
9 industries of the completion of contracts over thirty-five thousand  
10 dollars.

11 **Sec. 88.** RCW 39.12.100 and 2009 c 63 s 1 are each amended to  
12 read as follows:

13 For the purposes of this chapter, an individual employed on a  
14 public works project is not considered to be a laborer, worker, or  
15 mechanic when:

16 (1) The individual has been and is free from control or direction  
17 over the performance of the service, both under the contract of  
18 service and in fact;

19 (2) The service is either outside the usual course of business  
20 for the contractor or contractors for whom the individual performs  
21 services, or the service is performed outside all of the places of  
22 business of the enterprise for which the individual performs  
23 services, or the individual is responsible, both under the contract  
24 and in fact, for the costs of the principal place of business from  
25 which the service is performed;

26 (3) The individual is customarily engaged in an independently  
27 established trade, occupation, profession, or business, of the same  
28 nature as that involved in the contract of service, or the individual  
29 has a principal place of business for the business the individual is  
30 conducting that is eligible for a business deduction for federal  
31 income tax purposes other than that furnished by the employer for  
32 which the business has contracted to furnish services;

33 (4) On the effective date of the contract of service, the  
34 individual is responsible for filing at the next applicable filing  
35 period, both under the contract of service and in fact, a schedule of  
36 expenses with the internal revenue service for the type of business  
37 the individual is conducting;

38 (5) On the effective date of the contract of service, or within a  
39 reasonable period after the effective date of the contract of



1 service, the individual has an active and valid certificate of  
2 registration with the department of (~~revenue~~) taxation, and an  
3 active and valid account with any other state agencies as required by  
4 the particular case, for the business the individual is conducting  
5 for the payment of all state taxes normally paid by employers and  
6 businesses and has registered for and received a unified business  
7 identifier number from the state of Washington;

8 (6) On the effective date of the contract of service, the  
9 individual is maintaining a separate set of books or records that  
10 reflect all items of income and expenses of the business which the  
11 individual is conducting; and

12 (7) On the effective date of the contract of service, if the  
13 nature of the work performed requires registration under chapter  
14 18.27 RCW or licensure under chapter 19.28 RCW, the individual has a  
15 valid contractor registration pursuant to chapter 18.27 RCW or an  
16 electrical contractor license pursuant to chapter 19.28 RCW.

17 **Sec. 89.** RCW 39.26.010 and 2015 c 79 s 5 are each amended to  
18 read as follows:

19 The definitions in this section apply throughout this chapter  
20 unless the context clearly requires otherwise.

21 (1) "Agency" means any state office or activity of the executive  
22 and judicial branches of state government, including state agencies,  
23 departments, offices, divisions, boards, commissions, institutions of  
24 higher education as defined in RCW 28B.10.016, and correctional and  
25 other types of institutions.

26 (2) "Bid" means an offer, proposal, or quote for goods or  
27 services in response to a solicitation issued for such goods or  
28 services by the department or an agency of Washington state  
29 government.

30 (3) "Bidder" means an individual or entity who submits a bid,  
31 quotation, or proposal in response to a solicitation issued for such  
32 goods or services by the department or an agency of Washington state  
33 government.

34 (4) "Client services" means services provided directly to agency  
35 clients including, but not limited to, medical and dental services,  
36 employment and training programs, residential care, and subsidized  
37 housing.

38 (5) "Community rehabilitation program of the department of social  
39 and health services" means any entity that:

1 (a) Is registered as a nonprofit corporation with the secretary  
2 of state; and

3 (b) Is recognized by the department of social and health  
4 services, division of vocational rehabilitation as eligible to do  
5 business as a community rehabilitation program.

6 (6) "Competitive solicitation" means a documented formal process  
7 providing an equal and open opportunity to bidders and culminating in  
8 a selection based on predetermined criteria.

9 (7) "Contractor" means an individual or entity awarded a contract  
10 with an agency to perform a service or provide goods.

11 (8) "Debar" means to prohibit a contractor, individual, or other  
12 entity from submitting a bid, having a bid considered, or entering  
13 into a state contract during a specified period of time as set forth  
14 in a debarment order.

15 (9) "Department" means the department of enterprise services.

16 (10) "Director" means the director of the department of  
17 enterprise services.

18 (11) "Estimated useful life" of an item means the estimated time  
19 from the date of acquisition to the date of replacement or disposal,  
20 determined in any reasonable manner.

21 (12) "Goods" means products, materials, supplies, or equipment  
22 provided by a contractor.

23 (13) "In-state business" means a business that has its principal  
24 office located in Washington.

25 (14) "Life-cycle cost" means the total cost of an item to the  
26 state over its estimated useful life, including costs of selection,  
27 acquisition, operation, maintenance, and where applicable, disposal,  
28 as far as these costs can reasonably be determined, minus the salvage  
29 value at the end of its estimated useful life.

30 (15) "Master contracts" means a contract for specific goods or  
31 services, or both, that is solicited and established by the  
32 department in accordance with procurement laws and rules on behalf of  
33 and for general use by agencies as specified by the department.

34 (16) "Microbusiness" means any business entity, including a sole  
35 proprietorship, corporation, partnership, or other legal entity,  
36 that: (a) Is owned and operated independently from all other  
37 businesses; and (b) has a gross revenue of less than one million  
38 dollars annually as reported on its federal tax return or on its  
39 return filed with the department of (~~revenue~~) taxation.

1 (17) "Minibusiness" means any business entity, including a sole  
2 proprietorship, corporation, partnership, or other legal entity,  
3 that: (a) Is owned and operated independently from all other  
4 businesses; and (b) has a gross revenue of less than three million  
5 dollars, but one million dollars or more annually as reported on its  
6 federal tax return or on its return filed with the department of  
7 (~~revenue~~) taxation.

8 (18) "Polychlorinated biphenyls" means any polychlorinated  
9 biphenyl congeners and homologs.

10 (19) "Practical quantification limit" means the lowest  
11 concentration that can be reliably measured within specified limits  
12 of precision, accuracy, representativeness, completeness, and  
13 comparability during routine laboratory operating conditions.

14 (20) "Purchase" means the acquisition of goods or services,  
15 including the leasing or renting of goods.

16 (21) "Services" means labor, work, analysis, or similar  
17 activities provided by a contractor to accomplish a specific scope of  
18 work.

19 (22) "Small business" means an in-state business, including a  
20 sole proprietorship, corporation, partnership, or other legal entity,  
21 that:

22 (a) Certifies, under penalty of perjury, that it is owned and  
23 operated independently from all other businesses and has either:

24 (i) Fifty or fewer employees; or

25 (ii) A gross revenue of less than seven million dollars annually  
26 as reported on its federal income tax return or its return filed with  
27 the department of (~~revenue~~) taxation over the previous three  
28 consecutive years; or

29 (b) Is certified with the office of women and minority business  
30 enterprises under chapter 39.19 RCW.

31 (23) "Sole source" means a contractor providing goods or services  
32 of such a unique nature or sole availability at the location required  
33 that the contractor is clearly and justifiably the only practicable  
34 source to provide the goods or services.

35 (24) "Washington grown" has the definition in RCW 15.64.060.

36 **Sec. 90.** RCW 39.88.070 and 1982 1st ex.s. c 42 s 8 are each  
37 amended to read as follows:

38 (1) Upon the date established in the public improvement  
39 ordinance, but not sooner than the first day of the calendar year

1 following the passage of the ordinance, the regular property taxes  
2 levied upon the assessed value of real property within the  
3 apportionment district shall be divided as follows:

4 (a) That portion of the regular property taxes produced by the  
5 rate of tax levied each year by or for each of the taxing districts  
6 upon the tax allocation base value of real property, or upon the  
7 assessed value of real property in each year, whichever is smaller,  
8 shall be allocated to and paid to the respective taxing districts;  
9 and

10 (b) That portion of the regular property taxes levied each year  
11 by or for each of the taxing districts upon the assessed value of  
12 real property within an apportionment district which is in excess of  
13 the tax allocation base value of real property shall be allocated and  
14 paid to the sponsor, or the sponsor's designated agent, until all  
15 public improvement costs to be paid from the tax allocation revenues  
16 have been paid, except that the sponsor may agree to receive less  
17 than the full amount of such portion as long as bond debt service,  
18 reserve, and other bond covenant requirements are satisfied, in which  
19 case the balance of the taxes shall be allocated to the respective  
20 taxing districts as the sponsor and the taxing districts may agree.

21 (2) The county assessor shall revalue the real property within  
22 the apportionment district for the purpose of determining the tax  
23 allocation base value for the apportionment district and shall  
24 certify to the sponsor the tax allocation base value as soon as  
25 practicable after the assessor receives notice of the public  
26 improvement ordinance and shall certify to the sponsor the total  
27 assessed value of real property within thirty days after the property  
28 values for each succeeding year have been established, except that  
29 the assessed value of state-assessed real property within the  
30 apportionment district shall be certified as soon as the values are  
31 provided to the assessor by the department of (~~revenue~~) taxation.  
32 Nothing in this section authorizes revaluations of real property by  
33 the assessor for property taxation that are not made in accordance  
34 with the assessor's revaluation plan under chapter 84.41 RCW.

35 (3) The date upon which the apportionment district was  
36 established shall be considered the date upon which the public  
37 improvement ordinance was enacted by the sponsor.

38 (4) The apportionment of regular property taxes under this  
39 section shall cease when tax allocation revenues are no longer  
40 necessary or obligated to pay public improvement costs or to pay

1 principal of and interest on bonds issued to finance public  
2 improvement costs and payable in whole or in part from tax allocation  
3 revenues. At the time of termination of the apportionment, any excess  
4 money and any earnings thereon held by the sponsor shall be returned  
5 to the county treasurer and distributed to the taxing districts which  
6 were subject to the allocation in proportion to their regular  
7 property tax levies due for the year in which the funds are returned.

8 **Sec. 91.** RCW 39.100.010 and 2011 c 363 s 1 are each amended to  
9 read as follows:

10 The definitions in this section apply throughout this chapter  
11 unless the context clearly requires otherwise.

12 (1) "Benefit zone" means the geographic zone from which taxes are  
13 to be appropriated to finance public improvements authorized under  
14 this chapter and in which a hospital that has received a certificate  
15 of need is to be constructed.

16 (2) "Department" means the department of (~~revenue~~) taxation.

17 (3) "Local government" means any city, town, county, or any  
18 combination thereof.

19 (4) "Ordinance" means any appropriate method of taking  
20 legislative action by a local government.

21 (5) "Participating taxing authority" means a taxing authority  
22 that has entered into a written agreement with a local government for  
23 the use of hospital benefit zone financing to the extent of  
24 allocating excess local excise taxes to the local government for the  
25 purpose of financing all or a portion of the costs of designated  
26 public improvements.

27 (6) "Public improvements" means:

28 (a) Infrastructure improvements within the benefit zone that  
29 include:

30 (i) Street and road construction and maintenance;

31 (ii) Water and sewer system construction and improvements;

32 (iii) Sidewalks and streetlights;

33 (iv) Parking, terminal, and dock facilities;

34 (v) Park and ride facilities of a transit authority;

35 (vi) Park facilities and recreational areas; and

36 (vii) Stormwater and drainage management systems; and

37 (b) The construction, maintenance, and improvement of state  
38 highways that are connected to the benefit zone, including  
39 interchanges connected to the benefit zone.

1 (7) "Public improvement costs" means the costs of: (a) Design,  
2 planning, acquisition including land acquisition, site preparation  
3 including land clearing, construction, reconstruction,  
4 rehabilitation, improvement, and installation of public improvements;  
5 (b) demolishing, relocating, maintaining, and operating property  
6 pending construction of public improvements; (c) relocating utilities  
7 as a result of public improvements; and (d) financing public  
8 improvements, including interest during construction, legal and other  
9 professional services, taxes, insurance, principal and interest costs  
10 on indebtedness issued to finance public improvements, and any  
11 necessary reserves for indebtedness; and administrative expenses and  
12 feasibility studies reasonably necessary and related to these costs,  
13 including related costs that may have been incurred before adoption  
14 of the ordinance authorizing the public improvements and the use of  
15 hospital benefit zone financing to fund the costs of the public  
16 improvements.

17 (8) "Tax allocation revenues" means those tax revenues derived  
18 from the receipt of excess local excise taxes under RCW 39.100.050  
19 and distributed by a local government, participating taxing  
20 authority, or both, to finance public improvements.

21 (9) "Taxing authority" means a governmental entity that imposes a  
22 sales or use tax under chapter 82.14 RCW upon the occurrence of any  
23 taxable event within a proposed or approved benefit zone.

24 **Sec. 92.** RCW 39.100.040 and 2007 c 266 s 5 are each amended to  
25 read as follows:

26 (1) A local government that adopts an ordinance creating a  
27 benefit zone under this chapter shall, within ninety days of adopting  
28 the ordinance:

29 (a) Publish notice in a legal newspaper of general circulation  
30 within the benefit zone that describes the public improvement,  
31 describes the boundaries of the benefit zone, and identifies the  
32 location and times where the ordinance and other public information  
33 concerning the public improvement may be inspected; and

34 (b) Deliver a certified copy of the ordinance to the county  
35 treasurer, the county assessor, the department of (~~revenue~~)  
36 taxation, and the governing body of each participating taxing  
37 authority within which the benefit zone is located.

38 (2) Any challenge to the formation shall be brought within sixty  
39 days of the later of the date of its formation or July 1, 2007. All

1 parties, including the holders of bonds payable from tax revenue  
2 under chapter 266, Laws of 2007, may rely upon the presumption of  
3 validity of formation of the benefit zone following the expiration of  
4 the sixty-day period.

5 **Sec. 93.** RCW 39.102.020 and 2018 c 178 s 1 are each amended to  
6 read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

9 (1) "Annual state contribution limit" means seven million five  
10 hundred thousand dollars statewide per fiscal year.

11 (2) "Assessed value" means the valuation of taxable real property  
12 as placed on the last completed assessment roll.

13 (3) "Board" means the community economic revitalization board  
14 under chapter 43.160 RCW.

15 (4) "Dedicated" means pledged, set aside, allocated, received,  
16 budgeted, or otherwise identified.

17 (5) "Demonstration project" means one of the following projects:

18 (a) Bellingham waterfront redevelopment project;

19 (b) Spokane river district project at Liberty Lake; and

20 (c) Vancouver riverwest project.

21 (6) "Department" means the department of (~~revenue~~) taxation.

22 (7) "Fiscal year" means the twelve-month period beginning July  
23 1st and ending the following June 30th.

24 (8) "Local excise tax allocation revenue" means an amount of  
25 local excise taxes equal to some or all of the sponsoring local  
26 government's local excise tax increment, amounts of local excise  
27 taxes equal to some or all of any participating local government's  
28 excise tax increment as agreed upon in the written agreement under  
29 RCW 39.102.080(1), or both, and dedicated to local infrastructure  
30 financing.

31 (9) "Local excise tax increment" means an amount equal to the  
32 estimated annual increase in local excise taxes in each calendar year  
33 following the approval of the revenue development area by the board  
34 from taxable activity within the revenue development area, as set  
35 forth in the application provided to the board under RCW 39.102.040,  
36 and updated in accordance with RCW 39.102.140(1)(f).

37 (10) "Local excise taxes" means local revenues derived from the  
38 imposition of sales and use taxes authorized in RCW 82.14.030.

1 (11) "Local government" means any city, town, county, port  
2 district, and any federally recognized Indian tribe.

3 (12) "Local infrastructure financing" means the use of revenues  
4 received from local excise tax allocation revenues, local property  
5 tax allocation revenues, other revenues from local public sources,  
6 and revenues received from the local option sales and use tax  
7 authorized in RCW 82.14.475, dedicated to pay either the principal  
8 and interest on bonds authorized under RCW 39.102.150 or to pay  
9 public improvement costs on a pay-as-you-go basis subject to RCW  
10 39.102.195, or both.

11 (13) "Local property tax allocation revenue" means those tax  
12 revenues derived from the receipt of regular property taxes levied on  
13 the property tax allocation revenue value and used for local  
14 infrastructure financing.

15 (14) "Low-income housing" means residential housing for low-  
16 income persons or families who lack the means which is necessary to  
17 enable them, without financial assistance, to live in decent, safe,  
18 and sanitary dwellings, without overcrowding. For the purposes of  
19 this subsection, "low income" means income that does not exceed  
20 eighty percent of the median family income for the standard  
21 metropolitan statistical area in which the revenue development area  
22 is located.

23 (15) "Ordinance" means any appropriate method of taking  
24 legislative action by a local government.

25 (16) "Participating local government" means a local government  
26 having a revenue development area within its geographic boundaries  
27 that has entered into a written agreement with a sponsoring local  
28 government as provided in RCW 39.102.080 to allow the use of all or  
29 some of its local excise tax allocation revenues or other revenues  
30 from local public sources dedicated for local infrastructure  
31 financing.

32 (17) "Participating taxing district" means a local government  
33 having a revenue development area within its geographic boundaries  
34 that has entered into a written agreement with a sponsoring local  
35 government as provided in RCW 39.102.080 to allow the use of some or  
36 all of its local property tax allocation revenues or other revenues  
37 from local public sources dedicated for local infrastructure  
38 financing.



1 (18) "Property tax allocation revenue base value" means the  
2 assessed value of real property located within a revenue development  
3 area less the property tax allocation revenue value.

4 (19)(a)(i) "Property tax allocation revenue value" means  
5 seventy-five percent of any increase in the assessed value of real  
6 property in a revenue development area resulting from:

7 (A) The placement of new construction, improvements to property,  
8 or both, on the assessment roll, where the new construction and  
9 improvements are initiated after the revenue development area is  
10 approved by the board;

11 (B) The cost of new housing construction, conversion, and  
12 rehabilitation improvements, when such cost is treated as new  
13 construction for purposes of chapter 84.55 RCW as provided in RCW  
14 84.14.020, and the new housing construction, conversion, and  
15 rehabilitation improvements are initiated after the revenue  
16 development area is approved by the board;

17 (C) The cost of rehabilitation of historic property, when such  
18 cost is treated as new construction for purposes of chapter 84.55 RCW  
19 as provided in RCW 84.26.070, and the rehabilitation is initiated  
20 after the revenue development area is approved by the board.

21 (ii) Increases in the assessed value of real property in a  
22 revenue development area resulting from (a)(i)(A) through (C) of this  
23 subsection are included in the property tax allocation revenue value  
24 in the initial year. These same amounts are also included in the  
25 property tax allocation revenue value in subsequent years unless the  
26 property becomes exempt from property taxation.

27 (b) "Property tax allocation revenue value" includes seventy-five  
28 percent of any increase in the assessed value of new construction  
29 consisting of an entire building in the years following the initial  
30 year, unless the building becomes exempt from property taxation.

31 (c) Except as provided in (b) of this subsection, "property tax  
32 allocation revenue value" does not include any increase in the  
33 assessed value of real property after the initial year.

34 (d) There is no property tax allocation revenue value if the  
35 assessed value of real property in a revenue development area has not  
36 increased as a result of any of the reasons specified in (a)(i)(A)  
37 through (C) of this subsection.

38 (e) For purposes of this subsection, "initial year" means:

1 (i) For new construction and improvements to property added to  
2 the assessment roll, the year during which the new construction and  
3 improvements are initially placed on the assessment roll;

4 (ii) For the cost of new housing construction, conversion, and  
5 rehabilitation improvements, when such cost is treated as new  
6 construction for purposes of chapter 84.55 RCW, the year when such  
7 cost is treated as new construction for purposes of levying taxes for  
8 collection in the following year; and

9 (iii) For the cost of rehabilitation of historic property, when  
10 such cost is treated as new construction for purposes of chapter  
11 84.55 RCW, the year when such cost is treated as new construction for  
12 purposes of levying taxes for collection in the following year.

13 (20) "Public improvement costs" means the cost of: (a) Design,  
14 planning, acquisition including land acquisition, site preparation  
15 including land clearing, construction, reconstruction,  
16 rehabilitation, improvement, and installation of public improvements;  
17 (b) demolishing, relocating, maintaining, and operating property  
18 pending construction of public improvements; (c) the local  
19 government's portion of relocating utilities as a result of public  
20 improvements; (d) financing public improvements, including interest  
21 during construction, legal and other professional services, taxes,  
22 insurance, principal and interest costs on general indebtedness  
23 issued to finance public improvements, and any necessary reserves for  
24 general indebtedness; (e) assessments incurred in revaluing real  
25 property for the purpose of determining the property tax allocation  
26 revenue base value that are in excess of costs incurred by the  
27 assessor in accordance with the revaluation plan under chapter 84.41  
28 RCW, and the costs of apportioning the taxes and complying with this  
29 chapter and other applicable law; (f) administrative expenses and  
30 feasibility studies reasonably necessary and related to these costs;  
31 and (g) any of the above-described costs that may have been incurred  
32 before adoption of the ordinance authorizing the public improvements  
33 and the use of local infrastructure financing to fund the costs of  
34 the public improvements.

35 (21) "Public improvements" means:

36 (a) Infrastructure improvements within the revenue development  
37 area that include:

38 (i) Street, bridge, and road construction and maintenance,  
39 including highway interchange construction;

1 (ii) Water and sewer system construction and improvements,  
2 including wastewater reuse facilities;  
3 (iii) Sidewalks, traffic controls, and streetlights;  
4 (iv) Parking, terminal, and dock facilities;  
5 (v) Park and ride facilities of a transit authority;  
6 (vi) Park facilities and recreational areas, including trails;  
7 and

8 (vii) Stormwater and drainage management systems;

9 (b) Expenditures for facilities and improvements that support  
10 affordable housing as defined in RCW 43.63A.510.

11 (22) "Real property" has the same meaning as in RCW 84.04.090 and  
12 also includes any privately owned improvements located on publicly  
13 owned land that are subject to property taxation.

14 (23) "Regular property taxes" means regular property taxes as  
15 defined in RCW 84.04.140, except: (a) Regular property taxes levied  
16 by public utility districts specifically for the purpose of making  
17 required payments of principal and interest on general indebtedness;  
18 (b) regular property taxes levied by the state for the support of the  
19 common schools under RCW 84.52.065; and (c) regular property taxes  
20 authorized by RCW 84.55.050 that are limited to a specific purpose.  
21 "Regular property taxes" do not include excess property tax levies  
22 that are exempt from the aggregate limits for junior and senior  
23 taxing districts as provided in RCW 84.52.043.

24 (24) "Relocating a business" means the closing of a business and  
25 the reopening of that business, or the opening of a new business that  
26 engages in the same activities as the previous business, in a  
27 different location within a one-year period, when an individual or  
28 entity has an ownership interest in the business at the time of  
29 closure and at the time of opening or reopening. "Relocating a  
30 business" does not include the closing and reopening of a business in  
31 a new location where the business has been acquired and is under  
32 entirely new ownership at the new location, or the closing and  
33 reopening of a business in a new location as a result of the exercise  
34 of the power of eminent domain.

35 (25) "Revenue development area" means the geographic area adopted  
36 by a sponsoring local government and approved by the board, from  
37 which local excise and property tax allocation revenues are derived  
38 for local infrastructure financing.

39 (26) (a) "Revenues from local public sources" means:

1 (i) Amounts of local excise tax allocation revenues and local  
2 property tax allocation revenues, dedicated by sponsoring local  
3 governments, participating local governments, and participating  
4 taxing districts, for local infrastructure financing; and

5 (ii) Any other local revenues, except as provided in (b) of this  
6 subsection, including revenues derived from federal and private  
7 sources.

8 (b) Revenues from local public sources do not include any local  
9 funds derived from state grants, state loans, or any other state  
10 moneys including any local sales and use taxes credited against the  
11 state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

12 (27) "Small business" has the same meaning as provided in RCW  
13 19.85.020.

14 (28) "Sponsoring local government" means a city, town, or county,  
15 and for the purpose of this chapter a federally recognized Indian  
16 tribe or any combination thereof, that adopts a revenue development  
17 area and applies to the board to use local infrastructure financing.

18 (29) "State contribution" means the lesser of:

19 (a) One million dollars;

20 (b) The total amount of local excise tax allocation revenues,  
21 local property tax allocation revenues, and other revenues from local  
22 public sources, that are dedicated by a sponsoring local government,  
23 any participating local governments, and participating taxing  
24 districts, in the preceding calendar year to the payment of principal  
25 and interest on bonds issued under RCW 39.102.150 or to pay public  
26 improvement costs on a pay-as-you-go basis subject to RCW 39.102.195,  
27 or both. Revenues from local public sources dedicated in the  
28 preceding calendar year that are in excess of the project award may  
29 be carried forward and used in later years for the purpose of this  
30 subsection (29) (b);

31 (c) The amount of project award granted by the board in the  
32 notice of approval to use local infrastructure financing under RCW  
33 39.102.040; or

34 (d) The highest amount of state excise tax allocation revenues  
35 and state property tax allocation revenues for any one calendar year  
36 as determined by the sponsoring local government and reported to the  
37 board and the department as required by RCW 39.102.140.

38 (30) "State excise tax allocation revenue" means an amount equal  
39 to the annual increase in state excise taxes estimated to be received  
40 by the state in each calendar year following the approval of the

1 revenue development area by the board, from taxable activity within  
2 the revenue development area as set forth in the application provided  
3 to the board under RCW 39.102.040 and periodically updated and  
4 reported as required in RCW 39.102.140(1)(f).

5 (31) "State excise taxes" means revenues derived from state  
6 retail sales and use taxes under RCW 82.08.020(1) and 82.12.020 at  
7 the rate provided in RCW 82.08.020(1), less the amount of tax  
8 distributions from all local retail sales and use taxes, other than  
9 the local sales and use taxes authorized by RCW 82.14.475 for the  
10 applicable revenue development area, imposed on the same taxable  
11 events that are credited against the state retail sales and use taxes  
12 under chapters 82.08 and 82.12 RCW.

13 (32) "State property tax allocation revenue" means an amount  
14 equal to the estimated tax revenues derived from the imposition of  
15 property taxes levied by the state for the support of common schools  
16 under RCW 84.52.065 on the property tax allocation revenue value, as  
17 set forth in the application submitted to the board under RCW  
18 39.102.040 and updated annually in the report required under RCW  
19 39.102.140(1)(f).

20 (33) "Taxing district" means a government entity that levies or  
21 has levied for it regular property taxes upon real property located  
22 within a proposed or approved revenue development area.

23 **Sec. 94.** RCW 39.102.040 and 2014 c 112 s 105 are each amended to  
24 read as follows:

25 (1) Prior to applying to the board to use local infrastructure  
26 financing, a sponsoring local government shall:

27 (a) Designate a revenue development area within the limitations  
28 in RCW 39.102.060;

29 (b) Certify that the conditions in RCW 39.102.070 are met;

30 (c) Complete the process in RCW 39.102.080;

31 (d) Provide public notice as required in RCW 39.102.100; and

32 (e) Pass an ordinance adopting the revenue development area as  
33 required in RCW 39.102.090.

34 (2) Any local government that has created an increment area under  
35 chapter 39.89 RCW and has not issued bonds to finance any public  
36 improvement may apply to the board and have its increment area  
37 considered for approval as a revenue development area under this  
38 chapter without adopting a new revenue development area under RCW  
39 39.102.090 and 39.102.100 if it amends its ordinance to comply with

1 RCW 39.102.090(1) and otherwise meets the conditions and limitations  
2 under this chapter.

3 (3) As a condition to imposing a sales and use tax under RCW  
4 82.14.475, a sponsoring local government, including any cosponsoring  
5 local government seeking authority to impose a sales and use tax  
6 under RCW 82.14.475, must apply to the board and be approved for a  
7 project award amount. The application shall be in a form and manner  
8 prescribed by the board and include but not be limited to information  
9 establishing that the applicant is an eligible candidate to impose  
10 the local sales and use tax under RCW 82.14.475, the anticipated  
11 effective date for imposing the tax, the estimated number of years  
12 that the tax will be imposed, and the estimated amount of tax revenue  
13 to be received in each fiscal year that the tax will be imposed. The  
14 board shall make available forms to be used for this purpose. As part  
15 of the application, each applicant must provide to the board a copy  
16 of the ordinance or ordinances creating the revenue development area  
17 as required in RCW 39.102.090. A notice of approval to use local  
18 infrastructure financing shall contain a project award that  
19 represents the maximum amount of state contribution that the  
20 applicant, including any cosponsoring local governments, can earn  
21 each year that local infrastructure financing is used. The total of  
22 all project awards shall not exceed the annual state contribution  
23 limit. The determination of a project award shall be made based on  
24 information contained in the application and the remaining amount of  
25 annual state contribution limit to be awarded. Determination of a  
26 project award by the board is final.

27 (4)(a) Sponsoring local governments, and any cosponsoring local  
28 governments, applying in calendar year 2007 for a competitive project  
29 award, must submit completed applications to the board no later than  
30 July 1, 2007. By September 15, 2007, in consultation with the  
31 department of (~~revenue~~) taxation and the department of commerce,  
32 the board shall approve competitive project awards from competitive  
33 applications submitted by the 2007 deadline. No more than two million  
34 five hundred thousand dollars in competitive project awards shall be  
35 approved in 2007. For projects not approved by the board in 2007,  
36 sponsoring and cosponsoring local governments may apply again to the  
37 board in 2008 for approval of a project.

38 (b) Sponsoring local governments, and any cosponsoring local  
39 governments, applying in calendar year 2008 for a competitive project  
40 award, must submit completed applications to the board no later than

1 July 1, 2008. By September 18, 2008, in consultation with the  
2 department of (~~revenue~~) taxation and the department of commerce,  
3 the board shall approve competitive project awards from competitive  
4 applications submitted by the 2008 deadline.

5 (c) Except as provided in RCW 39.102.050(2), a total of no more  
6 than five million dollars in competitive project awards shall be  
7 approved for local infrastructure financing.

8 (d) The project selection criteria and weighting developed prior  
9 to July 22, 2007, for the application evaluation and approval process  
10 shall apply to applications received prior to November 1, 2007. In  
11 evaluating applications for a competitive project award after  
12 November 1, 2007, the board shall develop the relative weight to be  
13 assigned to the following criteria:

14 (i) The project's potential to enhance the sponsoring local  
15 government's regional and/or international competitiveness;

16 (ii) The project's ability to encourage mixed use and transit-  
17 oriented development and the redevelopment of a geographic area;

18 (iii) Achieving an overall distribution of projects statewide  
19 that reflect geographic diversity;

20 (iv) The estimated wages and benefits for the project is greater  
21 than the average labor market area;

22 (v) The estimated state and local net employment change over the  
23 life of the project;

24 (vi) The current economic health and vitality of the proposed  
25 revenue development area and the contiguous community and the  
26 estimated impact of the proposed project on the proposed revenue  
27 development area and contiguous community;

28 (vii) The estimated state and local net property tax change over  
29 the life of the project;

30 (viii) The estimated state and local sales and use tax increase  
31 over the life of the project;

32 (ix) An analysis that shows that, over the life of the project,  
33 neither the local excise tax allocation revenues nor the local  
34 property tax allocation revenues will constitute more than eighty  
35 percent of the total local funds as described in RCW  
36 39.102.020(29)(b); and

37 (x) If a project is located within an urban growth area, evidence  
38 that the project utilizes existing urban infrastructure and that the  
39 transportation needs of the project will be adequately met through  
40 the use of local infrastructure financing or other sources.

1 (e)(i) Except as provided in this subsection (4)(e), the board  
2 may not approve the use of local infrastructure financing within more  
3 than one revenue development area per county.

4 (ii) In a county in which the board has approved the use of local  
5 infrastructure financing, the use of such financing in additional  
6 revenue development areas may be approved, subject to the following  
7 conditions:

8 (A) The sponsoring local government is located in more than one  
9 county; and

10 (B) The sponsoring local government designates a revenue  
11 development area that comprises portions of a county within which the  
12 use of local infrastructure financing has not yet been approved.

13 (iii) In a county where the local infrastructure financing tool  
14 is authorized under RCW 39.102.050, the board may approve additional  
15 use of the local infrastructure financing tool.

16 (5) Once the board has approved the sponsoring local government,  
17 and any cosponsoring local governments, to use local infrastructure  
18 financing, notification must be sent by the board to the sponsoring  
19 local government, and any cosponsoring local governments, authorizing  
20 the sponsoring local government, and any cosponsoring local  
21 governments, to impose the local sales and use tax authorized under  
22 RCW 82.14.475, subject to the conditions in RCW 82.14.475.

23 **Sec. 95.** RCW 39.102.210 and 2006 c 181 s 701 are each amended to  
24 read as follows:

25 The department of ((~~revenue~~)) taxation and the community economic  
26 revitalization board shall evaluate and periodically report on the  
27 implementation of the local infrastructure financing ((~~tool~~)) tool  
28 program to the governor and legislature as the department and the  
29 board deems appropriate and recommend such amendments, changes in,  
30 and modifications of chapter 181, Laws of 2006 as seem proper.

31 **Sec. 96.** RCW 39.102.220 and 2007 c 229 s 13 are each amended to  
32 read as follows:

33 The department of ((~~revenue~~)) taxation and the community economic  
34 revitalization board may adopt any rules under chapter 34.05 RCW they  
35 consider necessary for the administration of this chapter.

36 **Sec. 97.** RCW 39.104.020 and 2016 c 207 s 1 are each amended to  
37 read as follows:



1 The definitions in this section apply throughout this chapter  
2 unless the context clearly requires otherwise.

3 (1) "Annual state contribution limit" means two million five  
4 hundred thousand dollars statewide per fiscal year, plus the  
5 additional amounts approved for demonstration projects in RCW  
6 82.14.505.

7 (2) "Approving agency" means the department of (~~revenue~~)  
8 taxation for project awards approved before June 9, 2016, and the  
9 department of commerce for project awards approved after June 9,  
10 2016.

11 (3) "Assessed value" means the valuation of taxable real property  
12 as placed on the last completed assessment roll.

13 (4) "Bond" means a bond, a note or other evidence of  
14 indebtedness, including but not limited to a lease-purchase agreement  
15 or an executory conditional sales contract.

16 (5) "Department" means the department of (~~revenue~~) taxation.

17 (6) "Fiscal year" means the twelve-month period beginning July  
18 1st and ending the following June 30th.

19 (7) "Local government" means any city, town, county, and port  
20 district.

21 (8) "Local property tax allocation revenue" means those tax  
22 revenues derived from the receipt of regular property taxes levied on  
23 the property tax allocation revenue value and used for local  
24 revitalization financing.

25 (9) "Local revitalization financing" means the use of revenues  
26 from local public sources, dedicated to pay the principal and  
27 interest on bonds authorized under RCW 39.104.110 and public  
28 improvement costs within the revitalization area on a pay-as-you-go  
29 basis, and revenues received from the local option sales and use tax  
30 authorized in RCW 82.14.510, dedicated to pay the principal and  
31 interest on bonds authorized under RCW 39.104.110.

32 (10) "Local sales and use tax increment" means the estimated  
33 annual increase in local sales and use taxes as determined by the  
34 local government in the calendar years following the approval of the  
35 revitalization area by the department from taxable activity within  
36 the revitalization area.

37 (11) "Local sales and use taxes" means local revenues derived  
38 from the imposition of sales and use taxes authorized in RCW  
39 82.14.030.

1 (12) "Ordinance" means any appropriate method of taking  
2 legislative action by a local government.

3 (13) "Participating local government" means a local government  
4 having a revitalization area within its geographic boundaries that  
5 has taken action as provided in RCW 39.104.070(1) to allow the use of  
6 all or some of its local sales and use tax increment or other  
7 revenues from local public sources dedicated for local revitalization  
8 financing.

9 (14) "Participating taxing district" means a taxing district  
10 that:

11 (a) Has a revitalization area wholly or partially within its  
12 geographic boundaries;

13 (b) Levies or has levied for it regular property taxes as defined  
14 in this section; and

15 (c) Has not taken action as provided in RCW 39.104.060(2).

16 (15) "Property tax allocation revenue base value" means the  
17 assessed value of real property located within a revitalization area,  
18 less the property tax allocation revenue value.

19 (16)(a)(i) "Property tax allocation revenue value" means seventy-  
20 five percent of any increase in the assessed value of real property  
21 in a revitalization area resulting from:

22 (A) The placement of new construction, improvements to property,  
23 or both, on the assessment roll, where the new construction and  
24 improvements are initiated after the revitalization area is approved;

25 (B) The cost of new housing construction, conversion, and  
26 rehabilitation improvements, when the cost is treated as new  
27 construction for purposes of chapter 84.55 RCW as provided in RCW  
28 84.14.020, and the new housing construction, conversion, and  
29 rehabilitation improvements are initiated after the revitalization  
30 area is approved;

31 (C) The cost of rehabilitation of historic property, when the  
32 cost is treated as new construction for purposes of chapter 84.55 RCW  
33 as provided in RCW 84.26.070, and the rehabilitation is initiated  
34 after the revitalization area is approved.

35 (ii) Increases in the assessed value of real property in a  
36 revitalization area resulting from (a)(i)(A) through (C) of this  
37 subsection are included in the property tax allocation revenue value  
38 in the initial year. These same amounts are also included in the  
39 property tax allocation revenue value in subsequent years unless the  
40 property becomes exempt from property taxation.

1 (b) "Property tax allocation revenue value" includes seventy-five  
2 percent of any increase in the assessed value of new construction  
3 consisting of an entire building in the years following the initial  
4 year, unless the building becomes exempt from property taxation.

5 (c) Except as provided in (b) of this subsection, "property tax  
6 allocation revenue value" does not include any increase in the  
7 assessed value of real property after the initial year.

8 (d) There is no property tax allocation revenue value if the  
9 assessed value of real property in a revitalization area has not  
10 increased as a result of any of the reasons specified in (a)(i)(A)  
11 through (C) of this subsection.

12 (e) For purposes of this subsection, "initial year" means:

13 (i) For new construction and improvements to property added to  
14 the assessment roll, the year during which the new construction and  
15 improvements are initially placed on the assessment roll;

16 (ii) For the cost of new housing construction, conversion, and  
17 rehabilitation improvements, when the cost is treated as new  
18 construction for purposes of chapter 84.55 RCW, the year when the  
19 cost is treated as new construction for purposes of levying taxes for  
20 collection in the following year; and

21 (iii) For the cost of rehabilitation of historic property, when  
22 the cost is treated as new construction for purposes of chapter 84.55  
23 RCW, the year when such cost is treated as new construction for  
24 purposes of levying taxes for collection in the following year.

25 (17) "Public improvement costs" means the costs of:

26 (a) Design, planning, acquisition, including land acquisition,  
27 site preparation including land clearing, construction,  
28 reconstruction, rehabilitation, improvement, and installation of  
29 public improvements;

30 (b) Demolishing, relocating, maintaining, and operating property  
31 pending construction of public improvements;

32 (c) Relocating utilities as a result of public improvements;

33 (d) Financing public improvements, including interest during  
34 construction, legal and other professional services, taxes,  
35 insurance, principal and interest costs on general indebtedness  
36 issued to finance public improvements, and any necessary reserves for  
37 general indebtedness; and

38 (e) Administrative expenses and feasibility studies reasonably  
39 necessary and related to these costs, including related costs that  
40 may have been incurred before adoption of the ordinance authorizing

1 the public improvements and the use of local revitalization financing  
2 to fund the costs of the public improvements.

3 (18) "Public improvements" means:

4 (a) Infrastructure improvements within the revitalization area  
5 that include:

6 (i) Street, road, bridge, and rail construction and maintenance;

7 (ii) Water and sewer system construction and improvements;

8 (iii) Sidewalks, streetlights, landscaping, and streetscaping;

9 (iv) Parking, terminal, and dock facilities;

10 (v) Park and ride facilities of a transit authority;

11 (vi) Park facilities, recreational areas, and environmental  
12 remediation;

13 (vii) Stormwater and drainage management systems;

14 (viii) Electric, gas, fiber, and other utility infrastructures;

15 and

16 (b) Expenditures for any of the following purposes:

17 (i) Providing environmental analysis, professional management,  
18 planning, and promotion within the revitalization area, including the  
19 management and promotion of retail trade activities in the  
20 revitalization area;

21 (ii) Providing maintenance and security for common or public  
22 areas in the revitalization area; or

23 (iii) Historic preservation activities authorized under RCW  
24 35.21.395.

25 (19) "Real property" has the same meaning as in RCW 84.04.090 and  
26 also includes any privately owned improvements located on publicly  
27 owned land that are subject to property taxation.

28 (20)(a) "Regular property taxes" means regular property taxes as  
29 defined in RCW 84.04.140, except: (i) Regular property taxes levied  
30 by public utility districts specifically for the purpose of making  
31 required payments of principal and interest on general indebtedness;  
32 (ii) regular property taxes levied by the state for the support of  
33 common schools under RCW 84.52.065; and (iii) regular property taxes  
34 authorized by RCW 84.55.050 that are limited to a specific purpose.

35 (b) "Regular property taxes" do not include:

36 (i) Excess property tax levies that are exempt from the aggregate  
37 limits for junior and senior taxing districts as provided in RCW  
38 84.52.043; and

1 (ii) Property taxes that are specifically excluded through an  
2 interlocal agreement between the sponsoring local government and a  
3 participating taxing district as set forth in RCW 39.104.060(3).

4 (21)(a) "Revenues from local public sources" means:

5 (i) The local sales and use tax amounts received as a result of  
6 interlocal agreement, local sales and use tax amounts from sponsoring  
7 local governments based on its local sales and use tax increment, and  
8 local property tax allocation revenues, which are dedicated by a  
9 sponsoring local government, participating local governments, and  
10 participating taxing districts, for payment of bonds under RCW  
11 39.104.110 or public improvement costs within the revitalization area  
12 on a pay-as-you-go basis; and

13 (ii) Any other local revenues, except as provided in (b) of this  
14 subsection, including revenues derived from federal and private  
15 sources and amounts received by taxing districts as set forth by an  
16 interlocal agreement as described in RCW 39.104.060(4), which are  
17 dedicated for the payment of bonds under RCW 39.104.110 or public  
18 improvement costs within the revitalization area on a pay-as-you-go  
19 basis.

20 (b) Revenues from local public sources do not include any local  
21 funds derived from state grants, state loans, or any other state  
22 moneys including any local sales and use taxes credited against the  
23 state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

24 (22) "Revitalization area" means the geographic area adopted by a  
25 sponsoring local government and approved by the approving agency,  
26 from which local sales and use tax increments are estimated and  
27 property tax allocation revenues are derived for local revitalization  
28 financing.

29 (23) "Sponsoring local government" means a city, town, county, or  
30 any combination thereof, that adopts a revitalization area.

31 (24) "State contribution" means the lesser of:

32 (a) Five hundred thousand dollars;

33 (b) The project award amount approved by the approving agency as  
34 provided in RCW 39.104.100 or 82.14.505; or

35 (c) The total amount of revenues from local public sources  
36 dedicated in the preceding calendar year to the payment of principal  
37 and interest on bonds issued under RCW 39.104.110 and public  
38 improvement costs within the revitalization area on a pay-as-you-go  
39 basis. Revenues from local public sources dedicated in the preceding  
40 calendar year that are in excess of the project award may be carried

1 forward and used in later years for the purpose of this subsection  
2 (24) (c).

3 (25) "State property tax increment" means the estimated amount of  
4 annual tax revenues estimated to be received by the state from the  
5 imposition of property taxes levied by the state for the support of  
6 common schools under RCW 84.52.065 on the property tax allocation  
7 revenue value, as determined by the sponsoring local government in an  
8 application under RCW 39.104.100 and updated periodically as required  
9 in RCW 82.32.765.

10 (26) "State sales and use tax increment" means the estimated  
11 amount of annual increase in state sales and use taxes to be received  
12 by the state from taxable activity within the revitalization area in  
13 the years following the approval of the revitalization area as  
14 determined by the sponsoring local government in an application under  
15 RCW 39.104.100 and updated periodically as required in RCW 82.32.765.

16 (27) "State sales and use taxes" means state retail sales and use  
17 taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided in  
18 RCW 82.08.020(1), less the amount of tax distributions from all local  
19 retail sales and use taxes, other than the local sales and use taxes  
20 authorized by RCW 82.14.510 for the applicable revitalization area,  
21 imposed on the same taxable events that are credited against the  
22 state retail sales and use taxes under RCW 82.08.020(1) and  
23 82.12.020.

24 (28) "Taxing district" means a government entity that levies or  
25 has levied for it regular property taxes upon real property located  
26 within a proposed or approved revitalization area.

27 **Sec. 98.** RCW 39.104.100 and 2016 c 207 s 2 are each amended to  
28 read as follows:

29 (1) Prior to applying to receive a state contribution, a  
30 sponsoring local government must adopt a revitalization area within  
31 the limitations in RCW 39.104.050 and in accordance with RCW  
32 39.104.040.

33 (2) (a) As a condition to imposing a sales and use tax under RCW  
34 82.14.510, a sponsoring local government must apply and be approved  
35 for a project award amount. The application must be in a form and  
36 manner prescribed by the approving agency and include, but not be  
37 limited to:

38 (i) Information establishing that over the period of time that  
39 the local sales and use tax will be imposed under RCW 82.14.510,

1 increases in state and local property, sales, and use tax revenues as  
2 a result of public improvements in the revitalization area will be  
3 equal to or greater than the respective state and local contributions  
4 made under this chapter;

5 (ii) Information demonstrating that the sponsoring local  
6 government will meet the requirements necessary to receive the full  
7 amount of state contribution it is requesting on an annual basis;

8 (iii) The amount of state contribution it is requesting;

9 (iv) The anticipated effective date for imposing the tax under  
10 RCW 82.14.510;

11 (v) The estimated number of years that the tax will be imposed;

12 (vi) The anticipated rate of tax to be imposed under RCW  
13 82.14.510, subject to the rate-setting conditions in RCW  
14 82.14.510(3), should the sponsoring local government be approved for  
15 a project award; and

16 (vii) The anticipated date when bonds under RCW 39.104.110 will  
17 be issued.

18 (b) The approving agency must make available electronic forms to  
19 be used for this purpose. As part of the application, each applicant  
20 must provide to the department a copy of the adopted ordinance  
21 creating the revitalization area as required in RCW 39.104.040,  
22 copies of any adopted interlocal agreements from participating local  
23 governments, and any notices from taxing districts that elect not to  
24 be a participating taxing district.

25 (3) (a) Project awards must be determined on:

26 (i) The availability of a state contribution;

27 (ii) Whether the sponsoring local government would be able to  
28 generate enough tax revenue under RCW 82.14.510 to generate the  
29 amount of project award requested;

30 (iii) The number of jobs created;

31 (iv) The fit of the expected business creation or expansion  
32 within the region's preferred economic growth strategy;

33 (v) The speed with which the project can begin construction; and

34 (vi) The extent to which the project leverages nonstate funds.

35 (b) The total of all project awards may not exceed the annual  
36 state contribution limit.

37 (c) If the level of available state contribution is less than the  
38 amount requested by the next available applicant, the applicant must  
39 be given the first opportunity to accept the lesser amount of state  
40 contribution but only if the applicant produces a new application

1 within sixty days of being notified by the approving agency and the  
2 application describes the impact on the proposed project as a result  
3 of the lesser award in addition to new application information  
4 outlined in subsection (2) of this section.

5 (d) Applications that are not approved for a project award due to  
6 lack of available state contribution must be retained on file by the  
7 approving agency.

8 (e)(i) Except as provided in (e)(ii) of this subsection, once  
9 total project awards reach the amount of annual state contribution  
10 limit, no more applications will be accepted.

11 (ii) Any city or county that has been approved for a project  
12 award by the department prior to January 1, 2011, and has not imposed  
13 a sales and use tax under RCW 82.14.510 by December 31, 2016, must  
14 forfeit their project award. However, amounts will not be forfeited  
15 if a city or county has sent the department a letter indicating its  
16 intent to impose the sales and use tax by July 1, 2022, before July  
17 1, 2016. Amounts forfeited under this section must be made available  
18 for new applications under subsection (5) of this section.

19 (f) If the annual contribution limit is increased by making  
20 additional funds available for applicants or if funds become  
21 available from project awards forfeited under (e)(ii) of this  
22 subsection, applications will be accepted again as described in  
23 subsection (5) of this section.

24 (4) The approving agency must notify the sponsoring local  
25 government of approval or denial of a project award within sixty days  
26 of the approving agency's receipt of the sponsoring local  
27 government's application. Determination of a project award by the  
28 approving agency is final. Notification must include the earliest  
29 date when the tax authorized under RCW 82.14.510 may be imposed,  
30 subject to conditions in chapter 82.14 RCW. The project award  
31 notification must specify the rate requested in the application and  
32 any adjustments to the rate that would need to be made based on the  
33 project award and rate restrictions in RCW 82.14.510. The department  
34 of commerce must consult with the department of (~~revenue~~) taxation  
35 in determining the amount of a project award.

36 (5) The department of commerce must begin accepting applications  
37 and approving project awards under this section on and after June 9,  
38 2016. The department of commerce must notify the department of all  
39 approved project awards under this section. The department of



1 commerce must also provide to the department any information  
2 necessary to implement the tax authorized under RCW 82.14.510.

3 **Sec. 99.** RCW 39.104.150 and 2016 c 207 s 3 are each amended to  
4 read as follows:

5 The department of (~~revenue~~) taxation and the department of  
6 commerce may adopt any rules under chapter 34.05 RCW that the  
7 departments consider necessary for the administration of this  
8 chapter.

9 **Sec. 100.** RCW 40.07.070 and 1993 c 74 s 1 are each amended to  
10 read as follows:

11 A state agency may not accept advertising for placement in a  
12 state publication unless the advertiser: (1) Has obtained a  
13 certificate of registration from the department of (~~revenue~~)  
14 taxation under chapter 82.32 RCW; and (2) if the advertiser is not  
15 otherwise obligated to collect and remit Washington retail sales tax  
16 or use tax, the advertiser either (a) agrees to voluntarily collect  
17 and remit the Washington use tax upon all sales to Washington  
18 consumers, or (b) agrees to provide to the department of (~~revenue~~)  
19 taxation, no less frequently than quarterly, a listing of the names  
20 and addresses of Washington customers to whom sales were made. This  
21 section does not apply to advertising that does not offer items for  
22 sale or to advertising that does not solicit orders for sales.

23 **Sec. 101.** RCW 42.56.390 and 2005 c 274 s 419 are each amended to  
24 read as follows:

25 Names of individuals residing in emergency or transitional  
26 housing that are furnished to the department of (~~revenue~~) taxation  
27 or a county assessor in order to substantiate a claim for property  
28 tax exemption under RCW 84.36.043 are exempt from disclosure under  
29 this chapter.

30 **Sec. 102.** RCW 43.05.140 and 1995 c 403 s 615 are each amended to  
31 read as follows:

32 The department of (~~revenue~~) taxation, the department of labor  
33 and industries in respect to its duties in Title 51 RCW, and the  
34 employment security department shall develop and administer a pilot  
35 voluntary audit program. Voluntary audits can be requested by  
36 businesses from any of these agencies according to guidelines

1 established by each agency. No penalty assessments may be made  
2 against participants in such a program except when the agency  
3 determines that either a good faith effort has not been made by the  
4 taxpayer or premium payer to comply with the law or that the taxpayer  
5 has failed to remit previously collected sales taxes to the state.  
6 The persons conducting the voluntary audit shall provide the business  
7 undergoing the voluntary audit an audit report that describes errors  
8 or omissions found and future reporting instructions. This program  
9 does not relieve a business from past or future tax or premium  
10 obligations.

11 **Sec. 103.** RCW 43.06.400 and 2013 c 225 s 605 are each amended to  
12 read as follows:

13 (1) Beginning in January 1984, and in January of every fourth  
14 year thereafter, the department of (~~revenue~~) taxation must submit  
15 to the legislature prior to the regular session a listing of the  
16 amount of reduction for the current and next biennium in the revenues  
17 of the state or the revenues of local government collected by the  
18 state as a result of tax exemptions. The listing must include an  
19 estimate of the revenue lost from the tax exemption, the purpose of  
20 the tax exemption, the persons, organizations, or parts of the  
21 population which benefit from the tax exemption, and whether or not  
22 the tax exemption conflicts with another state program. The listing  
23 must include but not be limited to the following revenue sources:

24 (a) Real and personal property tax exemptions under Title 84 RCW;

25 (b) Business and occupation tax exemptions, deductions, and  
26 credits under chapter 82.04 RCW;

27 (c) Retail sales and use tax exemptions under chapters 82.08,  
28 82.12, and 82.14 RCW;

29 (d) Public utility tax exemptions and deductions under chapter  
30 82.16 RCW;

31 (e) Food fish and shellfish tax exemptions under chapter 82.27  
32 RCW;

33 (f) Leasehold excise tax exemptions under chapter 82.29A RCW;

34 (g) Motor vehicle and special fuel tax exemptions and refunds  
35 under chapter 82.38 RCW;

36 (h) Aircraft fuel tax exemptions under chapter 82.42 RCW;

37 (i) Motor vehicle excise tax exclusions under chapter 82.44 RCW;

38 and

39 (j) Insurance premiums tax exemptions under chapter 48.14 RCW.

1 (2) The department of (~~revenue~~) taxation must prepare the  
2 listing required by this section with the assistance of any other  
3 agencies or departments as may be required.

4 (3) The department of (~~revenue~~) taxation must present the  
5 listing to the ways and means committees of each house in public  
6 hearings.

7 (4) Beginning in January 1984, and every four years thereafter  
8 the governor is requested to review the report from the department of  
9 (~~revenue~~) taxation and may submit recommendations to the  
10 legislature with respect to the repeal or modification of any tax  
11 exemption. The ways and means committees of each house and the  
12 appropriate standing committee of each house must hold public  
13 hearings and take appropriate action on the recommendations submitted  
14 by the governor.

15 (5) As used in this section, "tax exemption" means an exemption,  
16 exclusion, or deduction from the base of a tax; a credit against a  
17 tax; a deferral of a tax; or a preferential tax rate.

18 (6) For purposes of the listing due in January 2012, the  
19 department of (~~revenue~~) taxation does not have to prepare or update  
20 the listing with respect to any tax exemption that would not be  
21 likely to increase state revenue if the exemption was repealed or  
22 otherwise eliminated.

23 **Sec. 104.** RCW 43.06.455 and 2001 c 235 s 2 are each amended to  
24 read as follows:

25 (1) The governor may enter into cigarette tax contracts  
26 concerning the sale of cigarettes. All cigarette tax contracts shall  
27 meet the requirements for cigarette tax contracts under this section.  
28 Except for cigarette tax contracts under RCW 43.06.460, the rates,  
29 revenue sharing, and exemption terms of a cigarette tax contract are  
30 not effective unless authorized in a bill enacted by the legislature.

31 (2) Cigarette tax contracts shall be in regard to retail sales in  
32 which Indian retailers make delivery and physical transfer of  
33 possession of the cigarettes from the seller to the buyer within  
34 Indian country, and are not in regard to transactions by non-Indian  
35 retailers. In addition, contracts shall provide that retailers shall  
36 not sell or give, or permit to be sold or given, cigarettes to any  
37 person under the age of eighteen years.

38 (3) A cigarette tax contract with a tribe shall provide for a  
39 tribal cigarette tax in lieu of all state cigarette taxes and state

1 and local sales and use taxes on sales of cigarettes in Indian  
2 country by Indian retailers. The tribe may allow an exemption for  
3 sales to tribal members.

4 (4) Cigarette tax contracts shall provide that all cigarettes  
5 possessed or sold by a retailer shall bear a cigarette stamp obtained  
6 by wholesalers from a bank or other suitable stamp vendor and applied  
7 to the cigarettes. The procedures to be used by the tribe in  
8 obtaining tax stamps must include a means to assure that the tribal  
9 tax will be paid by the wholesaler obtaining such cigarettes. Tribal  
10 stamps must have serial numbers or some other discrete identification  
11 so that each stamp can be traced to its source.

12 (5) Cigarette tax contracts shall provide that retailers shall  
13 purchase cigarettes only from:

14 (a) Wholesalers or manufacturers licensed to do business in the  
15 state of Washington;

16 (b) Out-of-state wholesalers or manufacturers who, although not  
17 licensed to do business in the state of Washington, agree to comply  
18 with the terms of the cigarette tax contract, are certified to the  
19 state as having so agreed, and who do in fact so comply. However, the  
20 state may in its sole discretion exercise its administrative and  
21 enforcement powers over such wholesalers or manufacturers to the  
22 extent permitted by law;

23 (c) A tribal wholesaler that purchases only from a wholesaler or  
24 manufacturer described in (a), (b), or (d) of this subsection; and

25 (d) A tribal manufacturer.

26 (6) Cigarette tax contracts shall be for renewable periods of no  
27 more than eight years. A renewal may not include a renewal of the  
28 phase-in period.

29 (7) Cigarette tax contracts shall include provisions for  
30 compliance, such as transport and notice requirements, inspection  
31 procedures, stamping requirements, recordkeeping, and audit  
32 requirements.

33 (8) Tax revenue retained by a tribe must be used for essential  
34 government services. Use of tax revenue for subsidization of  
35 cigarette and food retailers is prohibited.

36 (9) The cigarette tax contract may include provisions to resolve  
37 disputes using a nonjudicial process, such as mediation.

38 (10) The governor may delegate the power to negotiate cigarette  
39 tax contracts to the department of (~~revenue~~) taxation. The

1 department of (~~revenue~~) taxation shall consult with the liquor  
2 (~~control~~) and cannabis board during the negotiations.

3 (11) Information received by the state or open to state review  
4 under the terms of a contract is subject to the provisions of RCW  
5 82.32.330.

6 (12) It is the intent of the legislature that the liquor  
7 (~~control~~) and cannabis board and the department of (~~revenue~~)  
8 taxation continue the division of duties and shared authority under  
9 chapter 82.24 RCW and therefore the liquor (~~control~~) and cannabis  
10 board is responsible for enforcement activities that come under the  
11 terms of chapter 82.24 RCW.

12 (13) Each cigarette tax contract shall include a procedure for  
13 notifying the other party that a violation has occurred, a procedure  
14 for establishing whether a violation has in fact occurred, an  
15 opportunity to correct such violation, and a provision providing for  
16 termination of the contract should the violation fail to be resolved  
17 through this process, such termination subject to mediation should  
18 the terms of the contract so allow. A contract shall provide for  
19 termination of the contract if resolution of a dispute does not occur  
20 within twenty-four months from the time notification of a violation  
21 has occurred. Intervening violations do not extend this time period.  
22 In addition, the contract shall include provisions delineating the  
23 respective roles and responsibilities of the tribe, the department of  
24 (~~revenue~~) taxation, and the liquor (~~control~~) and cannabis board.

25 (14) For purposes of this section and RCW 43.06.460, 82.08.0316,  
26 82.12.0316, and 82.24.295:

27 (a) "Essential government services" means services such as tribal  
28 administration, public facilities, fire, police, public health,  
29 education, job services, sewer, water, environmental and land use,  
30 transportation, utility services, and economic development;

31 (b) "Indian retailer" or "retailer" means (i) a retailer wholly  
32 owned and operated by an Indian tribe, (ii) a business wholly owned  
33 and operated by a tribal member and licensed by the tribe, or (iii) a  
34 business owned and operated by the Indian person or persons in whose  
35 name the land is held in trust; and

36 (c) "Indian tribe" or "tribe" means a federally recognized Indian  
37 tribe located within the geographical boundaries of the state of  
38 Washington.

1       **Sec. 105.** RCW 43.06.465 and 2005 c 11 s 2 are each amended to  
2 read as follows:

3       (1) The governor may enter into a cigarette tax agreement with  
4 the Puyallup Tribe of Indians concerning the sale of cigarettes,  
5 subject to the limitations in this section. The legislature intends  
6 to address the uniqueness of the Puyallup Indian reservation and its  
7 selling environment through pricing and compliance strategies, rather  
8 than through the imposition of equivalent taxes. It is the  
9 legislature's intent (a) that an increase in prices through a flat  
10 tax will reduce much of the competitive advantage that has  
11 historically existed due to the discrepancy in the difference between  
12 state and tribal taxes, and (b) that the tribal retailers can remain  
13 in business under the changed circumstances. The governor may  
14 delegate the authority to negotiate a cigarette tax agreement with  
15 the Puyallup Tribe to the department of (~~revenue~~) taxation. The  
16 department of (~~revenue~~) taxation shall consult with the liquor  
17 (~~control~~) and cannabis board during the negotiations.

18       (2) Any agreement must require the tribe to impose a tax of  
19 eleven dollars and seventy-five cents on each carton of cigarettes,  
20 with ten packs a carton and twenty cigarettes per pack being the  
21 industry standard. This tax shall be prorated for cartons and packs  
22 that are nonstandard. This tribal tax is in lieu of the combined  
23 state and local sales and use taxes, and state cigarette taxes, and  
24 as such these state taxes are not imposed during the term of the  
25 agreement on any transaction governed by the agreement. The tribal  
26 tax shall increase or decrease by the same dollar amount as any  
27 increase or decrease in the state cigarette tax.

28       (3) The agreement must include a provision requiring the tribe to  
29 transmit thirty percent of the tribal tax revenue on all cigarette  
30 sales to the state. The funds shall be transmitted to the state  
31 treasurer on a quarterly basis for deposit by the state treasurer  
32 into the general fund. The remaining tribal tax revenue must be used  
33 for essential government services, as that term is defined in RCW  
34 43.06.455.

35       (4) The agreement is limited to retail sales in which Indian  
36 retailers make delivery and physical transfer of possession of the  
37 cigarettes from the seller to the buyer within Indian country, and  
38 are not in regard to transactions by non-Indian retailers. In  
39 addition, agreements shall provide that retailers shall not sell or

1 give, or permit to be sold or given, cigarettes to any person under  
2 the age of eighteen years.

3 (5) (a) The agreement must include a provision to price and sell  
4 the cigarettes so that the retail selling price is not less than the  
5 price paid by the retailer for the cigarettes.

6 (b) The tribal tax is in addition to the retail selling price.

7 (c) The agreement must include a provision to assure the price  
8 paid to the retailer includes the tribal tax, as evidenced by the  
9 tribe's cigarette stamp.

10 (d) If the tribe is acting as a wholesaler to tribal retailers,  
11 the retail selling price must not be less than the price the tribe  
12 paid for such cigarettes plus the tribal tax, as evidenced by the  
13 tribe's cigarette stamp.

14 (6) (a) The agreement must include provisions regarding  
15 enforcement and compliance by the tribe in regard to enrolled tribal  
16 members who sell cigarettes and shall describe the individual and  
17 joint responsibilities of the tribe, the department of (~~revenue~~)  
18 taxation, and the liquor (~~control~~) and cannabis board.

19 (b) The agreement must include provisions for tax administration  
20 and compliance, such as transport and notice requirements, inspection  
21 procedures, stamping requirements, recordkeeping, and audit  
22 requirements.

23 (c) The agreement must include provisions for sharing of  
24 information among the tribe, the department of (~~revenue~~) taxation,  
25 and the liquor (~~control~~) and cannabis board.

26 (7) The agreement must provide that all cigarettes possessed or  
27 sold by a tribal retailer shall bear a tribal cigarette stamp  
28 obtained by wholesalers from a bank or other suitable stamp vendor  
29 and applied to the cigarettes. Tribal stamps must have serial numbers  
30 or some other discrete identification so that each stamp can be  
31 traced to its source.

32 (8) The agreement must provide that retailers shall purchase  
33 cigarettes only from wholesalers or manufacturers licensed to do  
34 business in the state of Washington.

35 (9) The agreement must be for a renewable period of no more than  
36 eight years.

37 (10) The agreement must include provisions to resolve disputes  
38 using a nonjudicial process, such as mediation, and shall include a  
39 dispute resolution protocol. The protocol shall include a procedure  
40 for notifying the other party that a violation has occurred, a

1 procedure for establishing whether a violation has in fact occurred,  
2 an opportunity to correct such violation, and a provision providing  
3 for termination of the agreement should the violation fail to be  
4 resolved through this process, such termination subject to mediation  
5 should the terms of the agreement so allow. An agreement must provide  
6 for termination of the agreement if resolution of a dispute does not  
7 occur within twenty-four months from the time notification of a  
8 violation has occurred. Intervening violations do not extend this  
9 time period.

10 (11) The agreement may not include any provisions that impact the  
11 state's share of the master settlement agreement, and as such this  
12 agreement does not authorize negotiation regarding a redistribution  
13 of the state's proceeds under the master settlement agreement.

14 (12) Information received by the state or open to state review  
15 under the terms of an agreement is subject to RCW 82.32.330.

16 (13) It is the intent of the legislature that the liquor  
17 (~~control~~) and cannabis board and the department of (~~revenue~~)  
18 taxation continue the division of duties and shared authority under  
19 chapter 82.24 RCW.

20 (14) For purposes of this section:

21 (a) "Indian country" has the same meaning as in chapter 82.24  
22 RCW.

23 (b) "Indian retailer" or "retailer" means (i) a retailer wholly  
24 owned and operated by an Indian tribe or (ii) a business wholly owned  
25 and operated by an enrolled tribal member and licensed by the tribe.

26 (c) "Indian tribe" or "tribe" means the Puyallup Tribe of  
27 Indians, which is a federally recognized Indian tribe located within  
28 the geographical boundaries of the state of Washington.

29 **Sec. 106.** RCW 43.06.466 and 2008 c 228 s 1 are each amended to  
30 read as follows:

31 (1) The legislature finds that entering into a cigarette tax  
32 agreement with the Yakama Nation is a positive step and that such an  
33 agreement will support a stable and orderly environment on the Yakima  
34 Reservation for regulation of cigarette sales. The legislature  
35 further finds that the very special circumstances of the Yakama  
36 Nation pursuant to the Treaty with the Yakamas of 1855 (12 Stat. 951)  
37 support a cigarette tax agreement that reflects those circumstances.  
38 The legislature also finds that the provisions of the agreement with  
39 the Yakama Nation authorized by chapter 228, Laws of 2008 are



1 reasonably necessary to prevent fraudulent transactions and place a  
2 minimal burden on the Yakama Nation, pursuant to the United States  
3 supreme court's decision in *Washington v. Confederated Tribes of the*  
4 *Colville Indian Reservation*, 447 U.S. 134 (1980).

5 It is the intent of the legislature that the cigarette tax  
6 agreement with the Yakama Nation reflects the uniqueness of the  
7 Yakama Nation's Treaty through specific terms that govern pricing of  
8 cigarettes, tribal cigarette tax revenue, information sharing, and  
9 administration of the agreement.

10 (2) For purposes of this section:

11 (a) "Cigarette" has the same meaning as in chapter 82.24 RCW; and

12 (b) "Tribal retailer" means a cigarette retailer as that term is  
13 defined in RCW 82.24.010 that is licensed by and located within the  
14 jurisdiction of the Yakama Nation and is wholly owned by the Yakama  
15 Nation or any of its enrolled members.

16 (3) The governor may enter into a cigarette tax agreement with  
17 the Yakama Nation, a federally recognized Indian tribe located within  
18 the geographical boundaries of the state of Washington, concerning  
19 the sale of cigarettes, subject to the provisions of this section.  
20 The governor may delegate the authority to negotiate the agreement to  
21 the department of (~~revenue~~) taxation.

22 (4) The agreement must be for a renewable period of no more than  
23 eight years.

24 (5) All cigarettes possessed or sold by tribal retailers must be  
25 subject to the agreement, except cigarettes manufactured within the  
26 jurisdiction of the Yakama Nation by the Yakama Nation or its  
27 enrolled members.

28 (6) The agreement must allow the Yakama Nation to exempt its  
29 enrolled members from the tribal cigarette tax imposed under  
30 subsection (7) of this section.

31 (a) Sales of cigarettes exempt under this subsection must be  
32 subject to the requirements of subsection (9) of this section.

33 (b) The exemption must be provided only at the point of sale and  
34 reimbursement provided to the tribal retailer by the Yakama Nation.

35 (7) The agreement must require the Yakama Nation to impose and  
36 maintain in effect on the sale of cigarettes by tribal retailers a  
37 tax as provided in this subsection.

38 (a) The rate of tax will be expressed in dollars and cents and  
39 must be the percentage of tax imposed by the state under chapter  
40 82.24 RCW for the period of the agreement as stated here:

- 1 (i) Eighty percent during the first six years;  
2 (ii) Eighty-four percent during the seventh year; and  
3 (iii) Eighty-seven and six-tenths percent during the eighth year.

4 (b) The tax must be imposed on each carton, or portion of a  
5 carton, of cigarettes, with ten packs per carton and twenty  
6 cigarettes per pack being the industry standard, and prorated for  
7 cartons and packs that are not standard.

8 (c) The tax must be in lieu of the combined state and local sales  
9 and use taxes, and state cigarette taxes, and, as provided in RCW  
10 82.24.302, 82.08.0316, and 82.12.0316, the taxes imposed by chapters  
11 82.08, 82.12, and 82.24 RCW do not apply during the term of the  
12 agreement on any transaction governed by the agreement.

13 (d) Throughout the term of the agreement and any renewal of the  
14 agreement, the tax must increase or decrease in correspondence with  
15 the state cigarette tax by applying the percentages in (a) of this  
16 subsection.

17 (8) The revenue generated by the tax imposed under subsection (7)  
18 of this section must be used by the Yakama Nation for essential  
19 government services, as that term is defined in RCW 43.06.455.

20 (9) All cigarettes possessed or sold by a tribal retailer must  
21 bear a tribal cigarette tax stamp as provided in this subsection.

22 (a) The Yakama Nation may act as its own stamp vendor, subject to  
23 meeting reasonable requirements for internal controls.

24 (b) The stamps must have serial numbers or other discrete  
25 identification that allow stamps to be traced to their source.

26 (10) The price paid by the tribal retailer to the wholesaler must  
27 not be less than the total of the price paid by the Yakama Nation or  
28 other wholesaler and the tax imposed under subsection (7) of this  
29 section.

30 (11) The retail selling price of cigarettes sold by tribal  
31 retailers must not be less than the price paid by them under  
32 subsection (10) of this section.

33 (12) Tribal retailers must not sell or give, or permit to be sold  
34 or given, cigarettes to any person under the age of eighteen years.

35 (13) The authority and the individual and joint responsibility of  
36 the Yakama Nation, the department of (~~revenue~~) taxation, and the  
37 liquor (~~control~~) and cannabis board for administration and  
38 enforcement must be specified in the agreement including, but not  
39 limited to, requirements regarding transport of cigarettes, keeping

1 of records, reporting, notice, inspection, audit, and mutual exchange  
2 of information.

3 (a) Requirements must provide for sharing of information  
4 regarding transport of cigarettes in the state of Washington by the  
5 Yakama Nation or its enrolled members, reporting of information on  
6 sales to customers located outside the jurisdiction of the Yakama  
7 Nation, and authority for unannounced inspection by the state of  
8 tribal retailers to verify compliance with stamping and pricing  
9 provisions.

10 (b) Information received by the state or open to state review  
11 under the terms of the agreement is subject to RCW 82.32.330.

12 (14) The agreement must provide for resolution of disputes using  
13 a nonjudicial process, such as mediation, and establish a dispute  
14 resolution protocol that includes the following elements:

15 (a) A procedure for notifying the other party that a violation  
16 has occurred;

17 (b) A procedure for establishing whether a violation has in fact  
18 occurred;

19 (c) An opportunity to correct the violation;

20 (d) A procedure for terminating the agreement in the event of a  
21 failure to correct the violation, such termination subject to  
22 mediation should the terms of the agreement so allow; and

23 (e) Termination of the agreement for cause.

24 (15) The agreement may not include any provisions that impact the  
25 state's share of the master settlement agreement or concern  
26 redistribution of the state's proceeds under the master settlement  
27 agreement.

28 (16) The department of (~~revenue~~) taxation may share with the  
29 Yakama Nation tax information under RCW 82.32.330 that is necessary  
30 for the Yakama Nation's compliance with the agreement.

31 **Sec. 107.** RCW 43.06.475 and 2007 c 69 s 2 are each amended to  
32 read as follows:

33 (1) The governor may enter into timber harvest excise tax  
34 agreements concerning the harvest of timber. All timber harvest  
35 excise tax agreements must meet the requirements for timber harvest  
36 excise tax agreements under this section. The terms of a timber  
37 harvest excise tax agreement are not effective unless the agreement  
38 is authorized in RCW 43.06.480.

1 (2) Timber harvest excise tax agreements shall be in regard to  
2 timber harvests on fee land within the exterior boundaries of the  
3 reservation of the Indian tribe and are not in regard to timber  
4 harvests on trust land or land owned by the tribe within the exterior  
5 boundaries of the reservation.

6 (3) The agreement must provide that the tribal tax shall be  
7 credited against the state and county taxes imposed under RCW  
8 84.33.041 and 84.33.051.

9 (4) Tribal ordinances for timber harvest excise taxation, or  
10 other authorizing tribal laws, which implement the timber harvest  
11 excise tax agreement with the state, must incorporate or contain  
12 provisions identical to chapter 84.33 RCW that relate to the tax  
13 rates and measures, such as stumpage values.

14 (5) Timber harvest excise tax agreements must be for renewable  
15 periods of no more than eight years.

16 (6) Timber harvest excise tax agreements must include provisions  
17 for compliance, such as inspection procedures, recordkeeping, and  
18 audit requirements.

19 (7) Tax revenue retained by the tribe must be used for essential  
20 government services. Use of tax revenue for subsidization of timber  
21 harvesters is prohibited.

22 (8) The timber harvest excise tax agreement may include  
23 provisions to resolve disputes using a nonjudicial process, such as  
24 mediation.

25 (9) The governor may delegate the power to negotiate the timber  
26 harvest excise tax agreements to the department of (~~revenue~~)  
27 taxation.

28 (10) Information received by the state or open to state review  
29 under the terms of a timber harvest excise tax agreement is subject  
30 to the provisions of RCW 82.32.330. The department of (~~revenue~~)  
31 taxation may enter into an information sharing agreement with the  
32 tribe to facilitate sharing information to improve tax collection.

33 (11) The timber harvest excise tax agreement must include dispute  
34 resolution procedures, contract termination procedures, and  
35 provisions delineating the respective roles and responsibilities of  
36 the tribe and the department of (~~revenue~~) taxation.

37 (12) The timber harvest excise tax agreement must include  
38 provisions to require taxpayers to submit information that may be  
39 required by the department of (~~revenue~~) taxation or tribe.

40 (13) For the purposes of this section:

1 (a) "Essential government services" means services such as  
2 forestland management; protection, enhancement, regulation, and  
3 stewardship of forested land; land consolidation; tribal  
4 administration; public facilities; fire; police; public health;  
5 education; job services; sewer; water; environmental and land use;  
6 transportation; utility services; and public facilities serving  
7 economic development purposes as those terms are defined in RCW  
8 82.14.370(3)(c);

9 (b) "Forestland" has the same meaning as in RCW 84.33.035;

10 (c) "Harvester" has the same meaning as in RCW 84.33.035;

11 (d) "Indian tribe" or "tribe" means a federally recognized Indian  
12 tribe located within the geographical boundaries of the state of  
13 Washington; and

14 (e) "Timber" has the same meaning as in RCW 84.33.035.

15 **Sec. 108.** RCW 43.06.490 and 2015 c 207 s 2 are each amended to  
16 read as follows:

17 (1) The governor may enter into agreements with federally  
18 recognized Indian tribes concerning marijuana. Marijuana agreements  
19 may address any marijuana-related issue that involves both state and  
20 tribal interests or otherwise has an impact on tribal-state  
21 relations. Such agreements may include, but are not limited to, the  
22 following provisions and subject matter:

23 (a) Criminal and civil law enforcement;

24 (b) Regulatory issues related to the commercial production,  
25 processing, sale, and possession of marijuana, and processed  
26 marijuana products, for both recreational and medical purposes;

27 (c) Medical and pharmaceutical research involving marijuana;

28 (d) Taxation in accordance with subsection (2) of this section;

29 (e) Any tribal immunities or preemption of state law regarding  
30 the production, processing, or marketing of marijuana; and

31 (f) Dispute resolution, including the use of mediation or other  
32 nonjudicial process.

33 (2)(a) Each marijuana agreement adopted under this section must  
34 provide for a tribal marijuana tax that is at least one hundred  
35 percent of the state marijuana excise tax imposed under RCW 69.50.535  
36 and state and local sales and use taxes on sales of marijuana.  
37 Marijuana agreements apply to sales in which tribes, tribal  
38 enterprises, or tribal member-owned businesses (i) deliver or cause  
39 delivery to be made to or receive delivery from a marijuana producer,

1 processor, or retailer licensed under chapter 69.50 RCW or (ii)  
2 physically transfer possession of the marijuana from the seller to  
3 the buyer within Indian country.

4 (b) The tribe may allow an exemption from tax for sales to the  
5 tribe, tribal enterprises, tribal member-owned businesses, or tribal  
6 members(~~(+,+)~~), on marijuana grown, produced, or processed within its  
7 Indian country, or for activities to the extent they are exempt under  
8 state or federal law from the state marijuana excise tax imposed  
9 under RCW 69.50.535 or state and local sales or use taxes on sales of  
10 marijuana. Medical marijuana products used in the course of medical  
11 treatments by a clinic, hospital, or similar facility owned and  
12 operated by a federally recognized Indian tribe within its Indian  
13 country may be exempted from tax under the terms of an agreement  
14 entered into under this section.

15 (3) Any marijuana agreement relating to the production,  
16 processing, and sale of marijuana in Indian country, whether for  
17 recreational or medical purposes, must address the following issues:

18 (a) Preservation of public health and safety;

19 (b) Ensuring the security of production, processing, retail, and  
20 research facilities; and

21 (c) Cross-border commerce in marijuana.

22 (4) The governor may delegate the power to negotiate marijuana  
23 agreements to the state liquor (~~(control)~~) and cannabis board. In  
24 conducting such negotiations, the state liquor (~~(control)~~) and  
25 cannabis board must, when necessary, consult with the governor and/or  
26 the department of (~~revenue~~) taxation.

27 (5) The definitions in this subsection apply throughout this  
28 section unless the context clearly requires otherwise.

29 (a) "Indian country" has the same meaning as in RCW 82.24.010.

30 (b) "Indian tribe" or "tribe" means a federally recognized Indian  
31 tribe located within the geographical boundaries of the state of  
32 Washington.

33 (c) "Marijuana" means "marijuana," "marijuana concentrates,"  
34 "marijuana-infused products," and "useable marijuana," as those terms  
35 are defined in RCW 69.50.101.

36 **Sec. 109.** RCW 43.07.200 and 2011 c 298 s 24 are each amended to  
37 read as follows:

38 The secretary of state and the director of (~~revenue~~) taxation  
39 may enter into agreements designating the department of (~~revenue~~)

1 taxation as the secretary of state's agent for issuing all or a  
2 portion of the legal entity renewals within the jurisdiction of the  
3 secretary of state.

4 **Sec. 110.** RCW 43.07.390 and 2010 1st sp.s. c 23 s 213 are each  
5 amended to read as follows:

6 (1)(a) The secretary of state must adopt rules requiring any  
7 entity that is required to file an annual report with the secretary  
8 of state, including entities under Titles 23, 23B, 24, and 25 RCW, to  
9 disclose: (i) Any transfer of the controlling interest in the entity;  
10 and (ii) the granting of any option to acquire an interest in the  
11 entity if the exercise of the option would result in a sale as  
12 defined in RCW 82.45.010(2).

13 (b) The disclosure requirement in this subsection only applies to  
14 entities owning an interest in real property located in this state.

15 (2) This information must be made available to the department of  
16 (~~revenue~~) taxation upon request for the purposes of tracking the  
17 transfer of the controlling interest in entities owning real property  
18 and to determine when the real estate excise tax is applicable in  
19 such cases.

20 (3) For the purposes of this section, "controlling interest" has  
21 the same meaning as provided in RCW 82.45.033.

22 **Sec. 111.** RCW 43.08.290 and 2009 c 127 s 1 are each amended to  
23 read as follows:

24 (1) The city-county assistance account is created in the state  
25 treasury. All receipts from real estate excise tax disbursements  
26 provided under RCW 82.45.060 must be deposited into the account.  
27 Moneys in the account may be spent only after appropriation.  
28 Expenditures from the account may be used only for the purposes  
29 provided in this section.

30 (2) Funds deposited in the city-county assistance account must be  
31 distributed equally to the cities and counties.

32 (3)(a) Funds distributed to counties must, to the extent  
33 possible, increase the sum of revenues under RCW 82.14.030(1) and  
34 streamlined sales tax mitigation funds received by each county to the  
35 greater of two hundred fifty thousand dollars or:

36 (i) For a county with an unincorporated population of one hundred  
37 thousand or less, seventy percent of the statewide weighted average  
38 per capita level of sales and use tax revenues received under RCW

1 82.14.030(1) with respect to taxable activity in the unincorporated  
2 areas of all counties imposing the sales and use tax authorized under  
3 RCW 82.14.030(1) in the previous calendar year, for certifications  
4 before October 1, 2009, or the previous fiscal year, for  
5 certifications on and after October 1, 2009; and

6 (ii) For a county with an unincorporated population of more than  
7 one hundred thousand, sixty-five percent of the statewide weighted  
8 average per capita level of sales and use tax revenues received under  
9 RCW 82.14.030(1) with respect to taxable activity in the  
10 unincorporated areas of all counties imposing the sales and use tax  
11 authorized under RCW 82.14.030(1) in the previous calendar year, for  
12 certifications before October 1, 2009, or the previous fiscal year,  
13 for certifications on and after October 1, 2009.

14 (b) For each county with an unincorporated population of fifteen  
15 thousand or less, the county must receive the greater of the amount  
16 in (a) of this subsection or the amount received in local government  
17 assistance provided by section 716, chapter 276, Laws of 2004.

18 (c) For each county with an unincorporated population of more  
19 than fifteen thousand and less than twenty-two thousand, the county  
20 must receive in calendar year 2006 and 2007 the greater of the amount  
21 provided in (a) of this subsection or the amount received in local  
22 government assistance provided by section 716, chapter 276, Laws of  
23 2004.

24 (d) To the extent that revenues are insufficient to fund the  
25 distributions under this subsection, the distributions of all  
26 counties as otherwise determined under this subsection must be  
27 ratably reduced.

28 (e) To the extent that revenues exceed the amounts needed to fund  
29 the distributions under this subsection, the excess funds must be  
30 divided ratably based upon unincorporated population among those  
31 counties receiving funds under this subsection and imposing the tax  
32 authorized under RCW 82.14.030(2) at the maximum rate.

33 (4) (a) For each city with a population of five thousand or less  
34 with a per capita assessed property value less than twice the  
35 statewide average per capita assessed property value for all cities  
36 for the calendar year previous to the certification under subsection  
37 (6) of this section, the city must receive the greater of the  
38 following three amounts:

39 (i) An amount necessary to increase the sum of revenues under RCW  
40 82.14.030(1) and streamlined sales tax mitigation funds received by a



1 city up to fifty-five percent of the statewide weighted average per  
2 capita level of sales and use tax revenues received under RCW  
3 82.14.030(1) with respect to taxable activity in all cities imposing  
4 the sales and use tax authorized under RCW 82.14.030(1) in the  
5 previous calendar year, for certifications before October 1, 2009, or  
6 the previous fiscal year, for certifications on and after October 1,  
7 2009.

8 (ii) The amount received in local government assistance provided  
9 for fiscal year 2005 by section 721, chapter 25, Laws of 2003 1st sp.  
10 sess.

11 (iii) For a city with a per capita assessed property value less  
12 than fifty-five percent of the statewide average per capita assessed  
13 property value for all cities, an amount determined by subtracting  
14 the city's per capita assessed property value from fifty-five percent  
15 of the statewide average per capita assessed property value, dividing  
16 that amount by one thousand, and multiplying the result by the city's  
17 population.

18 (b) For each city with a population of more than five thousand  
19 with a per capita assessed property value less than the statewide  
20 average per capita assessed property value for all cities for the  
21 calendar year previous to the certification under subsection (6) of  
22 this section, the city must receive the greater of the following two  
23 amounts:

24 (i) An amount necessary to increase the sum of revenues under RCW  
25 82.14.030(1) and streamlined sales tax mitigation funds received by a  
26 city up to fifty percent of the statewide weighted average per capita  
27 level of sales and use tax revenues received under RCW 82.14.030(1)  
28 with respect to taxable activity in all cities imposing the sales and  
29 use tax authorized under RCW 82.14.030(1) in the previous calendar  
30 year, for certifications before October 1, 2009, or the previous  
31 fiscal year, for certifications on and after October 1, 2009.

32 (ii) For a city with a per capita assessed property value less  
33 than fifty-five percent of the statewide average per capita assessed  
34 property value for all cities, an amount determined by subtracting  
35 the city's per capita assessed property value from fifty-five percent  
36 of the statewide average per capita assessed property value, dividing  
37 that amount by one thousand, and multiplying the result by the city's  
38 population.

39 (c) No city may receive an amount greater than one hundred  
40 thousand dollars a year under (a) or (b) of this subsection.

1 (d) To the extent that revenues are insufficient to fund the  
2 distributions under this subsection, the distributions of all cities  
3 as otherwise determined under this subsection must be ratably  
4 reduced.

5 (e) To the extent that revenues exceed the amounts needed to fund  
6 the distributions under this subsection, the excess funds must be  
7 divided ratably based upon population among those cities receiving  
8 funds under this subsection and imposing the tax collected under RCW  
9 82.14.030(2) at the maximum rate.

10 (f) This subsection only applies to cities incorporated before  
11 August 1, 2005.

12 (5) The two hundred fifty thousand dollar amount in subsection  
13 (3) of this section and the one hundred thousand dollar amount in  
14 subsection (4) of this section must be increased each year beginning  
15 in calendar year 2006 by inflation as defined in RCW 84.55.005, as  
16 determined by the department of (~~revenue~~) taxation.

17 (6)(a) Distributions under subsections (3) and (4) of this  
18 section must be made quarterly beginning on October 1, 2005, based on  
19 population as last determined by the office of financial management.  
20 The department of (~~revenue~~) taxation must certify the amounts to be  
21 distributed under this section by the state treasurer. The  
22 certification must be made by October 1, 2005, for the October 1,  
23 2005, distribution and the January 1, 2006, distribution, based on  
24 calendar year 2004 department of (~~revenue~~) taxation distributions  
25 of sales and use taxes authorized under RCW 82.14.030(1). The  
26 certification must be made by March 1, 2006, for distributions  
27 beginning April 1, 2006, by March 1, 2007, for distributions  
28 beginning April 1, 2007, and by March 1, 2008, for distributions  
29 beginning April 1, 2008. The March 1st certification must be used for  
30 distributions occurring on April 1st, July 1st, and October 1st of  
31 the year of certification and on January 1st of the year following  
32 certification.

33 (b) By March 1, 2009, the department of (~~revenue~~) taxation must  
34 certify the amounts to be distributed under this section on April 1,  
35 2009, July 1, 2009, and October 1, 2009. The certification must be  
36 based on calendar year 2008 department of (~~revenue~~) taxation  
37 distributions of sales and use taxes authorized under RCW  
38 82.14.030(1), and the population as last determined by the office of  
39 financial management.

1 (c) By October 1, 2009, the department of (~~revenue~~) taxation  
2 must certify the amounts to be distributed under this section on  
3 January 1, 2010, April 1, 2010, July 1, 2010, and October 1, 2010.  
4 The certification must be based on department of (~~revenue~~) taxation  
5 distributions in fiscal year 2009 of sales and use taxes authorized  
6 under RCW 82.14.030(1), streamlined sales tax mitigation data for  
7 mitigation distributions authorized under RCW 82.14.495 made December  
8 2008 through September 2009, and population as last determined by the  
9 office of financial management.

10 (d) By September 1, 2010, and September 1st of every year  
11 thereafter, the department of (~~revenue~~) taxation must make  
12 available a preliminary certification of the amounts to be  
13 distributed under this section on January 1st, April 1st, July 1st,  
14 and October 1st of the year immediately following certification. By  
15 October 1, 2010, and October 1st of every year thereafter, the  
16 department must finalize the certification. Once finalized, no  
17 changes may be made to the certification for any reason.  
18 Certifications must be based on distributions of sales and use taxes  
19 imposed under RCW 82.14.030(1) made by the department of (~~revenue~~)  
20 taxation in the fiscal year that ended during the calendar year of  
21 certification, streamlined sales tax mitigation data for mitigation  
22 distributions authorized under RCW 82.14.495 made in the fiscal year  
23 that ended during the calendar year of certification, and population  
24 as last determined by the office of financial management.

25 (7) All distributions to local governments from the city-county  
26 assistance account constitute increases in state distributions of  
27 revenue to political subdivisions for purposes of state reimbursement  
28 for the costs of new programs and increases in service levels under  
29 RCW 43.135.060, including any claims or litigation pending against  
30 the state on or after January 1, 2005.

31 (8) As used in this section, "streamlined sales tax mitigation  
32 funds" means an amount determined by the department of (~~revenue~~)  
33 taxation equal to the actual mitigation distribution amount under RCW  
34 82.14.495 received by a jurisdiction in four consecutive calendar  
35 quarters, less the mitigation distribution amount that would have  
36 been received by the jurisdiction during the same four calendar  
37 quarters had mitigation been calculated without the local sales tax  
38 authorized under RCW 82.14.030(1). If the difference is a negative  
39 amount or if a jurisdiction does not receive any mitigation

1 distribution during the applicable four calendar quarters, then  
2 "streamlined sales tax mitigation funds" is zero.

3 **Sec. 112.** RCW 43.09.475 and 2017 3rd sp.s. c 1 s 967 are each  
4 amended to read as follows:

5 The performance audits of government account is hereby created in  
6 the custody of the state treasurer. Revenue identified in RCW  
7 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money  
8 in the account shall be used to fund the performance audits and  
9 follow-up performance audits under RCW 43.09.470 and shall be  
10 expended by the state auditor in accordance with chapter 1, Laws of  
11 2006. Only the state auditor or the state auditor's designee may  
12 authorize expenditures from the account. The account is subject to  
13 allotment procedures under chapter 43.88 RCW, but an appropriation is  
14 not required for expenditures. During the 2013-2015, 2015-2017, and  
15 2017-2019 fiscal biennia, the performance audits of government  
16 account may be appropriated for the joint legislative audit and  
17 review committee, the legislative evaluation and accountability  
18 program committee, the office of financial management, the  
19 superintendent of public instruction, the department of fish and  
20 wildlife, and audits of school districts. In addition, during the  
21 2013-2015, 2015-2017, and 2017-2019 fiscal biennia the account may be  
22 used to fund the office of financial management's contract for the  
23 compliance audit of the state auditor and audit activities at the  
24 department of (~~revenue~~) taxation. In addition, during the 2015-2017  
25 fiscal biennium, the legislature may transfer from the performance  
26 audits of government account to the state general fund such amounts  
27 as reflect the excess fund balance of the fund.

28 **Sec. 113.** RCW 43.10.067 and 1997 c 41 s 9 are each amended to  
29 read as follows:

30 No officer, director, administrative agency, board, or commission  
31 of the state, other than the attorney general, shall employ, appoint  
32 or retain in employment any attorney for any administrative body,  
33 department, commission, agency, or tribunal or any other person to  
34 act as attorney in any legal or quasi legal capacity in the exercise  
35 of any of the powers or performance of any of the duties specified by  
36 law to be performed by the attorney general, except where it is  
37 provided by law to be the duty of the judge of any court or the  
38 prosecuting attorney of any county to employ or appoint such persons:

1 PROVIDED, That RCW 43.10.040, and 43.10.065 through 43.10.080 shall  
2 not apply to the administration of the commission on judicial  
3 conduct, the state law library, the law school of the state  
4 university, the administration of the state bar act by the Washington  
5 State Bar Association, or the representation of an estate  
6 administered by the director of the department of (~~revenue~~)  
7 taxation or the director's designee pursuant to chapter 11.28 RCW.

8 The authority granted by chapter 1.08 RCW, RCW 44.28.065, and  
9 47.01.061 shall not be affected hereby.

10 **Sec. 114.** RCW 43.17.010 and 2017 3rd sp.s. c 6 s 109 are each  
11 amended to read as follows:

12 There shall be departments of the state government which shall be  
13 known as (1) the department of social and health services, (2) the  
14 department of ecology, (3) the department of labor and industries,  
15 (4) the department of agriculture, (5) the department of fish and  
16 wildlife, (6) the department of transportation, (7) the department of  
17 licensing, (8) the department of enterprise services, (9) the  
18 department of commerce, (10) the department of veterans affairs, (11)  
19 the department of (~~revenue~~) taxation, (12) the department of  
20 retirement systems, (13) the department of corrections, (14) the  
21 department of health, (15) the department of financial institutions,  
22 (16) the department of archaeology and historic preservation, (17)  
23 the department of children, youth, and families, and (18) the Puget  
24 Sound partnership, which shall be charged with the execution,  
25 enforcement, and administration of such laws, and invested with such  
26 powers and required to perform such duties, as the legislature may  
27 provide.

28 **Sec. 115.** RCW 43.31C.020 and 2000 c 212 s 3 are each amended to  
29 read as follows:

30 (1) The department, in cooperation with the department of  
31 (~~revenue~~) taxation, the employment security department, and the  
32 office of financial management, may approve applications submitted by  
33 local governments for an area's designation as a community  
34 empowerment zone under this chapter. The application for designation  
35 shall be in the form and manner and contain such information as the  
36 department may prescribe, provided that the application shall:

37 (a) Contain information sufficient for the director to determine  
38 if the criteria established in RCW 43.31C.030 have been met;

1 (b) Be submitted on behalf of the local government by its chief  
2 elected official, or, if none, by the governing body of the local  
3 government;

4 (c) Contain a five-year community empowerment plan that meets the  
5 requirements of RCW 43.31C.040; and

6 (d) Certify that area residents were given the opportunity to  
7 participate in the development of the five-year community empowerment  
8 strategy required under RCW 43.31C.040.

9 (2) No local government shall submit more than two areas to the  
10 department for possible designation as a community empowerment zone  
11 under this chapter.

12 (3) (a) The director may designate up to six community empowerment  
13 zones, statewide, from among the applications submitted for  
14 designation as a community empowerment zone.

15 (b) The director shall make determinations of designated  
16 community empowerment zones on the basis of the following factors:

17 (i) The strength and quality of the local government commitments  
18 to meet the needs identified in the five-year community empowerment  
19 plan required under RCW 43.31C.040.

20 (ii) The level of private sector commitment of additional  
21 resources and contribution to the community empowerment zone.

22 (iii) The potential for revitalization of the area as a result of  
23 designation as a community empowerment zone.

24 (iv) Other factors the director deems necessary.

25 (c) The determination of the director as to the areas designated  
26 as community empowerment zones shall be final.

27 (4) Except as provided in RCW 43.31C.050, an area that was  
28 designated a community empowerment zone before January 1, 1996, under  
29 this section, automatically and without additional action by the  
30 local government continues its designation under this chapter.

31 (5) The department may not designate additional community  
32 empowerment zones after January 1, 2004, but may amend or rescind  
33 designation of community empowerment zones in accordance with RCW  
34 43.31C.050.

35 **Sec. 116.** RCW 43.42A.010 and 2014 c 68 s 2 are each amended to  
36 read as follows:

37 The definitions in this section apply throughout this chapter  
38 unless the context clearly requires otherwise.

1 (1) "Agency" means the following executive branch agencies and  
2 offices of statewide elected officials:

- 3 (a) Department of agriculture;
  - 4 (b) Department of archaeology and historic preservation;
  - 5 (c) Department of ecology;
  - 6 (d) Department of fish and wildlife;
  - 7 (e) Gambling commission;
  - 8 (f) Department of health;
  - 9 (g) Department of labor and industries;
  - 10 (h) Department of licensing;
  - 11 (i) Liquor (~~control~~) and cannabis board;
  - 12 (j) Department of natural resources;
  - 13 (k) Parks and recreation commission;
  - 14 (l) Department of (~~revenue~~) taxation;
  - 15 (m) Department of transportation; and
  - 16 (n) Utilities and transportation commission.
- 17 (2) "Office" means the office of regulatory assistance.

18 **Sec. 117.** RCW 43.62.040 and 1979 c 151 s 130 are each amended to  
19 read as follows:

20 The department of (~~revenue~~) taxation or any other state officer  
21 or officials of cities, towns, or counties shall upon request of the  
22 office of financial management furnish such information, aid, and  
23 assistance as may be required by the office of financial management  
24 in the performance of its population studies. The action of the  
25 office of financial management in determining the population shall be  
26 final and conclusive.

27 **Sec. 118.** RCW 43.136.035 and 2006 c 197 s 3 are each amended to  
28 read as follows:

29 (1) The citizen commission for performance measurement of tax  
30 preferences is created.

31 (2) The commission has seven members as follows:

- 32 (a) One member is the state auditor, who is a nonvoting member;
- 33 (b) One member is the chair of the joint legislative audit and  
34 review committee, who is a nonvoting member;

- 35 (c) The chair of each of the two largest caucuses of the senate  
36 and the two largest caucuses of the house of representatives shall  
37 each appoint a member. None of these appointees may be members of the  
38 legislature; and

1 (d) The governor shall select the seventh member.

2 (3) Persons appointed by the caucus chairs should be individuals  
3 who represent a balance of perspectives and constituencies, and have  
4 a basic understanding of state tax policy, government operations, and  
5 public services. These appointees should have knowledge and expertise  
6 in performance management, fiscal analysis, strategic planning,  
7 economic development, performance assessments, or closely related  
8 fields.

9 (4) The commission shall elect a chair from among its voting or  
10 nonvoting members. Decisions of the commission must be made using the  
11 sufficient consensus model. For the purposes of this subsection,  
12 "sufficient consensus" means the point at which the vast majority of  
13 the commission favors taking a particular action. If the commission  
14 determines that sufficient consensus cannot be reached, a vote must  
15 be taken. The commission must allow a minority report to be included  
16 with a decision of the commission, if requested by a member of the  
17 commission.

18 (5) Members serve for terms of four years, with the terms  
19 expiring on June 30th on the fourth year of the term. However, in the  
20 case of the initial terms, the members appointed by the chairs of  
21 senate caucuses shall serve four-year terms, the members appointed by  
22 the chairs of house of representatives caucuses shall serve three-  
23 year terms, and the member appointed by the governor shall serve a  
24 two-year term, with each of the terms expiring on June 30th of the  
25 applicable year. Appointees may be reappointed to serve more than one  
26 term.

27 (6) The joint legislative audit and review committee shall  
28 provide clerical, technical, and management personnel to the  
29 commission to serve as the commission's staff. The department of  
30 (~~revenue~~) taxation shall provide necessary support and information  
31 to the joint legislative audit and review committee.

32 (7) The commission shall meet at least once a quarter and may  
33 hold additional meetings at the call of the chair or by a majority  
34 vote of the members of the commission. The members of the commission  
35 shall be compensated in accordance with RCW 43.03.220 and reimbursed  
36 for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

37 **Sec. 119.** RCW 43.136.075 and 2006 c 197 s 7 are each amended to  
38 read as follows:



1       Upon request of the citizen commission for performance  
2 measurement of tax preferences or the joint legislative audit and  
3 review committee, the department of (~~revenue~~) taxation and the  
4 department of employment security shall provide information needed by  
5 the commission or committee to meet its responsibilities under this  
6 chapter.

7       **Sec. 120.** RCW 43.136.080 and 2013 2nd sp.s. c 13 s 1703 are each  
8 amended to read as follows:

9       (1) The legislative auditor, with the assistance of a task force,  
10 must make recommendations on the appropriate data and metrics that  
11 should be included in tax preference performance statements to  
12 evaluate new tax preferences, as provided under RCW 82.32.808.

13       (2)(a) The task force is comprised of five members: (i) One  
14 person from the department of (~~revenue~~) taxation; (ii) one person  
15 from an association representing Washington businesses; (iii) one  
16 person from the office of financial management; (iv) the legislative  
17 auditor or a designee of the legislative auditor; and (v) an  
18 economist with substantial experience in state taxes.

19       (b) The task force must choose its chair from among its  
20 membership.

21       (3) By January 1, 2014, and in compliance with RCW 43.01.036, the  
22 legislative auditor must submit a report to the appropriate fiscal  
23 committees of the legislature the findings and recommendations of the  
24 task force.

25       **Sec. 121.** RCW 43.330.737 and 2015 c 296 s 4 are each amended to  
26 read as follows:

27       (1) The director shall contract with a private sector entity to:

28       (a) Establish a protocol for reviewing and approving the  
29 qualifications of all private sector financial services firms that  
30 meet the qualifications to participate in the marketplace;

31       (b) Design and operate an internet web site that includes  
32 information about how eligible employers can voluntarily participate  
33 in the marketplace;

34       (c) Develop marketing materials about the marketplace that can be  
35 distributed electronically, posted on agency web sites that interact  
36 with eligible employers, or inserted into mail from the department of  
37 (~~revenue~~) taxation, department of labor and industries, employment  
38 security department, the office of minority and women's business

1 enterprises, department of licensing, and secretary of state's  
2 division of corporations;

3 (d) Identify and promote existing federal and state tax credits  
4 and benefits for employers and employees that are related to  
5 encouraging retirement savings or participating in retirement plans;  
6 and

7 (e) Promote the benefits of retirement savings and other  
8 information that promotes financial literacy.

9 (2) The director shall address how rollovers are handled for  
10 eligible Washington employers that have workers in other states, and  
11 whether out-of-state employees with existing IRA's can roll them into  
12 the plans offered through the Washington small business retirement  
13 marketplace.

14 (3) The director shall direct the entity retained pursuant to  
15 subsection (1) of this section to assure that licensed professionals  
16 who assist their eligible business clients or employees to enroll in  
17 a plan offered through the Washington small business retirement  
18 marketplace may receive routine, market-based commissions or other  
19 compensation for their services.

20 (4) The director shall ensure by rule that there is objective  
21 criteria in the protocol provided in subsection (1)(a) of this  
22 section and that the protocol does not provide unfair advantage to  
23 the private sector entity which establishes the protocol.

24 (5) The director shall encourage the participation of private  
25 sector financial services firms in the marketplace.

26 **Sec. 122.** RCW 43.365.040 and 2012 c 189 s 5 are each amended to  
27 read as follows:

28 (1) The legislature finds that accountability and effectiveness  
29 are important aspects of setting tax policy. In order to make policy  
30 choices regarding the best use of limited state resources the  
31 legislature needs information on how incentives are used.

32 (2) Each motion picture production receiving funding assistance  
33 under RCW 43.365.020 must report information to the department by  
34 filing a complete annual survey. The survey is due by March 31st of  
35 the year following any calendar year in which funding assistance  
36 under RCW 43.365.020 is taken. The department may extend the due date  
37 for timely filing of annual surveys under this section if failure to  
38 file was the result of circumstances beyond the control of the motion  
39 picture production receiving the funding assistance.

1 (3) The Washington motion picture competitiveness program  
2 established in RCW 43.365.030, in collaboration with the department  
3 and the department of (~~revenue~~) taxation, and in consultation with  
4 the joint legislative audit and review committee, must develop a  
5 survey form and instructions that accompany the survey form by  
6 November 1, 2012. The instructions must provide sufficient detail to  
7 ensure consistent reporting. The survey must be designed to acquire  
8 data to allow the state to better measure the effectiveness of the  
9 program and to provide transparency of the motion picture  
10 competitiveness program. The survey must include:

11 (a) The total amount of taxes paid;

12 (b) The amount of taxes paid classified by type, which may  
13 include, but is not limited to, sales taxes, use taxes, business and  
14 occupation taxes, unemployment insurance taxes, and workers'  
15 compensation premiums;

16 (c) The amount of funding assistance received; and

17 (d) The following information for employment positions in  
18 Washington by the motion picture production receiving funding  
19 assistance, including indirect employment by contractors or other  
20 affiliates:

21 (i) The number of total employment positions;

22 (ii) The average number of hours worked by employed individuals;

23 (iii) The average base pay of individuals employed by motion  
24 picture companies, including contributions to health care benefits  
25 and retirement plans;

26 (iv) The number of employment positions that have employer-  
27 provided medical, dental, and retirement benefits; and

28 (v) The number of employment positions filled by Washington state  
29 residents, and residency information for employment positions filled  
30 by people from other locations.

31 (4) The department may request additional information necessary  
32 to measure the results of the funding assistance program, to be  
33 submitted at the same time as the survey.

34 (5) If a person fails to submit an annual survey under subsection  
35 (2) of this section by the due date of the report or any extension  
36 the department must declare the amount of funding assistance for the  
37 previous calendar year to be immediately due and payable. The  
38 department must assess interest, but not penalties, on the amounts  
39 due under this section. The interest is assessed at the rate provided  
40 for delinquent taxes under chapter 82.32 RCW, retroactively to the

1 date the funding assistance was received, and accrues until the  
2 funding assistance is repaid.

3 (6) The department must use the information from this section to  
4 prepare summary descriptive statistics. The department must report  
5 these statistics to the legislature each even-numbered year by  
6 September 1st. The department must provide the complete annual  
7 surveys to the joint legislative audit and review committee.

8 (7) The motion picture competitiveness program must monitor the  
9 survey information submitted by production companies for completeness  
10 and accuracy.

11 **Sec. 123.** RCW 44.28.805 and 2005 c 450 s 3 are each amended to  
12 read as follows:

13 During calendar year 2008, the joint legislative audit and review  
14 committee shall review the distributions to cities and counties under  
15 RCW 43.08.290 to determine the extent to which the distributions  
16 target the needs of cities and counties for which the repeal of the  
17 motor vehicle excise tax had the greatest fiscal impact. In  
18 conducting the study, the committee shall solicit input from the  
19 cities and counties. The department of (~~revenue~~) taxation and the  
20 state treasurer shall provide the committee with any data within  
21 their purview that the committee considers necessary to conduct the  
22 review. The committee shall report to the legislature the results of  
23 its findings, and any recommendations for changes to the distribution  
24 formulas under RCW 43.08.290, by December 31, 2008.

25 **Sec. 124.** RCW 44.73.015 and 2009 c 228 s 3 are each amended to  
26 read as follows:

27 (1) The legislative gift center is authorized to sell at retail  
28 for off-premises consumption wine produced in Washington by a  
29 licensed domestic winery. Wine sold by the legislative gift center  
30 must: (a) Be sold to individuals twenty-one years of age or older;  
31 (b) be sold for personal use and not for resale; and (c) have been  
32 purchased from a licensed wine distributor or from a manufacturer  
33 authorized to distribute wine of its own production.

34 (2) The legislative gift center must collect and remit to the  
35 department of (~~revenue~~) taxation all applicable state and local  
36 taxes on sales of wine.

37 (3) The legislative gift center must consult with the Washington  
38 wine commission to select which Washington wines will be sold. The

1 Washington wine commission must give consideration to award winning  
2 wines in assisting the gift center.

3 **Sec. 125.** RCW 46.12.560 and 2011 c 114 s 7 are each amended to  
4 read as follows:

5 (1)(a) Before accepting an application for a certificate of  
6 title, the department, county auditor or other agent, or subagent  
7 appointed by the director shall require an applicant to provide a  
8 certificate of vehicle inspection completed by the Washington state  
9 patrol or other authorized inspector if the vehicle:

10 (i) Was declared a total loss or salvage vehicle under the laws  
11 of this state;

12 (ii) Has been rebuilt after the certificate of title was returned  
13 to the department under RCW 46.12.600 and the vehicle was not kept by  
14 the registered owner at the time of the vehicle's destruction or  
15 declaration as a total loss; or

16 (iii) Is presented with documents from another state showing that  
17 the vehicle was a total loss or salvage vehicle and has not been  
18 reissued a valid registration certificate from that state after the  
19 declaration of total loss or salvage.

20 (b) A vehicle presented for inspection must have all damaged  
21 major component parts replaced or repaired to meet all requirements  
22 in law and rule before the Washington state patrol will inspect the  
23 vehicle. The inspection must verify that the vehicle identification  
24 number is genuine and agrees with the number shown on the certificate  
25 of title and registration certificate.

26 (c) A Washington state patrol vehicle identification number  
27 specialist must ensure that all major component parts used for the  
28 reconstruction of a salvage or rebuilt vehicle were obtained legally,  
29 and must securely attach a marking at the driver's door latch pillar  
30 indicating the vehicle was previously destroyed or declared a total  
31 loss. It is a class C felony for a person to remove the marking  
32 indicating that the vehicle was previously destroyed or declared a  
33 total loss.

34 (2) A person presenting a vehicle for inspection under subsection  
35 (1) of this section must provide original invoices for new and used  
36 parts from:

37 (a) A vendor that is registered with the department of  
38 (~~revenue~~) taxation or a comparable agency in the jurisdiction where

1 the major component parts were purchased for the collection of retail  
2 sales or use taxes. The invoices must include:

- 3 (i) The name and address of the business;
- 4 (ii) A description of the part or parts sold;
- 5 (iii) The date of sale; and
- 6 (iv) The amount of sale to include all taxes paid unless exempted  
7 by the department of (~~revenue~~) taxation or a comparable agency in  
8 the jurisdiction where the major component parts were purchased;

9 (b) A vehicle wrecker licensed under chapter 46.80 RCW or a  
10 comparable business in the jurisdiction outside Washington state  
11 where the major component part was purchased; and

12 (c) Private individuals. The private individual must have the  
13 certificate of title to the vehicle where the parts were taken from  
14 unless the parts were obtained from a parts car owned by a collector.  
15 Bills of sale for parts must be notarized and include:

- 16 (i) The names and addresses of the sellers and purchasers;
- 17 (ii) A description of the vehicle and the part or parts being  
18 sold, including the make, model, year, and identification or serial  
19 number;
- 20 (iii) The date of sale; and
- 21 (iv) The purchase price of the vehicle part or parts.

22 (3) A person presenting a vehicle for inspection under this  
23 section who is unable to provide an acceptable release of interest or  
24 proof of ownership for a vehicle or major component part as described  
25 in this section shall apply for an ownership in doubt application  
26 described in RCW 46.12.680.

27 (4)(a) Before accepting an application for a certificate of  
28 title, the department, county auditor or other agent, or subagent  
29 appointed by the director shall require an applicant to provide a  
30 certificate of vehicle inspection completed by the Washington state  
31 patrol or other authorized inspector when the application is for a  
32 vehicle being titled for the first time as:

- 33 (i) Assembled;
- 34 (ii) Glider kit;
- 35 (iii) Homemade;
- 36 (iv) Kit vehicle;
- 37 (v) Street rod vehicle;
- 38 (vi) Custom vehicle; or
- 39 (vii) Subject to ownership in doubt under RCW 46.12.680.

1 (b) The inspection must verify that the vehicle identification  
2 number is genuine and agrees with the number shown on the certificate  
3 of title and registration certificate.

4 (5)(a) Before accepting an application for a certificate of  
5 title, the department, county auditor or other agent, or subagent  
6 appointed by the director shall require an applicant to provide a  
7 certificate of vehicle inspection completed by the Washington state  
8 patrol when the application is for a vehicle with a vehicle  
9 identification number that has been:

- 10 (i) Altered;
- 11 (ii) Defaced;
- 12 (iii) Obliterated;
- 13 (iv) Omitted;
- 14 (v) Removed; or
- 15 (vi) Otherwise absent.

16 (b) The application must include payment of the fee required in  
17 RCW 46.17.135.

18 (c) The Washington state patrol shall assign a new vehicle  
19 identification number to the vehicle and place or stamp the new  
20 number in a conspicuous position on the vehicle.

21 (d) The department shall use the new vehicle identification  
22 number assigned by the Washington state patrol as the official  
23 vehicle identification number assigned to the vehicle.

24 (6) The department may adopt rules as necessary to implement this  
25 section.

26 **Sec. 126.** RCW 46.12.650 and 2016 c 86 s 1 are each amended to  
27 read as follows:

28 (1) **Releasing interest.** An owner releasing interest in a vehicle  
29 shall:

30 (a) Sign the release of interest section provided on the  
31 certificate of title or on a release of interest document or form  
32 approved by the department;

33 (b) Give the certificate of title or most recent evidence of  
34 ownership to the person gaining the interest in the vehicle;

35 (c) Give the person gaining interest in the vehicle an odometer  
36 disclosure statement if one is required; and

37 (d) Report the vehicle sold as provided in subsection (2) of this  
38 section.

1 (2) **Report of sale.** An owner shall notify the department, county  
2 auditor or other agent, or subagent appointed by the director in  
3 writing within five business days after a vehicle is or has been:

- 4 (a) Sold;
- 5 (b) Given as a gift to another person;
- 6 (c) Traded, either privately or to a dealership;
- 7 (d) Donated to charity;
- 8 (e) Turned over to an insurance company or wrecking yard; or
- 9 (f) Disposed of.

10 (3) **Report of sale properly filed.** A report of sale is properly  
11 filed if it is received by the department, county auditor or other  
12 agent, or subagent appointed by the director within five business  
13 days after the date of sale or transfer and it includes:

- 14 (a) The date of sale or transfer;
- 15 (b) The owner's full name and complete, current address;
- 16 (c) The full name and complete, current address of the person  
17 acquiring the vehicle, including street name and number, and  
18 apartment number if applicable, or post office box number, city or  
19 town, and postal code;
- 20 (d) The vehicle identification number and license plate number;
- 21 (e) A date or stamp by the department showing it was received on  
22 or before the fifth business day after the date of sale or transfer;  
23 and
- 24 (f) Payment of the fees required under RCW 46.17.050.

25 (4) **Report of sale - administration.** (a) The department shall:  
26 (i) Provide or approve reports of sale forms;  
27 (ii) Provide a system enabling an owner to submit reports of sale  
28 electronically;

29 (iii) Immediately update the department's vehicle record when a  
30 report of sale has been filed;

31 (iv) Provide instructions on release of interest forms that allow  
32 the seller of a vehicle to release their interest in a vehicle at the  
33 same time a financial institution, as defined in RCW 30A.22.040,  
34 releases its lien on the vehicle; and

35 (v) Send a report to the department of (~~revenue~~) taxation that  
36 lists vehicles for which a report of sale has been received but no  
37 transfer of ownership has taken place. The department shall send the  
38 report once each quarter.

39 (b) A report of sale is not proof of a completed vehicle transfer  
40 for purposes of the collection of expenses related to towing,



1 storage, and auction of an abandoned vehicle in situations where  
2 there is no evidence indicating the buyer knew of or was a party to  
3 acceptance of the vehicle transfer. A contract signed by the prior  
4 owner and the new owner, a certificate of title, a receipt, a  
5 purchase order or wholesale order, or other legal proof or record of  
6 acceptance of the vehicle by the new owner may be provided to  
7 establish legal responsibility for the abandoned vehicle.

8 (5) (a) **Transferring ownership.** A person who has recently acquired  
9 a vehicle by purchase, exchange, gift, lease, inheritance, or legal  
10 action shall apply to the department, county auditor or other agent,  
11 or subagent appointed by the director for a new certificate of title  
12 within fifteen days of delivery of the vehicle. A secured party who  
13 has possession of the certificate of title shall either:

14 (i) Apply for a new certificate of title on behalf of the owner  
15 and pay the fee required under RCW 46.17.100; or

16 (ii) Provide all required documents to the owner, as long as the  
17 transfer was not a breach of its security agreement, to allow the  
18 owner to apply for a new certificate of title.

19 (b) Compliance with this subsection does not affect the rights of  
20 the secured party.

21 (6) **Certificate of title delivered to secured party.** The  
22 certificate of title must be kept by or delivered to the person who  
23 becomes the secured party when a security interest is reserved or  
24 created at the time of the transfer of ownership. The parties must  
25 comply with RCW 46.12.675.

26 (7) **Penalty for late transfer.** A person who has recently acquired  
27 a motor vehicle by purchase, exchange, gift, lease, inheritance, or  
28 legal action who does not apply for a new certificate of title within  
29 fifteen calendar days of delivery of the vehicle is charged a  
30 penalty, as described in RCW 46.17.140, when applying for a new  
31 certificate of title. It is a misdemeanor to fail or neglect to apply  
32 for a transfer of ownership within forty-five days after delivery of  
33 the vehicle. The misdemeanor is a single continuing offense for each  
34 day that passes regardless of the number of days that have elapsed  
35 following the forty-five day time period.

36 (8) **Penalty for late transfer - exceptions.** The penalty is not  
37 charged if the delay in application is due to at least one of the  
38 following:

39 (a) The department requests additional supporting documents;

1 (b) The department, county auditor or other agent, or subagent  
2 fails to perform or is neglectful;

3 (c) The owner is prevented from applying due to an illness or  
4 extended hospitalization;

5 (d) The legal owner fails or neglects to release interest;

6 (e) The owner did not know of the filing of a report of sale by  
7 the previous owner and signs an affidavit to the fact; or

8 (f) The department finds other conditions exist that adequately  
9 explain the delay.

10 (9) **Review and issue.** The department shall review applications  
11 for certificates of title and issue certificates of title when it has  
12 determined that all applicable provisions of law have been complied  
13 with.

14 (10) **Rules.** The department may adopt rules as necessary to  
15 implement this section.

16 **Sec. 127.** RCW 46.12.695 and 2010 c 161 s 324 are each amended to  
17 read as follows:

18 (1) A person who applies for an original certificate of title for  
19 a kit vehicle shall provide:

20 (a) The manufacturer's certificate of origin or an equivalent  
21 document if the kit vehicle is a new manufactured vehicle kit or body  
22 kit;

23 (b) The certificate of title or a certified copy or equivalent  
24 document for the frame;

25 (c) Proof of ownership for all major parts used in the  
26 construction of the vehicle. Major parts include the frame, engine,  
27 axles, transmission, and any other parts that carry vehicle  
28 identification numbers;

29 (d) Bills of sale or invoices for all major components used in  
30 the construction of the vehicle. The bills of sale must be notarized  
31 unless the vendor is registered with the department of (~~revenue~~)  
32 taxation for the collection of retail sales or use tax and must  
33 include:

34 (i) The names and addresses of the seller and purchaser;

35 (ii) A description of the vehicle or part being sold, including  
36 the make, model, and identification or serial number or the yard  
37 number if from a wrecking yard;

38 (iii) The date of sale; and

39 (iv) The purchase price of the vehicle or part;

1 (e) A certificate of vehicle inspection completed by the  
2 Washington state patrol or other authorized inspector verifying the  
3 vehicle identification number, and year and make when applicable. A  
4 Washington state patrol vehicle identification number inspector must  
5 ensure that all parts are documented by certificates of title,  
6 notarized bills of sale, or business receipts, such as those obtained  
7 from a wrecking yard purchase;

8 (f) A completed declaration of value form to determine the value  
9 for excise tax purposes if the purchase cost and year is unknown or  
10 incomplete;

11 (g) Payment of use tax on the frame and all component parts used,  
12 unless proof of payment of the sales or use tax is submitted; and

13 (h) An odometer disclosure statement on all originals and  
14 transfers of certificates of title for kit vehicles under ten years  
15 old, unless otherwise exempt by law.

16 (2) If the frame from a donor vehicle is used and the remainder  
17 of the donor vehicle is to be sold or destroyed, the certificate of  
18 title is required as an ownership document to the buyer. The  
19 department may make a certified copy of the certificate of title for  
20 documentation of the frame for this transaction.

21 (3) When accepting an application for an original certificate of  
22 title for a kit vehicle, the department, county auditor or other  
23 agent, or subagent appointed by the director shall:

24 (a) Use the vehicle identification number provided on the  
25 manufacturer's certificate of origin. If the vehicle identification  
26 number is not available, the Washington state patrol shall assign a  
27 vehicle identification number at the time of inspection;

28 (b) Use the actual model year provided on the manufacturer's  
29 certificate of origin as the model year. This is not the model year  
30 of the vehicle being replicated;

31 (c) Record the make as "KITV";

32 (d) Record in the series and body designation a discrete vehicle  
33 model; and

34 (e) Assign a use class identifying the actual use of the vehicle,  
35 such as a passenger car or truck.

36 (4) A kit vehicle may be registered under RCW 46.18.220 as a  
37 street rod vehicle if the vehicle is manufactured to have the same  
38 appearance as a similar vehicle manufactured before 1949. Kit  
39 vehicles must comply with chapter 204-10 WAC unless the kit vehicle  
40 is registered under RCW 46.18.220.

1 (5) A kit vehicle is exempt from the welding requirements under  
2 WAC 204-10-022(8) if, upon application for a certificate of title,  
3 the owner furnishes documentation from the manufacturer of the  
4 vehicle frame that informs the owner that the welding on the frame  
5 was not completed by a certified welder and that the structural  
6 strength of the frame has not been certified by an engineer as  
7 meeting the applicable federal motor vehicle safety standards set  
8 under 49 C.F.R. Sec. 571.201, 571.214, 571.216, and 571.220 through  
9 571.224, and the applicable SAE standards.

10 (6) The department may not deny a certificate of title to an  
11 applicant who completes the requisite application, complies with this  
12 section, and pays the requisite titling fees and taxes.

13 **Sec. 128.** RCW 46.37.427 and 2015 3rd sp.s. c 44 s 210 are each  
14 amended to read as follows:

15 Beginning July 1, 2016:

16 (1)(a) In addition to all other fees imposed on the retail sale  
17 of tires, a five dollar fee is imposed on the retail sale of each new  
18 tire sold that contains studs. For the purposes of this subsection,  
19 "new tire sold that contains studs" means a tire that is manufactured  
20 for vehicle purposes and contains metal studs, and does not include  
21 bicycle tires or retreaded vehicle tires.

22 (b) The five dollar fee must be paid by the buyer to the seller,  
23 and each seller must collect from the buyer the full amount of the  
24 fee. The fee collected from the buyer by the seller must be paid to  
25 the department of (~~revenue~~) taxation in accordance with RCW  
26 82.32.045; however, the seller retains ten percent of the fee  
27 collected.

28 (c) The portion of the fee paid to the department of (~~revenue~~)  
29 taxation under (b) of this subsection must be deposited in the motor  
30 vehicle fund created under RCW 46.68.070.

31 (2) The fee to be collected by the seller, less the ten percent  
32 that the seller retains as specified in subsection (1)(b) of this  
33 section, must be held in trust by the seller until paid to the  
34 department of (~~revenue~~) taxation, and any seller who appropriates  
35 or converts the fee collected to any use other than the payment of  
36 the fee on the due date is guilty of a gross misdemeanor.

37 (3) Any seller that fails to collect the fee imposed under this  
38 section or, having collected the fee, fails to pay it to the  
39 department of (~~revenue~~) taxation by the date due, whether such

1 failure is the result of the seller or the result of acts or  
2 conditions beyond the seller's control, is personally liable to the  
3 state for the amount of the fee.

4 (4) The amount of the fee, until paid by the buyer to the seller  
5 or to the department of (~~revenue~~) taxation, constitutes a debt from  
6 the buyer to the seller. Any seller who fails or refuses to collect  
7 the fee as required with the intent to violate this section or to  
8 gain some advantage or benefit and any buyer who refuses to pay the  
9 fee due is guilty of a misdemeanor.

10 (5) The department of (~~revenue~~) taxation must collect on the  
11 business excise tax return from the businesses selling new tires that  
12 contain studs at retail the number of tires sold and the fee imposed  
13 under this section. The department of (~~revenue~~) taxation must  
14 incorporate into its audit cycle a reconciliation of the number of  
15 tires sold and the amount of revenue collected by the businesses  
16 selling new tires that contain studs.

17 (6) All other applicable provisions of chapter 82.32 RCW have  
18 full force and application with respect to the fee imposed under this  
19 section.

20 (7) The department of (~~revenue~~) taxation must administer this  
21 section.

22 **Sec. 129.** RCW 46.68.124 and 2001 c 212 s 28 are each amended to  
23 read as follows:

24 (1) The equivalent population for each county shall be computed  
25 as the sum of the population residing in the county's unincorporated  
26 area plus twenty-five percent of the population residing in the  
27 county's incorporated area. Population figures required for the  
28 computations in this subsection shall be certified by the director of  
29 the office of financial management on or before July 1st of each odd-  
30 numbered year.

31 (2) The total annual road cost for each county shall be computed  
32 as the sum of one twenty-fifth of the total estimated county road  
33 replacement cost, plus the total estimated annual maintenance cost.  
34 Appropriate costs for bridges and ferries shall be included. The  
35 county road administration board shall be responsible for  
36 establishing a uniform system of roadway categories for both  
37 maintenance and construction and also for establishing a single  
38 statewide cost per mile rate for each roadway category. The total  
39 annual cost for each county will be based on the established

1 statewide cost per mile and associated mileage for each category. The  
2 mileage to be used for these computations shall be as shown in the  
3 county road log as maintained by the county road administration board  
4 as of July 1, 1985, and each two years thereafter. Each county shall  
5 be responsible for submitting changes, corrections, and deletions as  
6 regards the county road log to the county road administration board.  
7 Such changes, corrections, and deletions shall be subject to  
8 verification and approval by the county road administration board  
9 prior to inclusion in the county road log.

10 (3) The money need factor for each county shall be the county's  
11 total annual road cost less the following four amounts:

12 (a) One-half the sum of the actual county road tax levied upon  
13 the valuation of all taxable property within the county road  
14 districts pursuant to RCW 36.82.040, including any amount of such tax  
15 diverted under chapter 39.89 RCW, for the two calendar years next  
16 preceding the year of computation of the allocation amounts as  
17 certified by the department of (~~revenue~~) taxation;

18 (b) One-half the sum of all funds received by the county road  
19 fund from the federal forest reserve fund pursuant to RCW 28A.520.010  
20 and 28A.520.020 during the two calendar years next preceding the year  
21 of computation of the allocation amounts as certified by the state  
22 treasurer;

23 (c) One-half the sum of timber excise taxes received by the  
24 county road fund pursuant to chapter 84.33 RCW in the two calendar  
25 years next preceding the year of computation of the allocation  
26 amounts as certified by the state treasurer;

27 (d) One-half the sum of motor vehicle license fees and motor  
28 vehicle and special fuel taxes refunded to the county, pursuant to  
29 RCW 46.68.080 during the two calendar years next preceding the year  
30 of computation of the allocation amounts as certified by the state  
31 treasurer.

32 (4) The state treasurer and the department of (~~revenue~~)  
33 taxation shall furnish to the county road administration board the  
34 information required by subsection (3) of this section on or before  
35 July 1st of each odd-numbered year.

36 (5) The county road administration board, shall compute and  
37 provide to the counties the allocation factors of the several  
38 counties on or before September 1st of each year based solely upon  
39 the sources of information herein before required: PROVIDED, That the  
40 allocation factor shall be held to a level not more than five percent

1 above or five percent below the allocation factor in use during the  
2 previous calendar year. Upon computation of the actual allocation  
3 factors of the several counties, the county road administration board  
4 shall provide such factors to the state treasurer to be used in the  
5 computation of the counties' fuel tax allocation for the succeeding  
6 calendar year. The state treasurer shall adjust the fuel tax  
7 allocation of each county on January 1st of every year based solely  
8 upon the information provided by the county road administration  
9 board.

10 **Sec. 130.** RCW 46.68.250 and 2010 c 161 s 1129 are each amended  
11 to read as follows:

12 The vehicle licensing fraud account is created in the state  
13 treasury. From penalties and fines imposed under RCW 46.16A.030,  
14 47.68.255, and 88.02.400, an amount equal to the taxes and fees owed  
15 shall be deposited into the account. Moneys in the account may be  
16 spent only after appropriation. Expenditures from the account may be  
17 used only for vehicle license fraud enforcement and collections by  
18 the Washington state patrol and the department of ((~~revenue~~))  
19 taxation.

20 **Sec. 131.** RCW 46.70.021 and 2011 c 96 s 36 are each amended to  
21 read as follows:

22 (1) It is unlawful for any person, firm, or association to act as  
23 a vehicle dealer or vehicle manufacturer, to engage in business as  
24 such, serve in the capacity of such, advertise himself, herself, or  
25 themselves as such, solicit sales as such, or distribute or transfer  
26 vehicles for resale in this state, without first obtaining and  
27 holding a current license as provided in this chapter, unless the  
28 title of the vehicle is in the name of the seller.

29 (2) It is unlawful for any person other than a licensed vehicle  
30 dealer to display a vehicle for sale unless the registered owner or  
31 legal owner is the displayer or holds a notarized power of attorney.

32 (3) (a) Except as provided in (b) of this subsection, a person or  
33 firm engaged in buying and offering for sale, or buying and selling  
34 five or more vehicles in a twelve-month period, or in any other way  
35 engaged in dealer activity without holding a vehicle dealer license,  
36 is guilty of a gross misdemeanor, and upon conviction subject to a  
37 fine of up to five thousand dollars for each violation and up to  
38 three hundred sixty-four days in jail.

1 (b) A second offense is a class C felony punishable under chapter  
2 9A.20 RCW.

3 (4) A violation of this section is also a per se violation of  
4 chapter 19.86 RCW and is considered a deceptive practice.

5 (5) The department of licensing, the Washington state patrol, the  
6 attorney general's office, and the department of (~~revenue~~) taxation  
7 shall cooperate in the enforcement of this section.

8 (6) A distributor, factory branch, or factory representative  
9 shall not be required to have a vehicle manufacturer license so long  
10 as the vehicle manufacturer so represented is properly licensed  
11 pursuant to this chapter.

12 (7) Nothing in this chapter prohibits financial institutions from  
13 cooperating with vehicle dealers licensed under this chapter in  
14 dealer sales or leases. However, financial institutions shall not  
15 broker vehicles and cooperation is limited to organizing, promoting,  
16 and financing of such dealer sales or leases.

17 **Sec. 132.** RCW 46.70.101 and 2011 c 171 s 91 are each amended to  
18 read as follows:

19 The director may by order deny, suspend, or revoke the license of  
20 any vehicle dealer or vehicle manufacturer or, in lieu thereof or in  
21 addition thereto, may by order assess monetary penalties of a civil  
22 nature not to exceed one thousand dollars per violation, if the  
23 director finds that the order is in the public interest and that the  
24 applicant or licensee:

25 (1) In the case of a vehicle dealer:

26 (a) The applicant or licensee, or any partner, officer, director,  
27 owner of ten percent or more of the assets of the firm, or managing  
28 employee:

29 (i) Was the holder of a license issued pursuant to this chapter,  
30 which was revoked for cause and never reissued by the department, or  
31 which license was suspended for cause and the terms of the suspension  
32 have not been fulfilled or which license was assessed a civil penalty  
33 and the assessed amount has not been paid;

34 (ii) Has been adjudged guilty of a crime which directly relates  
35 to the business of a vehicle dealer and the time elapsed since the  
36 adjudication is less than ten years, or suffering any judgment within  
37 the preceding five years in any civil action involving fraud,  
38 misrepresentation, or conversion. For the purposes of this section,  
39 "adjudged guilty" means in addition to a final conviction in either a



1 state or municipal court, an unvacated forfeiture of bail or  
2 collateral deposited to secure a defendant's appearance in court, the  
3 payment of a fine, a plea of guilty, or a finding of guilt regardless  
4 of whether the sentence is deferred or the penalty is suspended;

5 (iii) Has knowingly or with reason to know made a false statement  
6 of a material fact in his or her application for license or any data  
7 attached thereto, or in any matter under investigation by the  
8 department;

9 (iv) Has knowingly, or with reason to know, provided the  
10 department with false information relating to the number of vehicle  
11 sales transacted during the past one year in order to obtain a  
12 vehicle dealer license plate;

13 (v) Does not have an established place of business as required in  
14 this chapter;

15 (vi) Refuses to allow representatives or agents of the department  
16 to inspect during normal business hours all books, records, and files  
17 maintained within this state;

18 (vii) Sells, exchanges, offers, brokers, auctions, solicits, or  
19 advertises a new or current model vehicle to which a factory new  
20 vehicle warranty attaches and fails to have a valid, written service  
21 agreement as required by this chapter, or having such agreement  
22 refuses to honor the terms of such agreement within a reasonable time  
23 or repudiates the same, except for sales by wholesale motor vehicle  
24 auction dealers to franchise motor vehicle dealers of the same make  
25 licensed under this title or franchise motor vehicle dealers of the  
26 same make licensed by any other state;

27 (viii) Is insolvent, either in the sense that their liabilities  
28 exceed their assets, or in the sense that they cannot meet their  
29 obligations as they mature;

30 (ix) Fails to pay any civil monetary penalty assessed by the  
31 director pursuant to this section within ten days after such  
32 assessment becomes final;

33 (x) Fails to notify the department of bankruptcy proceedings in  
34 the manner required by RCW 46.70.183;

35 (xi) Knowingly, or with reason to know, allows a salesperson  
36 employed by the dealer, or acting as their agent, to commit any of  
37 the prohibited practices set forth in subsection (1)(a) of this  
38 section and RCW 46.70.180;

39 (xii) Fails to have a current certificate or registration with  
40 the department of (~~revenue~~) taxation.

1 (b) The applicant or licensee, or any partner, officer, director,  
2 owner of ten percent of the assets of the firm, or any employee or  
3 agent:

4 (i) Has failed to comply with the applicable provisions of  
5 chapter 46.12 or 46.16A RCW or this chapter or any rules and  
6 regulations adopted thereunder;

7 (ii) Has defrauded or attempted to defraud the state, or a  
8 political subdivision thereof of any taxes or fees in connection with  
9 the sale, lease, or transfer of a vehicle;

10 (iii) Has forged the signature of the registered or legal owner  
11 on a certificate of title;

12 (iv) Has purchased, sold, disposed of, or has in his or her  
13 possession any vehicle which he or she knows or has reason to know  
14 has been stolen or appropriated without the consent of the owner;

15 (v) Has willfully failed to deliver to a purchaser or owner a  
16 certificate of title to a vehicle which he or she has sold or leased;

17 (vi) Has committed any act in violation of RCW 46.70.090 relating  
18 to vehicle dealer license plates or manufacturer license plates;

19 (vii) Has committed any act in violation of RCW 46.70.180  
20 relating to unlawful acts and practices;

21 (viii) Has engaged in practices inimical to the health or safety  
22 of the citizens of the state of Washington including but not limited  
23 to failure to comply with standards set by the state of Washington or  
24 the federal government pertaining to the construction or safety of  
25 vehicles, except for sales by wholesale motor vehicle auction dealers  
26 to motor vehicle dealers and vehicle wreckers licensed under this  
27 title or motor vehicle dealers licensed by any other state;

28 (ix) Has aided or assisted an unlicensed dealer or salesperson in  
29 unlawful activity through active or passive participation in sales,  
30 allowing use of facilities, dealer license number, or by any other  
31 means;

32 (x) Converts or appropriates, whether temporarily or permanently,  
33 property or funds belonging to a customer, dealer, or manufacturer,  
34 without the consent of the owner of the property or funds; or

35 (xi) Has sold any vehicle with actual knowledge that:

36 (A) It has any of the following brands on the title: "SALVAGE/  
37 REBUILT," "JUNK," or "DESTROYED"; or

38 (B) It has been declared totaled out by an insurance carrier and  
39 then rebuilt; or

1 (C) The vehicle title contains the specific comment that the  
2 vehicle is "rebuilt";  
3 without clearly disclosing that brand or comment in writing.

4 (c) The licensee or any partner, officer, director, or owner of  
5 ten percent or more of the assets of the firm holds or has held any  
6 such position in any other vehicle dealership licensed pursuant to  
7 this chapter which is subject to final proceedings under this  
8 section.

9 (2) In the case of a manufacturer, or any partner, officer,  
10 director, or majority shareholder:

11 (a) Was or is the holder of a license issued pursuant to this  
12 chapter which was revoked for cause and never reissued by the  
13 department, or which license was suspended for cause and the terms of  
14 the suspension have not been fulfilled, or which license was assessed  
15 a civil penalty and the assessed amount has not been paid;

16 (b) Has knowingly or with reason to know, made a false statement  
17 of a material fact in his or her application for license, or any data  
18 attached thereto, or in any matter under investigation by the  
19 department;

20 (c) Has failed to comply with the applicable provisions of  
21 chapter 46.12 or 46.16A RCW or this chapter or any rules and  
22 regulations adopted thereunder;

23 (d) Has defrauded or attempted to defraud the state or a  
24 political subdivision thereof, of any taxes or fees in connection  
25 with the sale, lease, or transfer of a vehicle;

26 (e) Has purchased, sold, leased, disposed of, or has in his or  
27 her possession, any vehicle which he or she knows or has reason to  
28 know has been stolen or appropriated without the consent of the  
29 owner;

30 (f) Has committed any act in violation of RCW 46.70.090 relating  
31 to vehicle dealer license plates and manufacturer license plates;

32 (g) Has committed any act in violation of RCW 46.70.180 relating  
33 to unlawful acts and practices;

34 (h) Sells or distributes in this state or transfers into this  
35 state for resale or for lease, any new or unused vehicle to which a  
36 warranty attaches or has attached and refuses to honor the terms of  
37 such warranty within a reasonable time or repudiates the same;

38 (i) Fails to maintain one or more resident employees or agents to  
39 provide service or repairs to vehicles located within the state of  
40 Washington only under the terms of any warranty attached to new or

1 unused vehicles manufactured and which are or have been sold or  
2 distributed in this state or transferred into this state for resale  
3 or for lease unless such manufacturer requires warranty service to be  
4 performed by all of its dealers pursuant to a current service  
5 agreement on file with the department;

6 (j) Fails to reimburse within a reasonable time any vehicle  
7 dealer within the state of Washington who in good faith incurs  
8 reasonable obligations in giving effect to warranties that attach or  
9 have attached to any new or unused vehicle sold, leased, or  
10 distributed in this state or transferred into this state for resale  
11 or for lease by any such manufacturer;

12 (k) Engaged in practices inimical to the health and safety of the  
13 citizens of the state of Washington including, but not limited to,  
14 failure to comply with standards set by the state of Washington or  
15 the federal government pertaining to the construction and safety of  
16 vehicles;

17 (l) Is insolvent either in the sense that his or her liabilities  
18 exceed his or her assets or in the sense that he or she cannot meet  
19 his or her obligations as they mature;

20 (m) Fails to notify the department of bankruptcy proceedings in  
21 the manner required by RCW 46.70.183.

22 **Sec. 133.** RCW 46.71.090 and 2015 c 86 s 201 are each amended to  
23 read as follows:

24 When the department of (~~revenue~~) taxation issues a registration  
25 certificate under RCW 82.32.030 to an automotive repair facility, it  
26 must give written notice to the person of the requirements of this  
27 chapter in a manner prescribed by the director of (~~revenue~~)  
28 taxation, including by electronic means. The department of  
29 (~~revenue~~) taxation must also post information about the  
30 requirements of this chapter on its public web site.

31 **Sec. 134.** RCW 46.85.060 and 1987 c 142 s 4 are each amended to  
32 read as follows:

33 In the absence of an agreement or arrangement with another  
34 jurisdiction, the department may examine the laws and requirements of  
35 such jurisdiction and declare the extent and nature of exemptions,  
36 benefits and privileges to be extended to vehicles properly  
37 registered or licensed in such other jurisdiction, or to the owners  
38 of such vehicles, which shall, in the judgment of the department, be

1 in the best interest of this state and the citizens thereof and which  
2 shall be fair and equitable to this state and the citizens thereof,  
3 and all of the same shall be determined on the basis and recognition  
4 of the benefits which accrue to the economy of this state from the  
5 uninterrupted flow of commerce. Declarations of exemptions, benefits,  
6 and privileges issued by the department shall include at least the  
7 following exemptions:

8 (1) Nonresident persons not employed in this state may operate a  
9 vehicle in this state that is currently licensed in another  
10 jurisdiction for a period not to exceed six months in any continuous  
11 twelve-month period.

12 (2) Nonresident persons employed in this state may operate  
13 vehicles not to exceed twelve thousand pounds registered gross  
14 vehicle weight that are currently licensed in another jurisdiction if  
15 no permanent, temporary, or part-time residence is maintained in this  
16 state for a period greater than six months in any continuous twelve-  
17 month period.

18 (3) A vehicle or a combination of vehicles, not exceeding a  
19 registered gross or combined gross vehicle weight of twelve thousand  
20 pounds, which is properly base licensed in another jurisdiction and  
21 registered to a bona fide business in that jurisdiction is not  
22 required to obtain Washington vehicle license registration except  
23 when such vehicle is owned or operated by a business or branch office  
24 of a business located in Washington.

25 (4) The department of licensing, after consultation with the  
26 department of (~~revenue~~) taxation, shall adopt such rules as it  
27 deems necessary for the administration of these exemptions, benefits,  
28 and privileges.

29 **Sec. 135.** RCW 47.01.412 and 2008 c 270 s 7 are each amended to  
30 read as follows:

31 (1)(a) Any person involved in the construction of the state route  
32 number 520 bridge replacement and HOV project may apply for deferral  
33 of state and local sales and use taxes on the site preparation for,  
34 the construction of, the acquisition of any related machinery and  
35 equipment that will become a part of, and the rental of equipment for  
36 use in, the project.

37 (b) Application shall be made to the department of (~~revenue~~)  
38 taxation in a form and manner prescribed by the department of  
39 (~~revenue~~) taxation. The application must contain information

1 regarding estimated or actual costs, time schedules for completion  
2 and operation, and other information required by the department of  
3 (~~revenue~~) taxation. The department of (~~revenue~~) taxation shall  
4 approve the application within sixty days if it meets the  
5 requirements of this section.

6 (2) The department of (~~revenue~~) taxation shall issue a sales  
7 and use tax deferral certificate for state and local sales and use  
8 taxes imposed or authorized under chapters 82.08, 82.12, and 82.14  
9 RCW and RCW 81.104.170 on the project.

10 (3) A person granted a tax deferral under this section shall  
11 begin paying the deferred taxes in the fifth year after the date  
12 certified by the department of (~~revenue~~) taxation as the date on  
13 which the project is operationally complete. The project is  
14 operationally complete under this section when the replacement bridge  
15 is constructed and opened to traffic. The first payment is due on  
16 December 31st of the fifth calendar year after the certified date,  
17 with subsequent annual payments due on December 31st of the following  
18 nine years. Each payment shall equal ten percent of the deferred tax.

19 (4) The department of (~~revenue~~) taxation may authorize an  
20 accelerated repayment schedule upon request of a person granted a  
21 deferral under this section.

22 (5) Interest shall not be charged on any taxes deferred under  
23 this section for the period of deferral, although all other penalties  
24 and interest applicable to delinquent excise taxes may be assessed  
25 and imposed for delinquent payments under this section. The debt for  
26 deferred taxes is not extinguished by insolvency or other failure of  
27 any private entity granted a deferral under this section.

28 (6) Applications and any other information received by the  
29 department of (~~revenue~~) taxation under this section are not  
30 confidential and are subject to disclosure. Chapter 82.32 RCW applies  
31 to the administration of this section.

32 (7) For purposes of this section, "person" has the same meaning  
33 as in RCW 82.04.030 and also includes the department of  
34 transportation.

35 **Sec. 136.** RCW 47.46.060 and 2015 3rd sp.s. c 44 s 405 are each  
36 amended to read as follows:

37 (1) Any person, including the department of transportation and  
38 any private entity or entities, may apply for deferral of taxes on  
39 the site preparation for, the construction of, the acquisition of any

1 related machinery and equipment that becomes a part of, and the  
2 rental of equipment for use in the state route number 16 corridor  
3 improvements project under this chapter. Application must be made to  
4 the department of ((~~revenue~~)) taxation in a form and manner  
5 prescribed by the department of ((~~revenue~~)) taxation. The application  
6 must contain information regarding estimated or actual costs, time  
7 schedules for completion and operation, and other information  
8 required by the department of ((~~revenue~~)) taxation. The department of  
9 ((~~revenue~~)) taxation must approve the application within sixty days  
10 if it meets the requirements of this section.

11 (2) The department of ((~~revenue~~)) taxation must issue a sales and  
12 use tax deferral certificate for state and local sales and use taxes  
13 due under chapters 82.08, 82.12, and 82.14 RCW on the project.

14 (3) The department of transportation or a private entity granted  
15 a tax deferral under this section must begin paying the deferred  
16 taxes in the twenty-fourth year after the date certified by the  
17 department of ((~~revenue~~)) taxation as the date on which the project  
18 is operationally complete. The first payment is due on December 31st  
19 of the twenty-fourth calendar year after such certified date, with  
20 subsequent annual payments due on December 31st of the following nine  
21 years. Each payment must equal ten percent of the deferred tax. The  
22 project is operationally complete under this section when the  
23 collection of tolls is commenced for the state route number 16  
24 improvements covered by the deferral.

25 (4) The department of ((~~revenue~~)) taxation may authorize an  
26 accelerated repayment schedule upon request of the department of  
27 transportation or a private entity granted a deferral under this  
28 section.

29 (5) Interest may not be charged on any taxes deferred under this  
30 section for the period of deferral, although all other penalties and  
31 interest applicable to delinquent excise taxes may be assessed and  
32 imposed for delinquent payments under this section. The debt for  
33 deferred taxes is not extinguished by insolvency or other failure of  
34 the private entity. Transfer of ownership does not terminate the  
35 deferral.

36 (6) Applications and any other information received by the  
37 department of ((~~revenue~~)) taxation under this section are not  
38 confidential and are subject to disclosure. Chapter 82.32 RCW applies  
39 to the administration of this section.

1       **Sec. 137.** RCW 48.31.155 and 2007 c 80 s 12 are each amended to  
2 read as follows:

3       Unclaimed funds subject to distribution remaining in the  
4 liquidator's hands when he or she is ready to apply to the court for  
5 discharge, including the amount distributable to a person who is  
6 unknown or cannot be found, shall be deposited with the state  
7 department of (~~revenue~~) taxation as unclaimed funds, and shall be  
8 paid without interest to the person entitled to them or his or her  
9 legal representative upon proof satisfactory to the state department  
10 of (~~revenue~~) taxation of his or her right to them. An amount on  
11 deposit not claimed within six years from the discharge of the  
12 liquidator is deemed to have been abandoned and shall be escheated  
13 without formal escheat proceedings and be deposited with the state  
14 treasurer.

15       **Sec. 138.** RCW 49.48.086 and 2014 c 210 s 1 are each amended to  
16 read as follows:

17       (1) After a final order is issued under RCW 49.48.084, if an  
18 employer defaults in the payment of: (a) Any wages determined by the  
19 department to be owed to an employee, including interest; or (b) any  
20 civil penalty ordered by the department under RCW 49.48.083, the  
21 director may file with the clerk of any county within the state a  
22 warrant in the amount of the payment plus any filing fees. The clerk  
23 of the county in which the warrant is filed shall immediately  
24 designate a superior court cause number for the warrant, and the  
25 clerk shall cause to be entered in the judgment docket under the  
26 superior court cause number assigned to the warrant, the name of the  
27 employer mentioned in the warrant, the amount of payment due on it  
28 plus any filing fees, and the date when the warrant was filed. The  
29 aggregate amount of the warrant as docketed becomes a lien upon the  
30 title to, and interest in, all real and personal property of the  
31 employer against whom the warrant is issued, the same as a judgment  
32 in a civil case docketed in the office of the clerk. The sheriff  
33 shall proceed upon the warrant in all respects and with like effect  
34 as prescribed by law with respect to execution or other process  
35 issued against rights or property upon judgment in a court of  
36 competent jurisdiction. The warrant so docketed is sufficient to  
37 support the issuance of writs of garnishment in favor of the state in  
38 a manner provided by law in case of judgment, wholly or partially  
39 unsatisfied. The clerk of the court is entitled to a filing fee which



1 will be added to the amount of the warrant. A copy of the warrant  
2 shall be mailed to the employer within three days of filing with the  
3 clerk.

4 (2)(a) The director may issue to any person, firm, corporation,  
5 other entity, municipal corporation, political subdivision of the  
6 state, a public corporation, or any agency of the state, a notice and  
7 order to withhold and deliver property of any kind when he or she has  
8 reason to believe that there is in the possession of the person,  
9 firm, corporation, other entity, municipal corporation, political  
10 subdivision of the state, public corporation, or agency of the state,  
11 property that is or will become due, owing, or belonging to an  
12 employer upon whom a notice of assessment has been served by the  
13 department for payments or civil penalties due to the department. The  
14 effect of a notice and order is continuous from the date the notice  
15 and order is first made until the liability out of which the notice  
16 and order arose is satisfied or becomes unenforceable because of  
17 lapse of time. The department shall release the notice and order when  
18 the liability out of which the notice and order arose is satisfied or  
19 becomes unenforceable by reason of lapse of time and shall notify the  
20 person against whom the notice and order was made that the notice and  
21 order has been released.

22 (b) The notice and order to withhold and deliver must be served  
23 by the sheriff of the county or by the sheriff's deputy, by certified  
24 mail, return receipt requested, or by the director. A person, firm,  
25 corporation, other entity, municipal corporation, political  
26 subdivision of the state, public corporation, or agency of the state  
27 upon whom service has been made shall answer the notice within twenty  
28 days exclusive of the day of service, under oath and in writing, and  
29 shall make true answers to the matters inquired of in the notice and  
30 order. Upon service of the notice and order, if the party served  
31 possesses any property that may be subject to the claim of the  
32 department, the party shall promptly deliver the property to the  
33 director. The director shall hold the property in trust for  
34 application on the employer's indebtedness to the department, or for  
35 return without interest, in accordance with a final determination of  
36 a petition for review. In the alternative, the party shall furnish a  
37 good and sufficient surety bond satisfactory to the director  
38 conditioned upon final determination of liability. If a party served  
39 and named in the notice fails to answer the notice within the time  
40 prescribed in this section, the court may render judgment by default

1 against the party for the full amount claimed by the director in the  
2 notice, together with costs. If a notice is served upon an employer  
3 and the property subject to it is wages, the employer may assert in  
4 the answer all exemptions provided for by chapter 6.27 RCW to which  
5 the wage earner is entitled.

6 (c) As an alternative to the methods of service described in this  
7 section, the department may electronically serve a financial  
8 institution with a notice and order to withhold and deliver by  
9 providing a list of its outstanding warrants, except those for which  
10 a payment agreement is in good standing, to the department of  
11 (~~revenue~~) taxation. The department of (~~revenue~~) taxation may  
12 include the warrants provided by the department in a notice and order  
13 to withhold and deliver served under RCW 82.32.235(3). A financial  
14 institution that is served with a notice and order to withhold and  
15 deliver under this subsection (2)(c) must answer the notice within  
16 the time period applicable to service under RCW 82.32.235(3). The  
17 department and the department of (~~revenue~~) taxation may adopt rules  
18 to implement this subsection (2)(c).

19 (3) In addition to the procedure for collection of wages owed,  
20 including interest, and civil penalties as set forth in this section,  
21 the department may recover wages owed, including interest, and civil  
22 penalties assessed under RCW 49.48.083 in a civil action brought in a  
23 court of competent jurisdiction of the county where the violation is  
24 alleged to have occurred.

25 (4) Whenever any employer quits business, sells out, exchanges,  
26 or otherwise disposes of the employer's business or stock of goods,  
27 any person who becomes a successor to the business becomes liable for  
28 the full amount of any outstanding citation and notice of assessment  
29 or penalty against the employer's business under this chapter if, at  
30 the time of the conveyance of the business, the successor has: (a)  
31 Actual knowledge of the fact and amount of the outstanding citation  
32 and notice of assessment or (b) a prompt, reasonable, and effective  
33 means of accessing and verifying the fact and amount of the  
34 outstanding citation and notice of assessment from the department. If  
35 the citation and notice of assessment or penalty is not paid in full  
36 by the employer within ten days of the date of the sale, exchange, or  
37 disposal, the successor is liable for the payment of the full amount  
38 of the citation and notice of assessment or penalty, and payment  
39 thereof by the successor must, to the extent thereof, be deemed a  
40 payment upon the purchase price. If the payment is greater in amount

1 than the purchase price, the amount of the difference becomes a debt  
2 due the successor from the employer.

3 (5) This section does not affect other collection remedies that  
4 are otherwise provided by law.

5 **Sec. 139.** RCW 50.04.140 and 1991 c 246 s 6 are each amended to  
6 read as follows:

7 Services performed by an individual for remuneration shall be  
8 deemed to be employment subject to this title unless and until it is  
9 shown to the satisfaction of the commissioner that:

10 (1)(a) Such individual has been and will continue to be free from  
11 control or direction over the performance of such service, both under  
12 his or her contract of service and in fact; and

13 (b) Such service is either outside the usual course of business  
14 for which such service is performed, or that such service is  
15 performed outside of all the places of business of the enterprises  
16 for which such service is performed; and

17 (c) Such individual is customarily engaged in an independently  
18 established trade, occupation, profession, or business, of the same  
19 nature as that involved in the contract of service.

20 (2) Or as a separate alternative, it shall not constitute  
21 employment subject to this title if it is shown that:

22 (a) Such individual has been and will continue to be free from  
23 control or direction over the performance of such service, both under  
24 his or her contract of service and in fact; and

25 (b) Such service is either outside the usual course of business  
26 for which such service is performed, or that such service is  
27 performed outside of all the places of business of the enterprises  
28 for which such service is performed, or the individual is  
29 responsible, both under the contract and in fact, for the costs of  
30 the principal place of business from which the service is performed;  
31 and

32 (c) Such individual is customarily engaged in an independently  
33 established trade, occupation, profession, or business, of the same  
34 nature as that involved in the contract of service, or such  
35 individual has a principal place of business for the work the  
36 individual is conducting that is eligible for a business deduction  
37 for federal income tax purposes; and

38 (d) On the effective date of the contract of service, such  
39 individual is responsible for filing at the next applicable filing

1 period, both under the contract of service and in fact, a schedule of  
2 expenses with the internal revenue service for the type of business  
3 the individual is conducting; and

4 (e) On the effective date of the contract of service, or within a  
5 reasonable period after the effective date of the contract, such  
6 individual has established an account with the department of  
7 (~~revenue~~) taxation, and other state agencies as required by the  
8 particular case, for the business the individual is conducting for  
9 the payment of all state taxes normally paid by employers and  
10 businesses and has registered for and received a unified business  
11 identifier number from the state of Washington; and

12 (f) On the effective date of the contract of service, such  
13 individual is maintaining a separate set of books or records that  
14 reflect all items of income and expenses of the business which the  
15 individual is conducting.

16 **Sec. 140.** RCW 50.04.145 and 2008 c 102 s 1 are each amended to  
17 read as follows:

18 The term "employment" shall not include services which require  
19 registration under chapter 18.27 RCW or licensing under chapter 19.28  
20 RCW rendered by an individual when:

21 (1) The individual has been and will continue to be free from  
22 control or direction over the performance of the service, both under  
23 the contract of service and in fact;

24 (2) The service is either outside the usual course of business  
25 for which the service is performed, or the service is performed  
26 outside of all the places of business of the enterprise for which the  
27 service is performed, or the individual is responsible, both under  
28 the contract and in fact, for the costs of the principal place of  
29 business from which the service is performed;

30 (3) The individual is customarily engaged in an independently  
31 established trade, occupation, profession, or business, of the same  
32 nature as that involved in the contract of service, or the individual  
33 has a principal place of business for the business the individual is  
34 conducting that is eligible for a business deduction for federal  
35 income tax purposes, other than that furnished by the employer for  
36 which the business has contracted to furnish services;

37 (4) On the effective date of the contract of service, the  
38 individual is responsible for filing at the next applicable filing  
39 period, both under the contract of service and in fact, a schedule of

1 expenses with the internal revenue service for the type of business  
2 the individual is conducting;

3 (5) On the effective date of the contract of service, or within a  
4 reasonable period after the effective date of the contract, the  
5 individual has an active and valid certificate of registration with  
6 the department of (~~revenue~~) taxation, and an active and valid  
7 account with any other state agencies as required by the particular  
8 case, for the business the individual is conducting for the payment  
9 of all state taxes normally paid by employers and businesses and has  
10 registered for and received a unified business identifier number from  
11 the state of Washington;

12 (6) On the effective date of the contract of service, the  
13 individual is maintaining a separate set of books or records that  
14 reflect all items of income and expenses of the business that the  
15 individual is conducting; and

16 (7) On the effective date of the contract of service, the  
17 individual has a valid contractor registration pursuant to chapter  
18 18.27 RCW or an electrical contractor license pursuant to chapter  
19 19.28 RCW.

20 **Sec. 141.** RCW 50A.04.010 and 2018 c 141 s 1 are each amended to  
21 read as follows:

22 Unless the context clearly requires otherwise, the definitions in  
23 this section apply throughout this chapter.

24 (1) "Child" includes a biological, adopted, or foster child, a  
25 stepchild, or a child to whom the employee stands in loco parentis,  
26 is a legal guardian, or is a de facto parent, regardless of age or  
27 dependency status.

28 (2) "Commissioner" means the commissioner of the department or  
29 the commissioner's designee.

30 (3) "Department" means the employment security department.

31 (4) (a) "Employee" means an individual who is in the employment of  
32 an employer.

33 (b) "Employee" does not include employees of the United States of  
34 America.

35 (5) "Employee's average weekly wage" means the quotient derived  
36 by dividing the employee's total wages during the two quarters of the  
37 employee's qualifying period in which total wages were highest by  
38 twenty-six. If the result is not a multiple of one dollar, the

1 department must round the result to the next lower multiple of one  
2 dollar.

3 (6) (a) "Employer" means: (i) Any individual or type of  
4 organization, including any partnership, association, trust, estate,  
5 joint stock company, insurance company, limited liability company, or  
6 corporation, whether domestic or foreign, or the receiver, trustee in  
7 bankruptcy, trustee, or the legal representative of a deceased  
8 person, having any person in employment or, having become an  
9 employer, has not ceased to be an employer as provided in this  
10 chapter; (ii) the state, state institutions, and state agencies; and  
11 (iii) any unit of local government including, but not limited to, a  
12 county, city, town, municipal corporation, quasi-municipal  
13 corporation, or political subdivision.

14 (b) "Employer" does not include the United States of America.

15 (7) (a) "Employment" means personal service, of whatever nature,  
16 unlimited by the relationship of master and servant as known to the  
17 common law or any other legal relationship performed for wages or  
18 under any contract calling for the performance of personal services,  
19 written or oral, express or implied. The term "employment" includes  
20 an individual's entire service performed within or without or both  
21 within and without this state, if:

22 (i) The service is localized in this state; or

23 (ii) The service is not localized in any state, but some of the  
24 service is performed in this state; and

25 (A) The base of operations of the employee is in the state, or if  
26 there is no base of operations, then the place from which such  
27 service is directed or controlled is in this state; or

28 (B) The base of operations or place from which such service is  
29 directed or controlled is not in any state in which some part of the  
30 service is performed, but the individual's residence is in this  
31 state.

32 (b) "Employment" does not include:

33 (i) Self-employed individuals;

34 (ii) Services for remuneration when it is shown to the  
35 satisfaction of the commissioner that:

36 (A) (I) Such individual has been and will continue to be free from  
37 control or direction over the performance of such service, both under  
38 his or her contract of service and in fact; and

39 (II) Such service is either outside the usual course of business  
40 for which such service is performed, or that such service is

1 performed outside of all the places of business of the enterprises  
2 for which such service is performed; and

3 (III) Such individual is customarily engaged in an independently  
4 established trade, occupation, profession, or business, of the same  
5 nature as that involved in the contract of service; or

6 (B) As a separate alternative:

7 (I) Such individual has been and will continue to be free from  
8 control or direction over the performance of such service, both under  
9 his or her contract of service and in fact; and

10 (II) Such service is either outside the usual course of business  
11 for which such service is performed, or that such service is  
12 performed outside of all the places of business of the enterprises  
13 for which such service is performed, or the individual is  
14 responsible, both under the contract and in fact, for the costs of  
15 the principal place of business from which the service is performed;  
16 and

17 (III) Such individual is customarily engaged in an independently  
18 established trade, occupation, profession, or business, of the same  
19 nature as that involved in the contract of service, or such  
20 individual has a principal place of business for the work the  
21 individual is conducting that is eligible for a business deduction  
22 for federal income tax purposes; and

23 (IV) On the effective date of the contract of service, such  
24 individual is responsible for filing at the next applicable filing  
25 period, both under the contract of service and in fact, a schedule of  
26 expenses with the internal revenue service for the type of business  
27 the individual is conducting; and

28 (V) On the effective date of the contract of service, or within a  
29 reasonable period after the effective date of the contract, such  
30 individual has established an account with the department of  
31 (~~revenue~~) taxation, and other state agencies as required by the  
32 particular case, for the business the individual is conducting for  
33 the payment of all state taxes normally paid by employers and  
34 businesses and has registered for and received a unified business  
35 identifier number from the state of Washington; and

36 (VI) On the effective date of the contract of service, such  
37 individual is maintaining a separate set of books or records that  
38 reflect all items of income and expenses of the business which the  
39 individual is conducting; or

1 (iii) Services that require registration under chapter 18.27 RCW  
2 or licensing under chapter 19.28 RCW rendered by an individual when:

3 (A) The individual has been and will continue to be free from  
4 control or direction over the performance of the service, both under  
5 the contract of service and in fact;

6 (B) The service is either outside the usual course of business  
7 for which the service is performed, or the service is performed  
8 outside of all the places of business of the enterprise for which the  
9 service is performed, or the individual is responsible, both under  
10 the contract and in fact, for the costs of the principal place of  
11 business from which the service is performed;

12 (C) The individual is customarily engaged in an independently  
13 established trade, occupation, profession, or business, of the same  
14 nature as that involved in the contract of service, or the individual  
15 has a principal place of business for the business the individual is  
16 conducting that is eligible for a business deduction for federal  
17 income tax purposes, other than that furnished by the employer for  
18 which the business has contracted to furnish services;

19 (D) On the effective date of the contract of service, the  
20 individual is responsible for filing at the next applicable filing  
21 period, both under the contract of service and in fact, a schedule of  
22 expenses with the internal revenue service for the type of business  
23 the individual is conducting;

24 (E) On the effective date of the contract of service, or within a  
25 reasonable period after the effective date of the contract, the  
26 individual has an active and valid certificate of registration with  
27 the department of ((revenue)) taxation, and an active and valid  
28 account with any other state agencies as required by the particular  
29 case, for the business the individual is conducting for the payment  
30 of all state taxes normally paid by employers and businesses and has  
31 registered for and received a unified business identifier number from  
32 the state of Washington;

33 (F) On the effective date of the contract of service, the  
34 individual is maintaining a separate set of books or records that  
35 reflect all items of income and expenses of the business that the  
36 individual is conducting; and

37 (G) On the effective date of the contract of service, the  
38 individual has a valid contractor registration pursuant to chapter  
39 18.27 RCW or an electrical contractor license pursuant to chapter  
40 19.28 RCW.



1 (8) "Employment benefits" means all benefits provided or made  
2 available to employees by an employer, including group life  
3 insurance, health insurance, disability insurance, sick leave, annual  
4 leave, educational benefits, and pensions except benefits that are  
5 provided by a practice or written policy of an employer or through an  
6 employee benefit plan as defined in 29 U.S.C. Sec. 1002(3).

7 (9) "Family leave" means any leave taken by an employee from  
8 work:

9 (a) To participate in providing care, including physical or  
10 psychological care, for a family member of the employee made  
11 necessary by a serious health condition of the family member;

12 (b) To bond with the employee's child during the first twelve  
13 months after the child's birth, or the first twelve months after the  
14 placement of a child under the age of eighteen with the employee; or

15 (c) Because of any qualifying exigency as permitted under the  
16 federal family and medical leave act, 29 U.S.C. Sec. 2612(a)(1)(E)  
17 and 29 C.F.R. Sec. 825.126(a)(1) through (8), as they existed on  
18 October 19, 2017, for family members as defined in subsection (10) of  
19 this section.

20 (10) "Family member" means a child, grandchild, grandparent,  
21 parent, sibling, or spouse of an employee.

22 (11) "Grandchild" means a child of the employee's child.

23 (12) "Grandparent" means a parent of the employee's parent.

24 (13) "Health care provider" means: (a) A person licensed as a  
25 physician under chapter 18.71 RCW or an osteopathic physician and  
26 surgeon under chapter 18.57 RCW; (b) a person licensed as an advanced  
27 registered nurse practitioner under chapter 18.79 RCW; or (c) any  
28 other person determined by the commissioner to be capable of  
29 providing health care services.

30 (14) "Medical leave" means any leave taken by an employee from  
31 work made necessary by the employee's own serious health condition.

32 (15) "Parent" means the biological, adoptive, de facto, or foster  
33 parent, stepparent, or legal guardian of an employee or the  
34 employee's spouse, or an individual who stood in loco parentis to an  
35 employee when the employee was a child.

36 (16) "Period of incapacity" means an inability to work, attend  
37 school, or perform other regular daily activities because of a  
38 serious health condition, treatment of that condition or recovery  
39 from it, or subsequent treatment in connection with such inpatient  
40 care.

1 (17) "Premium" or "premiums" means the payments required by RCW  
2 50A.04.115 and paid to the department for deposit in the family and  
3 medical leave insurance account under RCW 50A.04.220.

4 (18) "Qualifying period" means the first four of the last five  
5 completed calendar quarters or, if eligibility is not established,  
6 the last four completed calendar quarters immediately preceding the  
7 application for leave.

8 (19)(a) "Serious health condition" means an illness, injury,  
9 impairment, or physical or mental condition that involves:

10 (i) Inpatient care in a hospital, hospice, or residential medical  
11 care facility, including any period of incapacity; or

12 (ii) Continuing treatment by a health care provider. A serious  
13 health condition involving continuing treatment by a health care  
14 provider includes any one or more of the following:

15 (A) A period of incapacity of more than three consecutive, full  
16 calendar days, and any subsequent treatment or period of incapacity  
17 relating to the same condition, that also involves:

18 (I) Treatment two or more times, within thirty days of the first  
19 day of incapacity, unless extenuating circumstances exist, by a  
20 health care provider, by a nurse or physician's assistant under  
21 direct supervision of a health care provider, or by a provider of  
22 health care services, such as a physical therapist, under orders of,  
23 or on referral by, a health care provider; or

24 (II) Treatment by a health care provider on at least one occasion  
25 which results in a regimen of continuing treatment under the  
26 supervision of the health care provider;

27 (B) Any period of incapacity due to pregnancy, or for prenatal  
28 care;

29 (C) Any period of incapacity or treatment for such incapacity due  
30 to a chronic serious health condition. A chronic serious health  
31 condition is one which:

32 (I) Requires periodic visits, defined as at least twice a year,  
33 for treatment by a health care provider, or by a nurse under direct  
34 supervision of a health care provider;

35 (II) Continues over an extended period of time, including  
36 recurring episodes of a single underlying condition; and

37 (III) May cause episodic rather than a continuing period of  
38 incapacity, including asthma, diabetes, and epilepsy;

39 (D) A period of incapacity which is permanent or long term due to  
40 a condition for which treatment may not be effective. The employee or

1 family member must be under the continuing supervision of, but need  
2 not be receiving active treatment by, a health care provider,  
3 including Alzheimer's, a severe stroke, or the terminal stages of a  
4 disease; or

5 (E) Any period of absence to receive multiple treatments,  
6 including any period of recovery from the treatments, by a health  
7 care provider or by a provider of health care services under orders  
8 of, or on referral by, a health care provider, either for: (I)  
9 Restorative surgery after an accident or other injury; or (II) a  
10 condition that would likely result in a period of incapacity of more  
11 than three consecutive, full calendar days in the absence of medical  
12 intervention or treatment, such as cancer, severe arthritis, or  
13 kidney disease.

14 (b) The requirement in (a)(i) and (ii) of this subsection for  
15 treatment by a health care provider means an in-person visit to a  
16 health care provider. The first, or only, in-person treatment visit  
17 must take place within seven days of the first day of incapacity.

18 (c) Whether additional treatment visits or a regimen of  
19 continuing treatment is necessary within the thirty-day period shall  
20 be determined by the health care provider.

21 (d) The term extenuating circumstances in (a)(ii)(A)(I) of this  
22 subsection means circumstances beyond the employee's control that  
23 prevent the follow-up visit from occurring as planned by the health  
24 care provider. Whether a given set of circumstances are extenuating  
25 depends on the facts. For example, extenuating circumstances exist if  
26 a health care provider determines that a second in-person visit is  
27 needed within the thirty-day period, but the health care provider  
28 does not have any available appointments during that time period.

29 (e) Treatment for purposes of (a) of this subsection includes,  
30 but is not limited to, examinations to determine if a serious health  
31 condition exists and evaluations of the condition. Treatment does not  
32 include routine physical examinations, eye examinations, or dental  
33 examinations. Under (a)(ii)(A)(II) of this subsection, a regimen of  
34 continuing treatment includes, but is not limited to, a course of  
35 prescription medication, such as an antibiotic, or therapy requiring  
36 special equipment to resolve or alleviate the health condition, such  
37 as oxygen. A regimen of continuing treatment that includes taking  
38 over-the-counter medications, such as aspirin, antihistamines, or  
39 salves, or bed rest, drinking fluids, exercise, and other similar  
40 activities that can be initiated without a visit to a health care

1 provider, is not, by itself, sufficient to constitute a regimen of  
2 continuing treatment for purposes of this chapter.

3 (f) Conditions for which cosmetic treatments are administered,  
4 such as most treatments for acne or plastic surgery, are not serious  
5 health conditions unless inpatient hospital care is required or  
6 unless complications develop. Ordinarily, unless complications arise,  
7 the common cold, the flu, ear aches, upset stomach, minor ulcers,  
8 headaches other than migraines, routine dental or orthodontia  
9 problems, and periodontal disease are examples of conditions that are  
10 not serious health conditions and do not qualify for leave under this  
11 chapter. Restorative dental or plastic surgery after an injury or  
12 removal of cancerous growths are serious health conditions provided  
13 all the other conditions of this section are met. Mental illness  
14 resulting from stress or allergies may be serious health conditions,  
15 but only if all the conditions of this section are met.

16 (g)(i) Substance abuse may be a serious health condition if the  
17 conditions of this section are met. However, leave may only be taken  
18 for treatment for substance abuse by a health care provider or by a  
19 licensed substance abuse treatment provider. Absence because of the  
20 employee's use of the substance, rather than for treatment, does not  
21 qualify for leave under this chapter.

22 (ii) Treatment for substance abuse does not prevent an employer  
23 from taking employment action against an employee. The employer may  
24 not take action against the employee because the employee has  
25 exercised his or her right to take medical leave for treatment.  
26 However, if the employer has an established policy, applied in a  
27 nondiscriminatory manner that has been communicated to all employees,  
28 that provides under certain circumstances an employee may be  
29 terminated for substance abuse, pursuant to that policy the employee  
30 may be terminated whether or not the employee is presently taking  
31 medical leave. An employee may also take family leave to care for a  
32 covered family member who is receiving treatment for substance abuse.  
33 The employer may not take action against an employee who is providing  
34 care for a covered family member receiving treatment for substance  
35 abuse.

36 (h) Absences attributable to incapacity under (a)(ii)(B) or (C)  
37 of this subsection qualify for leave under this chapter even though  
38 the employee or the family member does not receive treatment from a  
39 health care provider during the absence, and even if the absence does  
40 not last more than three consecutive, full calendar days. For

1 example, an employee with asthma may be unable to report for work due  
2 to the onset of an asthma attack or because the employee's health  
3 care provider has advised the employee to stay home when the pollen  
4 count exceeds a certain level. An employee who is pregnant may be  
5 unable to report to work because of severe morning sickness.

6 (20) "Service is localized in this state" has the same meaning as  
7 described in RCW 50.04.120.

8 (21) "Spouse" means a husband or wife, as the case may be, or  
9 state registered domestic partner.

10 (22) "State average weekly wage" means the most recent average  
11 weekly wage calculated under RCW 50.04.355 and available on January  
12 1st of each year.

13 (23) "Typical workweek hours" means:

14 (a) For an hourly employee, the average number of hours worked  
15 per week by an employee since the beginning of the qualifying period;  
16 and

17 (b) Forty hours for a salaried employee, regardless of the number  
18 of hours the salaried employee typically works.

19 (24) "Wage" means the same as "wages" under RCW 50.04.320(2),  
20 except that: (a) The term employment as used in RCW 50.04.320(2) is  
21 defined in this chapter; and (b) the maximum wages subject to a  
22 premium assessment are those wages as set by the commissioner under  
23 RCW 50A.04.115(4). "Wages" for purposes of elective coverage under  
24 RCW 50A.04.105 has the meaning as defined by rule.

25 **Sec. 142.** RCW 51.08.181 and 2008 c 102 s 5 are each amended to  
26 read as follows:

27 For the purposes of this title, any individual performing  
28 services that require registration under chapter 18.27 RCW or  
29 licensing under chapter 19.28 RCW for remuneration under an  
30 independent contract is not a worker when:

31 (1) The individual has been, and will continue to be, free from  
32 control or direction over the performance of the service, both under  
33 the contract of service and in fact;

34 (2) The service is either outside the usual course of business  
35 for which the service is performed, or the service is performed  
36 outside all of the places of business of the enterprise for which the  
37 service is performed, or the individual is responsible, both under  
38 the contract and in fact, for the costs of the principal place of  
39 business from which the service is performed;

1 (3) The individual is customarily engaged in an independently  
2 established trade, occupation, profession, or business, of the same  
3 nature as that involved in the contract of service, or the individual  
4 has a principal place of business for the business the individual is  
5 conducting that is eligible for a business deduction for federal  
6 income tax purposes other than that furnished by the employer for  
7 which the business has contracted to furnish services;

8 (4) On the effective date of the contract of service, the  
9 individual is responsible for filing at the next applicable filing  
10 period, both under the contract of service and in fact, a schedule of  
11 expenses with the internal revenue service for the type of business  
12 the individual is conducting;

13 (5) On the effective date of the contract of service, or within a  
14 reasonable period after the effective date of the contract, the  
15 individual has an active and valid certificate of registration with  
16 the department of (~~revenue~~) taxation, and an active and valid  
17 account with any other state agencies as required by the particular  
18 case, for the business the individual is conducting for the payment  
19 of all state taxes normally paid by employers and businesses and has  
20 registered for and received a unified business identifier number from  
21 the state of Washington;

22 (6) On the effective date of the contract of service, the  
23 individual is maintaining a separate set of books or records that  
24 reflect all items of income and expenses of the business which the  
25 individual is conducting; and

26 (7) On the effective date of the contract of service, the  
27 individual has a valid contractor registration pursuant to chapter  
28 18.27 RCW or an electrical contractor license pursuant to chapter  
29 19.28 RCW.

30 **Sec. 143.** RCW 51.08.195 and 2008 c 102 s 4 are each amended to  
31 read as follows:

32 As an exception to the definition of "employer" under RCW  
33 51.08.070 and the definition of "worker" under RCW 51.08.180,  
34 services performed by an individual for remuneration shall not  
35 constitute employment subject to this title if it is shown that:

36 (1) The individual has been and will continue to be free from  
37 control or direction over the performance of the service, both under  
38 the contract of service and in fact; and

1 (2) The service is either outside the usual course of business  
2 for which the service is performed, or the service is performed  
3 outside all of the places of business of the enterprise for which the  
4 service is performed, or the individual is responsible, both under  
5 the contract and in fact, for the costs of the principal place of  
6 business from which the service is performed; and

7 (3) The individual is customarily engaged in an independently  
8 established trade, occupation, profession, or business, of the same  
9 nature as that involved in the contract of service, or the individual  
10 has a principal place of business for the business the individual is  
11 conducting that is eligible for a business deduction for federal  
12 income tax purposes; and

13 (4) On the effective date of the contract of service, the  
14 individual is responsible for filing at the next applicable filing  
15 period, both under the contract of service and in fact, a schedule of  
16 expenses with the internal revenue service for the type of business  
17 the individual is conducting; and

18 (5) On the effective date of the contract of service, or within a  
19 reasonable period after the effective date of the contract, the  
20 individual has established an account with the department of  
21 (~~revenue~~) taxation, and other state agencies as required by the  
22 particular case, for the business the individual is conducting for  
23 the payment of all state taxes normally paid by employers and  
24 businesses and has registered for and received a unified business  
25 identifier number from the state of Washington; and

26 (6) On the effective date of the contract of service, the  
27 individual is maintaining a separate set of books or records that  
28 reflect all items of income and expenses of the business which the  
29 individual is conducting.

30 **Sec. 144.** RCW 53.08.090 and 1994 c 26 s 1 are each amended to  
31 read as follows:

32 (1) A port commission may, by resolution, authorize the managing  
33 official of a port district to sell and convey port district property  
34 of ten thousand dollars or less in value. The authority shall be in  
35 force for not more than one calendar year from the date of resolution  
36 and may be renewed from year to year. Prior to any such sale or  
37 conveyance the managing official shall itemize and list the property  
38 to be sold and make written certification to the commission that the  
39 listed property is no longer needed for district purposes. Any large

1 block of the property having a value in excess of ten thousand  
2 dollars shall not be broken down into components of ten thousand  
3 dollars or less value and sold in the smaller components unless the  
4 smaller components be sold by public competitive bid. A port district  
5 may sell and convey any of its real or personal property valued at  
6 more than ten thousand dollars when the port commission has, by  
7 resolution, declared the property to be no longer needed for district  
8 purposes, but no property which is a part of the comprehensive plan  
9 of improvement or modification thereof shall be disposed of until the  
10 comprehensive plan has been modified to find the property surplus to  
11 port needs. The comprehensive plan shall be modified only after  
12 public notice and hearing provided by RCW 53.20.010.

13 Nothing in this section shall be deemed to repeal or modify  
14 procedures for property sales within industrial development districts  
15 as set forth in chapter 53.25 RCW.

16 (2) The ten thousand dollar figures in subsection (1) of this  
17 section shall be adjusted annually based upon the governmental price  
18 index established by the department of (~~revenue~~) taxation under RCW  
19 82.14.200.

20 **Sec. 145.** RCW 54.16.425 and 2018 c 186 s 3 are each amended to  
21 read as follows:

22 (1) Property owned by a public utility district that is exempt  
23 from property tax under RCW 84.36.010 is subject to an annual payment  
24 in lieu of property taxes if the property consists of a broadband  
25 network used in providing retail internet service.

26 (2)(a) The amount of the payment must be determined jointly and  
27 in good faith negotiation between the public utility district that  
28 owns the property and the county or counties in which the property is  
29 located.

30 (b) The amount agreed upon may not exceed the property tax amount  
31 that would be owed on the property comprising the broadband network  
32 used in providing retail internet service as calculated by the  
33 department of (~~revenue~~) taxation. The public utility district must  
34 provide information necessary for the department of (~~revenue~~)  
35 taxation to make the required valuation under this subsection. The  
36 department of (~~revenue~~) taxation must provide the amount of  
37 property tax that would be owed on the property to the county or  
38 counties in which the broadband network is located on an annual  
39 basis.



1 (c) If the public utility district and a county cannot agree on  
2 the amount of the payment in lieu of taxes, either party may invoke  
3 binding arbitration by providing written notice to the other party.  
4 In the event that the amount of payment in lieu of taxes is submitted  
5 to binding arbitration, the arbitrators must consider the government  
6 services available to the public utility district's broadband network  
7 used in providing retail internet service. The public utility  
8 district and county must each select one arbitrator, the two of whom  
9 must pick a third arbitrator. Costs of the arbitration, including  
10 compensation for the arbitrators' services, must be borne equally by  
11 the parties participating in the arbitration.

12 (3) By April 30th of each year, a public utility district must  
13 remit the annual payment to the county treasurer of each county in  
14 which the public utility district's broadband network used in  
15 providing retail internet service is located in a form and manner  
16 required by the county treasurer.

17 (4) The county must distribute the amounts received under this  
18 section to all property taxing districts, including the state, in  
19 appropriate tax code areas in the same proportion as it would  
20 distribute property taxes from taxable property.

21 (5) By December 1, 2019, and annually thereafter, the department  
22 of ((~~revenue~~)) taxation must submit a report to the appropriate  
23 legislative committees detailing the amount of payments made under  
24 this section and the amount of property tax that would be owed on the  
25 property comprising the broadband network used in providing retail  
26 internet service.

27 (6) The definitions in RCW 54.16.420 apply to this section.

28 **Sec. 146.** RCW 54.28.040 and 2017 c 323 s 103 are each amended to  
29 read as follows:

30 (1) Before May 1st of each calendar year through calendar year  
31 2018, the department of ((~~revenue~~)) taxation must compute the tax  
32 imposed by this chapter for the last preceding calendar year and  
33 notify the district of the amount thereof, which shall be payable on  
34 or before the following June 1st.

35 (2) For tax reporting periods beginning on or after January 1,  
36 2018, taxpayers must report the taxes due under RCW 54.28.020 and  
37 54.28.025 on returns as prescribed by the department of ((~~revenue~~))  
38 taxation. Except as otherwise provided in this subsection (2), taxes  
39 imposed in RCW 54.28.020 and 54.28.025 are due for a taxpayer at the

1 same time as the taxpayer's payment of taxes imposed under chapters  
2 82.04 and 82.16 RCW. The department of (~~revenue~~) taxation may allow  
3 taxpayers to report and pay the taxes due under RCW 54.28.020 and  
4 54.28.025 on an annual basis, even if they report taxes imposed under  
5 chapters 82.04 and 82.16 RCW more frequently than annually. In such  
6 cases, the taxes imposed in RCW 54.28.020 and 54.28.025 are due at  
7 the same time as the taxes under chapters 82.04 and 82.16 RCW for the  
8 taxpayer's final reporting period for the calendar year.

9 (3) The department of (~~revenue~~) taxation may require persons to  
10 report such information as needed by the department to administer  
11 this chapter.

12 (4) Upon receipt of the amount of each tax imposed the department  
13 of (~~revenue~~) taxation shall deposit the same with the state  
14 treasurer, who must deposit four percent of the revenues received  
15 under RCW 54.28.020(1) and 54.28.025(1) and all revenues received  
16 under RCW 54.28.020(2) and 54.28.025(2) in the general fund of the  
17 state and must distribute the remainder in the manner hereinafter set  
18 forth. The state treasurer must send a duplicate copy of each  
19 transmittal to the department of (~~revenue~~) taxation.

20 **Sec. 147.** RCW 54.28.050 and 2017 c 323 s 104 are each amended to  
21 read as follows:

22 (1) Except as provided in subsection (2) of this section, the  
23 department of (~~revenue~~) taxation must instruct the state treasurer,  
24 after placing thirty-seven and six-tenths percent of the taxes  
25 collected under RCW 54.28.020(1) in the state general fund to be  
26 dedicated for the benefit of the public schools, to distribute the  
27 balance collected under RCW 54.28.020(1)(a) to each county in  
28 proportion to the gross revenue from sales made within each county;  
29 and to distribute the balance collected under RCW 54.28.020(1) (b)  
30 and (c) as follows:

31 (a) If the entire generating facility, including reservoir, if  
32 any, is in a single county then all of the balance to the county  
33 where such generating facility is located;

34 (b) If any reservoir is in more than one county, then to each  
35 county in which the reservoir or any portion thereof is located a  
36 percentage equal to the percentage determined by dividing the total  
37 cost of the generating facilities, including adjacent switching  
38 facilities, into twice the cost of land and land rights acquired for

1 any reservoir within each county, land and land rights to be defined  
2 the same as used by the federal energy regulatory commission;

3 (c) If the powerhouse and dam, if any, in connection with such  
4 reservoir are in more than one county, the balance must be divided  
5 sixty percent to the county in which the owning district is located  
6 and forty percent to the other county or counties or if the  
7 powerhouse and dam, if any, are owned by a joint operating agency  
8 organized under chapter 43.52 RCW, or by more than one district or  
9 are outside the county of the owning district, then to be divided  
10 equally between the counties in which such facilities are located. If  
11 all of the powerhouse and dam, if any, are in one county, then the  
12 balance must be distributed to the county in which the facilities are  
13 located.

14 (2) The department of (~~revenue~~) taxation must instruct the  
15 state treasurer to adjust distributions under this section, in whole  
16 or in part, to account for each county's proportionate share of  
17 amounts previously distributed under this section and subsequently  
18 refunded to a public utility district under RCW 82.32.060.

19 (3) The provisions of this section do not apply to the  
20 distribution of taxes collected under RCW 54.28.025.

21 **Sec. 148.** RCW 54.28.055 and 2017 3rd sp.s. c 28 s 502 are each  
22 amended to read as follows:

23 (1) Except as provided in subsection (3) of this section, the  
24 department of (~~revenue~~) taxation must instruct the state treasurer  
25 to distribute the amount collected under RCW 54.28.025(1) on the  
26 first business day of July as follows:

27 (a) Fifty percent to the state general fund for the support of  
28 schools; and

29 (b) Twenty-two percent to the counties, twenty-three percent to  
30 the cities, three percent to the fire protection districts, and two  
31 percent to the library districts.

32 (2) Each county, city, fire protection district, and library  
33 district must receive a percentage of the amount for distribution to  
34 counties, cities, fire protection districts, and library districts,  
35 respectively, in the proportion that the population of such district  
36 residing within the impacted area bears to the total population of  
37 all such districts residing within the impacted area. For the  
38 purposes of this chapter, the term "library district" includes only  
39 regional libraries, rural county library districts, intercounty rural

1 library districts, and island library districts as those terms are  
2 defined in RCW 27.12.010. The population of a library district, for  
3 purposes of such a distribution, does not include any population  
4 within the library district and the impact area that also is located  
5 within a city or town.

6 (3) Distributions under this section must be adjusted as follows:

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

10 (b) The department of (~~revenue~~) taxation must instruct the  
11 state treasurer to adjust distributions under this section, in whole  
12 or in part, to account for each county's, city's, fire protection  
13 district's, and library district's proportionate share of amounts  
14 previously distributed under this section and subsequently refunded  
15 to a public utility district under RCW 82.32.060.

16 (4) All distributions directed by this section to be made on the  
17 basis of population must be calculated in accordance with population  
18 data as last determined by the office of financial management.

19 **Sec. 149.** RCW 54.28.125 and 2017 c 323 s 101 are each amended to  
20 read as follows:

21 (1) The following provisions of chapter 82.32 RCW apply with  
22 respect to the state taxes administered by the department of  
23 (~~revenue~~) taxation under this chapter, unless the context clearly  
24 requires otherwise: RCW 82.32.050, 82.32.060, 82.32.070, 82.32.080,  
25 82.32.085, 82.32.090, 82.32.100, 82.32.105, 82.32.110, 82.32.117,  
26 82.32.120, 82.32.130, 82.32.135, 82.32.150, 82.32.160, 82.32.170,  
27 82.32.180, 82.32.190, 82.32.200, 82.32.210, 82.32.235, 82.32.237,  
28 82.32.240, 82.32.270, 82.32.310, 82.32.320, 82.32.330, 82.32.340,  
29 82.32.350, 82.32.360, 82.32.410, and any other provision of chapter  
30 82.32 RCW specifically referenced in the statutes listed in this  
31 subsection (1).

32 (2) Chapter 82.32 RCW also applies with respect to the state  
33 taxes administered by the department of (~~revenue~~) taxation under  
34 this chapter to the extent provided in any other provision of law.

35 (3) The definitions in this chapter have full force and  
36 application with respect to the application of chapter 82.32 RCW to  
37 this chapter unless the context clearly requires otherwise.

1       **Sec. 150.** RCW 57.08.005 and 2009 c 253 s 1 are each amended to  
2 read as follows:

3       A district shall have the following powers:

4       (1) To acquire by purchase or condemnation, or both, all lands,  
5 property and property rights, and all water and water rights, both  
6 within and without the district, necessary for its purposes. The  
7 right of eminent domain shall be exercised in the same manner and by  
8 the same procedure as provided for cities and towns, insofar as  
9 consistent with this title, except that all assessment or  
10 reassessment rolls to be prepared and filed by eminent domain  
11 commissioners or commissioners appointed by the court shall be  
12 prepared and filed by the district, and the duties devolving upon the  
13 city treasurer are imposed upon the county treasurer;

14       (2) To lease real or personal property necessary for its purposes  
15 for a term of years for which that leased property may reasonably be  
16 needed;

17       (3) To construct, condemn and purchase, add to, maintain, and  
18 supply waterworks to furnish the district and inhabitants thereof and  
19 any other persons, both within and without the district, with an  
20 ample supply of water for all uses and purposes public and private  
21 with full authority to regulate and control the use, content,  
22 distribution, and price thereof in such a manner as is not in  
23 conflict with general law and may construct, acquire, or own  
24 buildings and other necessary district facilities. Where a customer  
25 connected to the district's system uses the water on an intermittent  
26 or transient basis, a district may charge for providing water service  
27 to such a customer, regardless of the amount of water, if any, used  
28 by the customer. District waterworks may include facilities which  
29 result in combined water supply and electric generation, if the  
30 electricity generated thereby is a by-product of the water supply  
31 system. That electricity may be used by the district or sold to any  
32 entity authorized by law to use or distribute electricity.  
33 Electricity is deemed a by-product when the electrical generation is  
34 subordinate to the primary purpose of water supply. For such  
35 purposes, a district may take, condemn and purchase, acquire, and  
36 retain water from any public or navigable lake, river or watercourse,  
37 or any underflowing water, and by means of aqueducts or pipeline  
38 conduct the same throughout the district and any city or town therein  
39 and carry it along and upon public highways, roads, and streets,  
40 within and without such district. For the purpose of constructing or

1 laying aqueducts or pipelines, dams, or waterworks or other necessary  
2 structures in storing and retaining water or for any other lawful  
3 purpose such district may occupy the beds and shores up to the high  
4 water mark of any such lake, river, or other watercourse, and may  
5 acquire by purchase or condemnation such property or property rights  
6 or privileges as may be necessary to protect its water supply from  
7 pollution. For the purposes of waterworks which include facilities  
8 for the generation of electricity as a by-product, nothing in this  
9 section may be construed to authorize a district to condemn electric  
10 generating, transmission, or distribution rights or facilities of  
11 entities authorized by law to distribute electricity, or to acquire  
12 such rights or facilities without the consent of the owner;

13 (4) To purchase and take water from any municipal corporation,  
14 private person, or entity. A district contiguous to Canada may  
15 contract with a Canadian corporation for the purchase of water and  
16 for the construction, purchase, maintenance, and supply of waterworks  
17 to furnish the district and inhabitants thereof and residents of  
18 Canada with an ample supply of water under the terms approved by the  
19 board of commissioners;

20 (5) To construct, condemn and purchase, add to, maintain, and  
21 operate systems of sewers for the purpose of furnishing the district,  
22 the inhabitants thereof, and persons outside the district with an  
23 adequate system of sewers for all uses and purposes, public and  
24 private, including but not limited to on-site sewage disposal  
25 facilities, approved septic tanks or approved septic tank systems,  
26 on-site sanitary sewerage systems, inspection services and  
27 maintenance services for private and public on-site systems, point  
28 and nonpoint water pollution monitoring programs that are directly  
29 related to the sewerage facilities and programs operated by a  
30 district, other facilities, programs, and systems for the collection,  
31 interception, treatment, and disposal of wastewater, and for the  
32 control of pollution from wastewater with full authority to regulate  
33 the use and operation thereof and the service rates to be charged.  
34 Under this chapter, after July 1, 1998, any requirements for pumping  
35 the septic tank of an on-site sewage system should be based, among  
36 other things, on actual measurement of accumulation of sludge and  
37 scum by a trained inspector, trained owner's agent, or trained owner.  
38 Training must occur in a program approved by the state board of  
39 health or by a local health officer. Sewage facilities may include  
40 facilities which result in combined sewage disposal or treatment and

1 electric or methane gas generation, except that the electricity or  
2 methane gas generated thereby is a by-product of the system of  
3 sewers. Such electricity or methane gas may be used by the district  
4 or sold to any entity authorized by law to distribute electricity or  
5 methane gas. Electricity and methane gas are deemed by-products when  
6 the electrical or methane gas generation is subordinate to the  
7 primary purpose of sewage disposal or treatment. The district may  
8 also sell surplus methane gas, which may be produced as a by-product.  
9 For such purposes a district may construct sewage treatment plants  
10 throughout the district and throughout other political subdivisions within the  
11 district, and construct and lay sewer pipe along and upon public  
12 highways, roads, and streets, within and without the district, and  
13 condemn and purchase or acquire land and rights-of-way necessary for  
14 such sewer pipe. A district may erect sewage treatment plants within  
15 or without the district, and may acquire, by purchase or  
16 condemnation, properties or privileges necessary to be had to protect  
17 any lakes, rivers, or watercourses and also other areas of land from  
18 pollution from its sewers or its sewage treatment plant. For the  
19 purposes of sewage facilities which include facilities that result in  
20 combined sewage disposal or treatment and electric generation where  
21 the electric generation is a by-product, nothing in this section may  
22 be construed to authorize a district to condemn electric generating,  
23 transmission, or distribution rights or facilities of entities  
24 authorized by law to distribute electricity, or to acquire such  
25 rights or facilities without the consent of the owners;

26 (6) The authority to construct, condemn and purchase, add to,  
27 maintain, and operate systems of reclaimed water as authorized by  
28 chapter 90.46 RCW for the purpose of furnishing the district and the  
29 inhabitants thereof with reclaimed water for all authorized uses and  
30 purposes, public and private, including with full authority to  
31 regulate the use and operation thereof and the service rates to be  
32 charged. In compliance with other sections of this chapter, a  
33 district may also provide reclaimed water services to persons outside  
34 the district;

35 (7) (a) To construct, condemn and purchase, add to, maintain, and  
36 operate systems of drainage for the benefit and use of the district,  
37 the inhabitants thereof, and persons outside the district with an  
38 adequate system of drainage, including but not limited to facilities  
39 and systems for the collection, interception, treatment, and disposal  
40 of storm or surface waters, and for the protection, preservation, and

1 rehabilitation of surface and underground waters, and drainage  
2 facilities for public highways, streets, and roads, with full  
3 authority to regulate the use and operation thereof and, except as  
4 provided in (b) of this subsection, the service rates to be charged.

5 (b) The rate a district may charge under this section for storm  
6 or surface water sewer systems or the portion of the rate allocable  
7 to the storm or surface water sewer system of combined sanitary  
8 sewage and storm or surface water sewer systems shall be reduced by a  
9 minimum of ten percent for any new or remodeled commercial building  
10 that utilizes a permissive rainwater harvesting system. Rainwater  
11 harvesting systems shall be properly sized to utilize the available  
12 roof surface of the building. The jurisdiction shall consider rate  
13 reductions in excess of ten percent dependent upon the amount of  
14 rainwater harvested.

15 (c) Drainage facilities may include natural systems. Drainage  
16 facilities may include facilities which result in combined drainage  
17 facilities and electric generation, except that the electricity  
18 generated thereby is a by-product of the drainage system. Such  
19 electricity may be used by the district or sold to any entity  
20 authorized by law to distribute electricity. Electricity is deemed a  
21 by-product when the electrical generation is subordinate to the  
22 primary purpose of drainage collection, disposal, and treatment. For  
23 such purposes, a district may conduct storm or surface water  
24 throughout the district and throughout other political subdivisions  
25 within the district, construct and lay drainage pipe and culverts  
26 along and upon public highways, roads, and streets, within and  
27 without the district, and condemn and purchase or acquire land and  
28 rights-of-way necessary for such drainage systems. A district may  
29 provide or erect facilities and improvements for the treatment and  
30 disposal of storm or surface water within or without the district,  
31 and may acquire, by purchase or condemnation, properties or  
32 privileges necessary to be had to protect any lakes, rivers, or  
33 watercourses and also other areas of land from pollution from storm  
34 or surface waters. For the purposes of drainage facilities which  
35 include facilities that also generate electricity as a by-product,  
36 nothing in this section may be construed to authorize a district to  
37 condemn electric generating, transmission, or distribution rights or  
38 facilities of entities authorized by law to distribute electricity,  
39 or to acquire such rights or facilities without the consent of the  
40 owners;



1 (8) To construct, condemn, acquire, and own buildings and other  
2 necessary district facilities;

3 (9) To compel all property owners within the district located  
4 within an area served by the district's system of sewers to connect  
5 their private drain and sewer systems with the district's system  
6 under such penalty as the commissioners shall prescribe by  
7 resolution. The district may for such purpose enter upon private  
8 property and connect the private drains or sewers with the district  
9 system and the cost thereof shall be charged against the property  
10 owner and shall be a lien upon property served;

11 (10) Where a district contains within its borders, abuts, or is  
12 located adjacent to any lake, stream, groundwater as defined by RCW  
13 90.44.035, or other waterway within the state of Washington, to  
14 provide for the reduction, minimization, or elimination of pollutants  
15 from those waters in accordance with the district's comprehensive  
16 plan, and to issue general obligation bonds, revenue bonds, local  
17 improvement district bonds, or utility local improvement bonds for  
18 the purpose of paying all or any part of the cost of reducing,  
19 minimizing, or eliminating the pollutants from these waters;

20 (11) Subject to subsection (7) of this section, to fix rates and  
21 charges for water, sewer, reclaimed water, and drain service supplied  
22 and to charge property owners seeking to connect to the district's  
23 systems, as a condition to granting the right to so connect, in  
24 addition to the cost of the connection, such reasonable connection  
25 charge as the board of commissioners shall determine to be proper in  
26 order that those property owners shall bear their equitable share of  
27 the cost of the system. For the purposes of calculating a connection  
28 charge, the board of commissioners shall determine the pro rata share  
29 of the cost of existing facilities and facilities planned for  
30 construction within the next ten years and contained in an adopted  
31 comprehensive plan and other costs borne by the district which are  
32 directly attributable to the improvements required by property owners  
33 seeking to connect to the system. The cost of existing facilities  
34 shall not include those portions of the system which have been  
35 donated or which have been paid for by grants. The connection charge  
36 may include interest charges applied from the date of construction of  
37 the system until the connection, or for a period not to exceed ten  
38 years, whichever is shorter, at a rate commensurate with the rate of  
39 interest applicable to the district at the time of construction or  
40 major rehabilitation of the system, or at the time of installation of

1 the lines to which the property owner is seeking to connect. In lieu  
2 of requiring the installation of permanent local facilities not  
3 planned for construction by the district, a district may permit  
4 connection to the water and/or sewer systems through temporary  
5 facilities installed at the property owner's expense, provided the  
6 property owner pays a connection charge consistent with the  
7 provisions of this chapter and agrees, in the future, to connect to  
8 permanent facilities when they are installed; or a district may  
9 permit connection to the water and/or sewer systems through temporary  
10 facilities and collect from property owners so connecting a  
11 proportionate share of the estimated cost of future local facilities  
12 needed to serve the property, as determined by the district. The  
13 amount collected, including interest at a rate commensurate with the  
14 rate of interest applicable to the district at the time of  
15 construction of the temporary facilities, shall be held for  
16 contribution to the construction of the permanent local facilities by  
17 other developers or the district. The amount collected shall be  
18 deemed full satisfaction of the proportionate share of the actual  
19 cost of construction of the permanent local facilities. If the  
20 permanent local facilities are not constructed within fifteen years  
21 of the date of payment, the amount collected, including any accrued  
22 interest, shall be returned to the property owner, according to the  
23 records of the county auditor on the date of return. If the amount  
24 collected is returned to the property owner, and permanent local  
25 facilities capable of serving the property are constructed  
26 thereafter, the property owner at the time of construction of such  
27 permanent local facilities shall pay a proportionate share of the  
28 cost of such permanent local facilities, in addition to reasonable  
29 connection charges and other charges authorized by this section. A  
30 district may permit payment of the cost of connection and the  
31 reasonable connection charge to be paid with interest in installments  
32 over a period not exceeding fifteen years. The county treasurer may  
33 charge and collect a fee of three dollars for each year for the  
34 treasurer's services. Those fees shall be a charge to be included as  
35 part of each annual installment, and shall be credited to the county  
36 current expense fund by the county treasurer. Revenues from  
37 connection charges excluding permit fees are to be considered  
38 payments in aid of construction as defined by department of  
39 (~~revenue~~) taxation rule. Rates or charges for on-site inspection

1 and maintenance services may not be imposed under this chapter on the  
2 development, construction, or reconstruction of property.

3 Before adopting on-site inspection and maintenance utility  
4 services, or incorporating residences into an on-site inspection and  
5 maintenance or sewer utility under this chapter, notification must be  
6 provided, prior to the applicable public hearing, to all residences  
7 within the proposed service area that have on-site systems permitted  
8 by the local health officer. The notice must clearly state that the  
9 residence is within the proposed service area and must provide  
10 information on estimated rates or charges that may be imposed for the  
11 service.

12 A water-sewer district shall not provide on-site sewage system  
13 inspection, pumping services, or other maintenance or repair services  
14 under this section using water-sewer district employees unless the  
15 on-site system is connected by a publicly owned collection system to  
16 the water-sewer district's sewerage system, and the on-site system  
17 represents the first step in the sewage disposal process.

18 Except as otherwise provided in RCW 90.03.525, any public entity  
19 and public property, including the state of Washington and state  
20 property, shall be subject to rates and charges for sewer, water,  
21 stormwater control, drainage, and street lighting facilities to the  
22 same extent private persons and private property are subject to those  
23 rates and charges that are imposed by districts. In setting those  
24 rates and charges, consideration may be made of in-kind services,  
25 such as stream improvements or donation of property;

26 (12) To contract with individuals, associations and corporations,  
27 the state of Washington, and the United States;

28 (13) To employ such persons as are needed to carry out the  
29 district's purposes and fix salaries and any bond requirements for  
30 those employees;

31 (14) To contract for the provision of engineering, legal, and  
32 other professional services as in the board of commissioner's  
33 discretion is necessary in carrying out their duties;

34 (15) To sue and be sued;

35 (16) To loan and borrow funds and to issue bonds and instruments  
36 evidencing indebtedness under chapter 57.20 RCW and other applicable  
37 laws;

38 (17) To transfer funds, real or personal property, property  
39 interests, or services subject to RCW 57.08.015;

1 (18) To levy taxes in accordance with this chapter and chapters  
2 57.04 and 57.20 RCW;

3 (19) To provide for making local improvements and to levy and  
4 collect special assessments on property benefited thereby, and for  
5 paying for the same or any portion thereof in accordance with chapter  
6 57.16 RCW;

7 (20) To establish street lighting systems under RCW 57.08.060;

8 (21) To exercise such other powers as are granted to water-sewer  
9 districts by this title or other applicable laws; and

10 (22) To exercise any of the powers granted to cities and counties  
11 with respect to the acquisition, construction, maintenance, operation  
12 of, and fixing rates and charges for waterworks and systems of  
13 sewerage and drainage.

14 **Sec. 151.** RCW 59.18.312 and 2011 c 132 s 17 are each amended to  
15 read as follows:

16 (1) A landlord shall, upon the execution of a writ of restitution  
17 by the sheriff, enter and take possession of any property of the  
18 tenant found on the premises. The landlord may store the property in  
19 any reasonably secure place, including the premises, and sell or  
20 dispose of the property as provided under subsection (3) of this  
21 section. The landlord must store the property if the tenant serves a  
22 written request to do so on the landlord or the landlord's  
23 representative by any of the methods described in RCW 59.18.365 no  
24 later than three days after service of the writ. A landlord may elect  
25 to store the property without such a request unless the tenant or the  
26 tenant's representative objects to the storage of the property. If  
27 the tenant or the tenant's representative objects to the storage of  
28 the property or the landlord elects not to store the property because  
29 the tenant has not served a written request on the landlord to do so,  
30 the property shall be deposited upon the nearest public property and  
31 may not be stored by the landlord. If the landlord knows that the  
32 tenant is a person with a disability as defined in RCW 49.60.040 (as  
33 amended by chapter 317, Laws of 2007) and the disability impairs or  
34 prevents the tenant or the tenant's representative from making a  
35 written request for storage, it must be presumed that the tenant has  
36 requested the storage of the property as provided in this section  
37 unless the tenant objects in writing.

38 (2) Property stored under this section shall be returned to the  
39 tenant after the tenant has paid the actual or reasonable drayage and

1 storage costs, whichever is less, or until it is sold or disposed of  
2 by the landlord in accordance with subsection (3) of this section.

3 (3) Prior to the sale of property stored pursuant to this section  
4 with a cumulative value of over two hundred fifty dollars, the  
5 landlord shall notify the tenant of the pending sale. After thirty  
6 days from the date the notice of the sale is mailed or personally  
7 delivered to the tenant's last known address, the landlord may sell  
8 the property, including personal papers, family pictures, and  
9 keepsakes, and dispose of any property not sold.

10 If the property that is being stored has a cumulative value of  
11 two hundred fifty dollars or less, then the landlord may sell or  
12 dispose of the property in the manner provided in this section,  
13 except for personal papers, family pictures, and keepsakes. Prior to  
14 the sale or disposal of property stored pursuant to this section with  
15 a cumulative value of two hundred fifty dollars or less, the landlord  
16 shall notify the tenant of the pending sale or disposal. The notice  
17 shall either be mailed to the tenant's last known address or  
18 personally delivered to the tenant. After seven days from the date  
19 the notice is mailed or delivered to the tenant, the landlord may  
20 sell or dispose of the property.

21 The landlord may apply any income derived from the sale of the  
22 tenant's property against moneys due the landlord for drayage and  
23 storage of the property. The amount of sale proceeds that the  
24 landlord may apply towards such costs may not exceed the actual or  
25 reasonable costs for drayage and storage of the property, whichever  
26 is less. Any excess income derived from the sale of such property  
27 shall be held by the landlord for the benefit of the tenant for a  
28 period of one year from the date of the sale. If no claim is made or  
29 action commenced by the tenant for the recovery of the excess income  
30 prior to the expiration of that period of time, then the balance  
31 shall be treated as abandoned property and deposited by the landlord  
32 with the department of (~~revenue~~) taxation pursuant to chapter 63.29  
33 RCW.

34 (4) Nothing in this section shall be construed as creating a  
35 right of distress for rent.

36 (5) When serving a tenant with a writ of restitution pursuant to  
37 RCW 59.12.100 and 59.18.410, the sheriff shall provide written notice  
38 to the tenant that: (a) Upon execution of the writ, the landlord must  
39 store the tenant's property only if the tenant serves a written  
40 request on the landlord to do so no later than three days after

1 service of the writ; (b) the notice to the landlord requesting  
2 storage may be served by personally delivering or mailing a copy of  
3 the request to the landlord at the address identified in, or by  
4 facsimile to the facsimile number listed on, the form described under  
5 subsection (6) of this section; (c) if the tenant has not made such a  
6 written request to the landlord, the landlord may elect to either  
7 store the tenant's property or place the tenant's property on the  
8 nearest public property unless the tenant objects; (d) if the  
9 property is stored, it may not be returned to the tenant unless the  
10 tenant pays the actual or reasonable costs of drayage and storage,  
11 whichever is less, within thirty days; (e) if the tenant or the  
12 tenant's representative objects to storage of the property, it will  
13 not be stored but will be placed on the nearest public property; and  
14 (f) the landlord may sell or otherwise dispose of the property as  
15 provided in subsection (3) of this section if the landlord provides  
16 written notice to the tenant first.

17 (6) When serving a tenant with a writ of restitution under  
18 subsection (5) of this section, the sheriff shall also serve the  
19 tenant with a form provided by the landlord that can be used to  
20 request the landlord to store the tenant's property, which must be  
21 substantially in the following form:

22 REQUEST FOR STORAGE OF PERSONAL PROPERTY

23 . . . . .

24 Name of Plaintiff

25 . . . . .

26 Name(s) of Tenant(s)

27 I/we hereby request the landlord to store our personal property.  
28 I/we understand that I/we am/are responsible for the actual or  
29 reasonable costs of moving and storing the property, whichever is  
30 less. If I/we fail to pay these costs, the landlord may sell or  
31 dispose of the property pursuant to and within the time frame  
32 permitted under RCW 59.18.312(3).

33 Any notice of sale required under RCW 59.18.312(3) must be sent  
34 to the tenants at the following address:

35 . . . . .

36 . . . . .

1 . . . . .  
2 IF NO ADDRESS IS PROVIDED, NOTICE OF SALE WILL BE SENT TO THE LAST  
3 KNOWN ADDRESS OF THE TENANT(S)

4 Dated: . . . . .

5 . . . . .  
6 Tenant-Print Name

7 . . . . .  
8 Tenant-Print Name

9 This notice may be delivered or mailed to the landlord or the  
10 landlord's representative at the following address:

11 . . . . .  
12 . . . . .  
13 . . . . .

14 This notice may also be served by facsimile to the landlord or the  
15 landlord's representative at:

16 . . . . .  
17 Facsimile Number

18 IMPORTANT

19 IF YOU WANT YOUR LANDLORD TO STORE YOUR PROPERTY, THIS WRITTEN  
20 REQUEST MUST BE RECEIVED BY THE LANDLORD NO LATER THAN THREE (3) DAYS  
21 AFTER THE SHERIFF SERVES THE WRIT OF RESTITUTION. YOU SHOULD RETAIN  
22 PROOF OF SERVICE.

23 **Sec. 152.** RCW 59.18.595 and 2015 c 264 s 3 are each amended to  
24 read as follows:

25 (1) In the event of the death of a tenant who is the sole  
26 occupant of the dwelling unit:

27 (a) The landlord, upon learning of the death of the tenant, shall  
28 promptly mail or personally deliver written notice to any known  
29 personal representative, known designated person, emergency contact  
30 identified by the tenant on the rental application, known person  
31 reasonably believed to be a successor of the tenant as defined in RCW  
32 11.62.005, and to the deceased tenant at the address of the dwelling  
33 unit. If the landlord knows of any address used for the receipt of

1 electronic communications, the landlord shall email the notice to  
2 that address as well. The notice must include:

3 (i) The name of the deceased tenant and address of the dwelling  
4 unit;

5 (ii) The approximate date of the deceased tenant's death;

6 (iii) The rental amount and date through which rent is paid;

7 (iv) A statement that the tenancy will terminate fifteen days  
8 from the date the notice is mailed or personally delivered or the  
9 date through which rent is paid, whichever comes later, unless during  
10 that time period a tenant representative makes arrangements with the  
11 landlord to pay rent in advance for no more than sixty days from the  
12 date of the tenant's death to allow a tenant representative to  
13 arrange for orderly removal of the tenant's property. At the end of  
14 the period for which the rent has been paid pursuant to this  
15 subsection, the tenancy ends;

16 (v) A statement that failure to remove the tenant's property  
17 before the tenancy is terminated or ends as provided in (a)(iv) of  
18 this subsection will allow the landlord to enter the dwelling unit  
19 and take possession of any property found on the premises, store it  
20 in a reasonably secure place, and charge the actual or reasonable  
21 costs, whichever is less, of drayage and storage of the property, and  
22 after service of a second notice sell or dispose of the property as  
23 provided in subsection (3) of this section; and

24 (vi) A copy of any designation executed by the tenant pursuant to  
25 RCW 59.18.590;

26 (b) The landlord shall turn over possession of the tenant's  
27 property to a tenant representative if a request is made in writing  
28 within the specified time period or any subsequent date agreed to by  
29 the parties;

30 (c) Within fourteen days after the removal of the property by the  
31 tenant representative, the landlord shall refund any unearned rent  
32 and shall give a full and specific statement of the basis for  
33 retaining any deposit together with the payment of any refund due the  
34 deceased tenant under the terms and conditions of the rental  
35 agreement to the tenant representative; and

36 (d) Any tenant representative who removes property from the  
37 tenant's dwelling unit or the premises must, at the time of removal,  
38 provide to the landlord an inventory of the removed property and  
39 signed acknowledgment that he or she has only been given possession  
40 and not ownership of the property.



1 (2) A landlord shall send a second written notice before selling  
2 or disposing of a deceased tenant's property.

3 (a) If the tenant representative makes arrangements with the  
4 landlord to pay rent in advance as provided in subsection (1)(a)(iv)  
5 of this section, the landlord shall mail a second written notice to  
6 any known personal representative, known designated person, emergency  
7 contact identified by the tenant on the rental application, known  
8 person reasonably believed to be a successor of the tenant as defined  
9 in RCW 11.62.005, and to the deceased tenant at the dwelling unit.  
10 The second notice must include:

11 (i) The name, address, and phone number or other contact  
12 information for the tenant representative, if known, who made the  
13 arrangements to pay rent in advance;

14 (ii) The amount of rent paid in advance and date through which  
15 rent was paid; and

16 (iii) A statement that the landlord may sell or dispose of the  
17 property on or after the date through which rent is paid or at least  
18 forty-five days after the second notice is mailed, whichever comes  
19 later, if a tenant representative does not claim and remove the  
20 property in accordance with this subsection.

21 (b) If the landlord places the property in storage pursuant to  
22 subsection (1)(a) of this section, the landlord shall mail a second  
23 written notice, unless a written notice under (a) of this subsection  
24 has already been provided, to any known personal representative,  
25 known designated person, emergency contact identified by the tenant  
26 on the rental application, known person reasonably believed to be a  
27 successor of the tenant as defined in RCW 11.62.005, and to the  
28 deceased tenant at the dwelling unit. The second notice must state  
29 that the landlord may sell or dispose of the property on or after a  
30 specified date that is at least forty-five days after the second  
31 notice is mailed if a tenant representative does not claim and remove  
32 the property in accordance with this subsection.

33 (c) The landlord shall turn over possession of the tenant's  
34 property to a tenant representative if a written request is made  
35 within the applicable time periods after the second notice is mailed,  
36 provided the tenant representative: (i) Pays the actual or reasonable  
37 costs, whichever is less, of drayage and storage of the property, if  
38 applicable; and (ii) gives the landlord an inventory of the property  
39 and signs an acknowledgment that he or she has only been given  
40 possession and not ownership of the property.

1 (d) Within fourteen days after the removal of the property by the  
2 tenant representative, the landlord shall refund any unearned rent  
3 and shall give a full and specific statement of the basis for  
4 retaining any deposit together with the payment of any refund due the  
5 deceased tenant under the terms and conditions of the rental  
6 agreement to the tenant representative.

7 (3) (a) If a tenant representative has not contacted the landlord  
8 or removed the deceased tenant's property within the applicable time  
9 periods under this section, the landlord may sell or dispose of the  
10 deceased tenant's property, except for personal papers and personal  
11 photographs, as provided in this subsection.

12 (i) If the landlord reasonably estimates the fair market value of  
13 the stored property to be more than one thousand dollars, the  
14 landlord shall arrange to sell the property in a commercially  
15 reasonable manner and may dispose of any property that remains unsold  
16 in a reasonable manner.

17 (ii) If the value of the stored property does not meet the  
18 threshold provided in (a) (i) of this subsection, the landlord may  
19 dispose of the property in a reasonable manner.

20 (iii) The landlord may apply any income derived from the sale of  
21 the property pursuant to this section against any costs of sale and  
22 moneys due the landlord, including actual or reasonable costs,  
23 whichever is less, of drayage and storage of the deceased tenant's  
24 property. Any excess income derived from the sale of such property  
25 under this section must be held by the landlord for a period of one  
26 year from the date of sale, and if no claim is made for recovery of  
27 the excess income before the expiration of that one-year period, the  
28 balance must be treated as abandoned property and deposited by the  
29 landlord with the department of (~~revenue~~) taxation pursuant to  
30 chapter 63.29 RCW.

31 (b) Personal papers and personal photographs that are not claimed  
32 by a tenant representative within ninety days after a sale or other  
33 disposition of the deceased tenant's other property shall be either  
34 destroyed or held for the benefit of any successor of the deceased  
35 tenant as defined in RCW 11.62.005.

36 (c) No landlord or employee of a landlord, or his or her family  
37 members, may acquire, directly or indirectly, the property sold  
38 pursuant to (a) (i) of this subsection or disposed of pursuant to  
39 (a) (ii) of this subsection.

1 (4) Upon learning of the death of the tenant, the landlord may  
2 enter the deceased tenant's dwelling unit and immediately dispose of  
3 any perishable food, hazardous materials, and garbage found on the  
4 premises and turn over animals to a tenant representative or to an  
5 animal control officer, humane society, or other individual or  
6 organization willing to care for the animals.

7 (5) Any notices sent by the landlord under this section must  
8 include a mailing address, any address used for the receipt of  
9 electronic communications, and a telephone number of the landlord.

10 (6) If a landlord knowingly violates this section, the landlord  
11 is liable to the deceased tenant's estate for actual damages. The  
12 prevailing party in any action pursuant to this subsection may  
13 recover costs and reasonable attorneys' fees.

14 (7) A landlord who complies with this section is relieved from  
15 any liability relating to the deceased tenant's property.

16 **Sec. 153.** RCW 59.30.010 and 2011 c 298 s 29 are each amended to  
17 read as follows:

18 (1) The legislature finds that there are factors unique to the  
19 relationship between a manufactured/mobile home tenant and a  
20 manufactured/mobile home community landlord. Once occupancy has  
21 commenced, the difficulty and expense in moving and relocating a  
22 manufactured/mobile home can affect the operation of market forces  
23 and lead to an inequality of the bargaining position of the parties.  
24 Once occupancy has commenced, a tenant may be subject to violations  
25 of the manufactured/mobile home landlord-tenant act without an  
26 adequate remedy at law. This chapter is created for the purpose of  
27 protecting the public, fostering fair and honest competition, and  
28 regulating the factors unique to the relationship between the  
29 manufactured/mobile home tenant and the manufactured/mobile home  
30 community landlord.

31 (2) The legislature finds that taking legal action against a  
32 manufactured/mobile home community landlord for violations of the  
33 manufactured/mobile home landlord-tenant act can be a costly and  
34 lengthy process, and that many people cannot afford to pursue a court  
35 process to vindicate statutory rights. Manufactured/mobile home  
36 community landlords will also benefit by having access to a process  
37 that resolves disputes quickly and efficiently.

38 (3) (a) Therefore, it is the intent of the legislature to provide  
39 an equitable as well as a less costly and more efficient way for

1 manufactured/mobile home tenants and manufactured/mobile home  
2 community landlords to resolve disputes, and to provide a mechanism  
3 for state authorities to quickly locate manufactured/mobile home  
4 community landlords.

5 (b) The legislature intends to authorize the department of  
6 (~~revenue~~) taxation to register manufactured/mobile home communities  
7 and collect a registration fee.

8 (c) The legislature intends to authorize the attorney general to:

9 (i) Produce and distribute educational materials regarding the  
10 manufactured/mobile home landlord-tenant act and the manufactured/  
11 mobile home dispute resolution program created in RCW 59.30.030;

12 (ii) Administer the dispute resolution program by taking  
13 complaints, conducting investigations, making determinations, issuing  
14 fines and other penalties, and participating in administrative  
15 dispute resolutions, when necessary, when there are alleged  
16 violations of the manufactured/mobile home landlord-tenant act; and

17 (iii) Collect and annually report upon data related to disputes  
18 and violations, and make recommendations on modifying chapter 59.20  
19 RCW, to the appropriate committees of the legislature.

20 **Sec. 154.** RCW 59.30.020 and 2012 c 213 s 6 are each amended to  
21 read as follows:

22 The definitions in this section apply throughout this chapter  
23 unless the context clearly requires otherwise.

24 (1) "Complainant" means a landlord, community owner, or tenant,  
25 who has a complaint alleging a violation of chapter 59.20 RCW.

26 (2) "Department" means the department of (~~revenue~~) taxation.

27 (3) "Director" means the director of (~~revenue~~) taxation.

28 (4) "Landlord" or "community owner" means the owner of a mobile  
29 home park or a manufactured housing community and includes the agents  
30 of a landlord.

31 (5) "Manufactured home" means a single-family dwelling built  
32 according to the United States department of housing and urban  
33 development manufactured home construction and safety standards act,  
34 which is a national preemptive building code. A manufactured home  
35 also: (a) Includes plumbing, heating, air conditioning, and  
36 electrical systems; (b) is built on a permanent chassis; and (c) can  
37 be transported in one or more sections with each section at least  
38 eight feet wide and forty feet long when transported, or when  
39 installed on the site is three hundred twenty square feet or greater.

1 (6) "Manufactured/mobile home" means either a manufactured home  
2 or a mobile home.

3 (7) "Manufactured/mobile home lot" means a portion of a  
4 manufactured/mobile home community designated as the location of one  
5 mobile home, manufactured home, or park model and its accessory  
6 buildings, and intended for the exclusive use as a primary residence  
7 by the occupants of that mobile home, manufactured home, or park  
8 model.

9 (8) "Mobile home" means a factory-built dwelling built prior to  
10 June 15, 1976, to standards other than the United States department  
11 of housing and urban development code, and acceptable under  
12 applicable state codes in effect at the time of construction or  
13 introduction of the home into the state. Mobile homes have not been  
14 built since the introduction of the United States department of  
15 housing and urban development manufactured home construction and  
16 safety act.

17 (9) "Mobile home park," "manufactured housing community," or  
18 "manufactured/mobile home community" means any real property that is  
19 rented or held out for rent to others for the placement of two or  
20 more mobile homes, manufactured homes, or park models, for the  
21 primary purpose of production of income, except where the real  
22 property is rented or held out for rent for seasonal recreational  
23 purposes only and is not intended for year-round occupancy.

24 (10) "Owner" means one or more persons, jointly or severally, in  
25 whom is vested:

26 (a) All or part of the legal title to the real property; or

27 (b) All or part of the beneficial ownership, and a right to  
28 present use and enjoyment of the real property.

29 (11) "Park model" means a recreational vehicle intended for  
30 permanent or semipermanent installation and is used as a primary  
31 residence.

32 (12) "Recreational vehicle" means a travel trailer, motor home,  
33 truck camper, or camping trailer that is primarily designed and used  
34 as temporary living quarters, is either self-propelled or mounted on  
35 or drawn by another vehicle, is transient, is not occupied as a  
36 primary residence, and is not immobilized or permanently affixed to a  
37 manufactured/mobile home lot.

38 (13) "Respondent" means a landlord, community owner, or tenant,  
39 alleged to have committed a violation of chapter 59.20 RCW.

1 (14) "Tenant" means any person, except a transient as defined in  
2 RCW 59.20.030, who rents a mobile home lot.

3 **Sec. 155.** RCW 60.28.011 and 2017 c 302 s 1 are each amended to  
4 read as follows:

5 (1)(a) Except as provided in (b) of this subsection, public  
6 improvement contracts must provide, and public bodies must reserve, a  
7 contract retainage not to exceed five percent of the moneys earned by  
8 the contractor as a trust fund for the protection and payment of: (i)  
9 The claims of any person arising under the contract; and (ii) the  
10 state with respect to taxes, increases, and penalties imposed  
11 pursuant to Titles 50, 51, and 82 RCW which may be due from such  
12 contractor.

13 (b) Public improvement contracts funded in whole or in part by  
14 federal transportation funds must rely upon the contract bond as  
15 referred to in chapter 39.08 RCW for the protection and payment of:  
16 (i) The claims of any person or persons arising under the contract to  
17 the extent such claims are provided for in RCW 39.08.010; and (ii)  
18 the state with respect to taxes, increases, and penalties incurred on  
19 the public improvement project under Titles 50, 51, and 82 RCW which  
20 may be due. The contract bond must remain in full force and effect  
21 until, at a minimum, all claims filed in compliance with chapter  
22 39.08 RCW are resolved.

23 (2) Every person performing labor or furnishing supplies toward  
24 the completion of a public improvement contract has a lien upon  
25 moneys reserved by a public body under the provisions of a public  
26 improvement contract. However, the notice of the lien of the claimant  
27 must be given within forty-five days of completion of the contract  
28 work, and in the manner provided in RCW 39.08.030.

29 (3) The contractor at any time may request the contract retainage  
30 be reduced to one hundred percent of the value of the work remaining  
31 on the project.

32 (a) After completion of all contract work other than landscaping,  
33 the contractor may request that the public body release and pay in  
34 full the amounts retained during the performance of the contract, and  
35 sixty days thereafter the public body must release and pay in full  
36 the amounts retained (other than continuing retention of five percent  
37 of the moneys earned for landscaping) subject to the provisions of  
38 chapter 39.12 RCW and this chapter.

1 (b) Sixty days after completion of all contract work the public  
2 body must release and pay in full the amounts retained during the  
3 performance of the contract subject to the provisions of chapter  
4 39.12 RCW and this chapter.

5 (4) The moneys reserved by a public body under the provisions of  
6 a public improvement contract, at the option of the contractor, must  
7 be:

8 (a) Retained in a fund by the public body;

9 (b) Deposited by the public body in an interest bearing account  
10 in a bank, mutual savings bank, or savings and loan association.  
11 Interest on moneys reserved by a public body under the provision of a  
12 public improvement contract must be paid to the contractor;

13 (c) Placed in escrow with a bank or trust company by the public  
14 body. When the moneys reserved are placed in escrow, the public body  
15 must issue a check representing the sum of the moneys reserved  
16 payable to the bank or trust company and the contractor jointly. This  
17 check must be converted into bonds and securities chosen by the  
18 contractor and approved by the public body and the bonds and  
19 securities must be held in escrow. Interest on the bonds and  
20 securities must be paid to the contractor as the interest accrues.

21 (5) The contractor or subcontractor may withhold payment of not  
22 more than five percent from the moneys earned by any subcontractor or  
23 sub-subcontractor or supplier contracted with by the contractor to  
24 provide labor, materials, or equipment to the public project.  
25 Whenever the contractor or subcontractor reserves funds earned by a  
26 subcontractor or sub-subcontractor or supplier, the contractor or  
27 subcontractor must pay interest to the subcontractor or sub-  
28 subcontractor or supplier at a rate equal to that received by the  
29 contractor or subcontractor from reserved funds.

30 (6) A contractor may submit a bond for all or any portion of the  
31 contract retainage in a form acceptable to the public body and from  
32 an authorized surety insurer. The public body may require that the  
33 authorized surety have a minimum A.M. Best financial strength rating  
34 so long as that minimum rating does not exceed A-. The public body  
35 must comply with the provisions of RCW 48.28.010. At any time prior  
36 to final formal acceptance of the project, a subcontractor may  
37 request the contractor to submit a bond to the public owner for that  
38 portion of the contractor's retainage pertaining to the subcontractor  
39 in a form acceptable to the public body and from a bonding company  
40 meeting standards established by the public body. The contractor may

1 withhold the subcontractor's portion of the bond premium. Within  
2 thirty days of receipt of the request, the contractor shall provide  
3 and the public body shall accept a bond meeting these requirements  
4 unless the public body can demonstrate good cause for refusing to  
5 accept it, the bond is not commercially available, or the  
6 subcontractor refuses to pay the subcontractor's portion of the bond  
7 premium and to provide the contractor with a like bond. The  
8 contractor's bond and any proceeds therefrom are subject to all  
9 claims and liens and in the same manner and priority as set forth for  
10 retained percentages in this chapter. The public body must release  
11 the bonded portion of the retained funds to the contractor within  
12 thirty days of accepting the bond from the contractor. Whenever a  
13 public body accepts a bond in lieu of retained funds from a  
14 contractor, the contractor must accept like bonds from any  
15 subcontractors or suppliers from which the contractor has retained  
16 funds. The contractor must then release the funds retained from the  
17 subcontractor or supplier to the subcontractor or supplier within  
18 thirty days of accepting the bond from the subcontractor or supplier.

19 (7) If the public body administering a contract, after a  
20 substantial portion of the work has been completed, finds that an  
21 unreasonable delay will occur in the completion of the remaining  
22 portion of the contract for any reason not the result of a breach  
23 thereof, it may, if the contractor agrees, delete from the contract  
24 the remaining work and accept as final the improvement at the stage  
25 of completion then attained and make payment in proportion to the  
26 amount of the work accomplished and in this case any amounts retained  
27 and accumulated under this section must be held for a period of sixty  
28 days following the completion. In the event that the work is  
29 terminated before final completion as provided in this section, the  
30 public body may thereafter enter into a new contract with the same  
31 contractor to perform the remaining work or improvement for an amount  
32 equal to or less than the cost of the remaining work as was provided  
33 for in the original contract without advertisement or bid. The  
34 provisions of this chapter are exclusive and supersede all provisions  
35 and regulations in conflict herewith.

36 (8) Whenever the department of transportation has contracted for  
37 the construction of two or more ferry vessels, sixty days after  
38 completion of all contract work on each ferry vessel, the department  
39 must release and pay in full the amounts retained in connection with  
40 the construction of the vessel subject to the provisions of RCW



1 60.28.021 and chapter 39.12 RCW. However, the department of  
2 transportation may at its discretion condition the release of funds  
3 retained in connection with the completed ferry upon the contractor  
4 delivering a good and sufficient bond with two or more sureties, or  
5 with a surety company, in the amount of the retained funds to be  
6 released to the contractor, conditioned that no taxes may be  
7 certified or claims filed for work on the ferry after a period of  
8 sixty days following completion of the ferry; and if taxes are  
9 certified or claims filed, recovery may be had on the bond by the  
10 department of (~~revenue~~) taxation, the employment security  
11 department, the department of labor and industries, and the material  
12 suppliers and laborers filing claims.

13 (9) Except as provided in subsection (1) of this section,  
14 reservation by a public body for any purpose from the moneys earned  
15 by a contractor by fulfilling its responsibilities under public  
16 improvement contracts is prohibited.

17 (10) Contracts on projects funded in whole or in part by farmers  
18 home administration and subject to farmers home administration  
19 regulations are not subject to subsections (1) through (9) of this  
20 section.

21 (11) This subsection applies only to a public body that has  
22 contracted for the construction of a facility using the general  
23 contractor/construction manager procedure, as defined under RCW  
24 39.10.210. If the work performed by a subcontractor on the project  
25 has been completed within the first half of the time provided in the  
26 general contractor/construction manager contract for completing the  
27 work, the public body may accept the completion of the subcontract.  
28 The public body must give public notice of this acceptance. After a  
29 forty-five day period for giving notice of liens, and compliance with  
30 the retainage release procedures in RCW 60.28.021, the public body  
31 may release that portion of the retained funds associated with the  
32 subcontract. Claims against the retained funds after the forty-five  
33 day period are not valid.

34 (12) The definitions in this subsection apply throughout this  
35 section unless the context clearly requires otherwise.

36 (a) "Contract retainage" means an amount reserved by a public  
37 body from the moneys earned by a person under a public improvement  
38 contract.

39 (b) "Person" means a person or persons, mechanic, subcontractor,  
40 or materialperson who performs labor or provides materials for a

1 public improvement contract, and any other person who supplies the  
2 person with provisions or supplies for the carrying on of a public  
3 improvement contract.

4 (c) "Public body" means the state, or a county, city, town,  
5 district, board, or other public body.

6 (d) "Public improvement contract" means a contract for public  
7 improvements or work, other than for professional services, or a work  
8 order as defined in RCW 39.10.210.

9 **Sec. 156.** RCW 60.28.021 and 2009 c 432 s 6 are each amended to  
10 read as follows:

11 After the expiration of the forty-five day period for giving  
12 notice of lien provided in RCW 60.28.011(2), and after receipt of the  
13 certificates of the department of (~~revenue~~) taxation, the  
14 employment security department, and the department of labor and  
15 industries, and the public body is satisfied that the taxes certified  
16 as due or to become due by the department of (~~revenue~~) taxation,  
17 the employment security department, and the department of labor and  
18 industries are discharged, and the claims of material suppliers and  
19 laborers who have filed their claims, together with a sum sufficient  
20 to defray the cost of foreclosing the liens of such claims, and to  
21 pay attorneys' fees, have been paid, the public body may withhold  
22 from the remaining retained amounts for claims the public body may  
23 have against the contractor and shall pay the balance, if any, to the  
24 contractor the fund retained by it or release to the contractor the  
25 securities and bonds held in escrow.

26 If such taxes have not been discharged or the claims, expenses,  
27 and fees have not been paid, the public body shall either retain in  
28 its fund, or in an interest bearing account, or retain in escrow, at  
29 the option of the contractor, an amount equal to such unpaid taxes  
30 and unpaid claims together with a sum sufficient to defray the costs  
31 and attorney fees incurred in foreclosing the lien of such claims,  
32 and shall pay, or release from escrow, the remainder to the  
33 contractor.

34 **Sec. 157.** RCW 60.28.051 and 2009 c 432 s 8 are each amended to  
35 read as follows:

36 Upon completion of a contract, the state, county, or other  
37 municipal officer charged with the duty of disbursing or authorizing  
38 disbursement or payment of such contracts shall forthwith notify the

1 department of ((~~revenue~~)) taxation, the employment security  
2 department, and the department of labor and industries of the  
3 completion of contracts over thirty-five thousand dollars. Such  
4 officer shall not make any payment from the retained percentage fund  
5 or release any retained percentage escrow account to any person,  
6 until he or she has received from the department of ((~~revenue~~))  
7 taxation, the employment security department, and the department of  
8 labor and industries certificates that all taxes, increases, and  
9 penalties due from the contractor, and all taxes due and to become  
10 due with respect to such contract have been paid in full or that they  
11 are, in each department's opinion, readily collectible without  
12 recourse to the state's lien on the retained percentage.

13 **Sec. 158.** RCW 60.28.060 and 2012 c 117 s 147 are each amended to  
14 read as follows:

15 If within thirty days after receipt of notice by the department  
16 of ((~~revenue~~)) taxation, the employment security department, and the  
17 department of labor and industries of the completion of the contract,  
18 the amount of all taxes, increases, and penalties due from the  
19 contractor or any of his or her successors or assignees or to become  
20 due with respect to such contract have not been paid, the department  
21 of ((~~revenue~~)) taxation, the employment security department, and the  
22 department of labor and industries may certify to the disbursing  
23 officer the amount of all taxes, increases, and penalties due from  
24 the contractor, together with the amount of all taxes due and to  
25 become due with respect to the contract and may request payment  
26 thereof in accordance with the priority provided by this chapter. The  
27 disbursing officer shall within ten days after receipt of such  
28 certificate and request pay to the department of ((~~revenue~~))  
29 taxation, the employment security department, and the department of  
30 labor and industries the amount of all taxes, increases, and  
31 penalties certified to be due or to become due and all claims which  
32 by statute are a lien upon the retained percentage withheld by the  
33 disbursing officer in accordance with the priority provided by this  
34 chapter. If the contractor owes no taxes imposed pursuant to Titles  
35 50, 51, and 82 RCW, the department of ((~~revenue~~)) taxation, the  
36 employment security department, and the department of labor and  
37 industries shall so certify to the disbursing officer.

1       **Sec. 159.** RCW 63.29.010 and 2012 c 117 s 177 are each reenacted  
2 and amended to read as follows:

3       As used in this chapter, unless the context otherwise requires:

4       (1) "Apparent owner" means the person whose name appears on the  
5 records of the holder as the person entitled to property held,  
6 issued, or owing by the holder.

7       (2) "Attorney general" means the chief legal officer of this  
8 state referred to in chapter 43.10 RCW.

9       (3) "Banking organization" means a bank, trust company, savings  
10 bank, land bank, safe deposit company, private banker, or any  
11 organization defined by other law as a bank or banking organization.

12       (4) "Business association" means a nonpublic corporation, joint  
13 stock company, investment company, business trust, partnership, or  
14 association for business purposes of two or more individuals, whether  
15 or not for profit, including a banking organization, financial  
16 organization, insurance company, or utility.

17       (5) "Department" means the department of (~~revenue~~) taxation  
18 established under RCW 82.01.050.

19       (6) "Domicile" means the state of incorporation of a corporation  
20 and the state of the principal place of business of an unincorporated  
21 person.

22       (7) "Fare card" means any pass or instrument, and value contained  
23 therein, purchased to utilize public transportation facilities or  
24 services. "Fare card" does not include "gift card" or "gift  
25 certificate" as those terms are defined in RCW 19.240.010.

26       (8) "Financial organization" means a savings and loan  
27 association, cooperative bank, building and loan association, or  
28 credit union.

29       (9) "Gift certificate" has the same meaning as in RCW 19.240.010.

30       (10) "Holder" means a person, wherever organized or domiciled,  
31 who is:

32       (a) In possession of property belonging to another;

33       (b) A trustee; or

34       (c) Indebted to another on an obligation.

35       (11) "Insurance company" means an association, corporation,  
36 fraternal or mutual benefit organization, whether or not for profit,  
37 which is engaged in providing insurance coverage, including accident,  
38 burial, casualty, credit life, contract performance, dental,  
39 fidelity, fire, health, hospitalization, illness, life (including

1 endowments and annuities), malpractice, marine, mortgage, surety, and  
2 wage protection insurance.

3 (12) "Intangible property" does not include contract claims which  
4 are unliquidated but does include:

5 (a) Moneys, checks, drafts, deposits, interest, dividends, and  
6 income;

7 (b) Credit balances, customer overpayments, gift certificates,  
8 security deposits, refunds, credit memos, unpaid wages, unused  
9 airline tickets, and unidentified remittances, but does not include  
10 discounts which represent credit balances for which no consideration  
11 was given;

12 (c) Stocks, and other intangible ownership interests in business  
13 associations;

14 (d) Moneys deposited to redeem stocks, bonds, coupons, and other  
15 securities, or to make distributions;

16 (e) Liquidated amounts due and payable under the terms of  
17 insurance policies; and

18 (f) Amounts distributable from a trust or custodial fund  
19 established under a plan to provide health, welfare, pension,  
20 vacation, severance, retirement, death, stock purchase, profit  
21 sharing, employee savings, supplemental unemployment insurance, or  
22 similar benefits.

23 (13) "Last known address" means a description of the location of  
24 the apparent owner sufficient for the purpose of the delivery of  
25 mail.

26 (14) "Owner" means a depositor in the case of a deposit, a  
27 beneficiary in case of a trust other than a deposit in trust, a  
28 creditor, claimant, or payee in the case of other intangible  
29 property, or a person having a legal or equitable interest in  
30 property subject to this chapter or his or her legal representative.

31 (15) "Person" means an individual, business association, state or  
32 other government, governmental subdivision or agency, public  
33 corporation, public authority, estate, trust, two or more persons  
34 having a joint or common interest, or any other legal or commercial  
35 entity.

36 (16) "State" means any state, district, commonwealth, territory,  
37 insular possession, or any other area subject to the legislative  
38 authority of the United States.

39 (17) "Third party bank check" means any instrument drawn against  
40 a customer's account with a banking organization or financial

1 organization on which the banking organization or financial  
2 organization is only secondarily liable.

3 (18) "Utility" means a person who owns or operates for public use  
4 any plant, equipment, property, franchise, or license for the  
5 transmission of communications or the production, storage,  
6 transmission, sale, delivery, or furnishing of electricity, water,  
7 steam, or gas.

8 **Sec. 160.** RCW 63.29.135 and 1990 2nd ex.s. c 1 s 301 are each  
9 amended to read as follows:

10 A local government holding abandoned intangible property that is  
11 not forwarded to the department of (~~revenue~~) taxation, as  
12 authorized under RCW 63.29.190, shall not be required to maintain  
13 current records of this property for longer than five years after the  
14 property is presumed to be abandoned, and at that time may archive  
15 records of this intangible property and transfer the intangible  
16 property to its general fund. However, the local government shall  
17 remain liable to pay the intangible property to a person or entity  
18 subsequently establishing its ownership of this intangible property.

19 **Sec. 161.** RCW 63.29.230 and 1983 c 179 s 23 are each amended to  
20 read as follows:

21 (1) Except as otherwise provided by this section, the department  
22 shall promptly deposit in the general fund of this state all funds  
23 received under this chapter, including the proceeds from the sale of  
24 abandoned property under RCW 63.29.220. The department shall retain  
25 in a separate trust fund an amount not less than two hundred fifty  
26 thousand dollars from which prompt payment of claims duly allowed  
27 must be made by the department. Before making the deposit, the  
28 department shall record the name and last known address of each  
29 person appearing from the holders' reports to be entitled to the  
30 property and the name and last known address of each insured person  
31 or annuitant and beneficiary and with respect to each policy or  
32 contract listed in the report of an insurance company its number, and  
33 the name of the company. The record must be available for public  
34 inspection at all reasonable business hours.

35 (2) The department of (~~revenue~~) taxation may pay from the trust  
36 fund provided in subsection (1) of this section any costs of  
37 administering this chapter.

1       **Sec. 162.** RCW 63.29.350 and 2012 c 117 s 181 are each amended to  
2 read as follows:

3       (1) It is unlawful for any person to seek or receive from any  
4 person or contract with any person for any fee or compensation for  
5 locating or purporting to locate any property which he or she knows  
6 has been reported or paid or delivered to the department of  
7 (~~revenue~~) taxation pursuant to this chapter, or funds held by a  
8 county that are proceeds from a foreclosure for delinquent property  
9 taxes, assessments, or other liens, or, funds that are otherwise held  
10 by a county because of a person's failure to claim funds held as  
11 reimbursement for unowed taxes, fees, or other government charges, in  
12 excess of five percent of the value thereof returned to such owner.  
13 Any person violating this section is guilty of a misdemeanor and  
14 shall be fined not less than the amount of the fee or charge he or  
15 she has sought or received or contracted for, and not more than ten  
16 times such amount, or imprisoned for not more than thirty days, or  
17 both.

18       (2) The legislature finds that the practices covered by this  
19 section are matters vitally affecting the public interest for the  
20 purpose of applying the consumer protection act, chapter 19.86 RCW.  
21 Any violation of this section is not reasonable in relation to the  
22 development and preservation of business. It is an unfair or  
23 deceptive act in trade or commerce and an unfair method of  
24 competition for the purpose of applying the consumer protection act,  
25 chapter 19.86 RCW. Remedies provided by chapter 19.86 RCW are  
26 cumulative and not exclusive.

27       **Sec. 163.** RCW 63.29.380 and 1983 c 179 s 39 are each amended to  
28 read as follows:

29       Any information or records required to be furnished to the  
30 department of (~~revenue~~) taxation as provided in this chapter shall  
31 be confidential and shall not be disclosed to any person except the  
32 person who furnished the same to the department of (~~revenue~~)  
33 taxation, and except as provided in RCW 63.29.180 and 63.29.230, or  
34 as may be necessary in the proper administration of this chapter.

35       **Sec. 164.** RCW 66.08.150 and 2012 c 39 s 5 are each amended to  
36 read as follows:

37       The action, order, or decision of the board as to any denial of  
38 an application for the reissuance of a permit or license or as to any

1 revocation, suspension, or modification of any permit or license must  
2 be an adjudicative proceeding and subject to the applicable  
3 provisions of chapter 34.05 RCW.

4 (1) An opportunity for a hearing may be provided an applicant for  
5 the reissuance of a permit or license prior to the disposition of the  
6 application, and if no such opportunity for a prior hearing is  
7 provided then an opportunity for a hearing to reconsider the  
8 application must be provided the applicant.

9 (2) An opportunity for a hearing must be provided a permittee or  
10 licensee prior to a revocation or modification of any permit or  
11 license and, except as provided in subsection (4) of this section,  
12 prior to the suspension of any permit or license.

13 (3) No hearing may be required until demanded by the applicant,  
14 permittee, or licensee.

15 (4) The board may summarily suspend a license or permit for a  
16 period of up to one hundred eighty days without a prior hearing if it  
17 finds that public health, safety, or welfare imperatively require  
18 emergency action, and it incorporates a finding to that effect in its  
19 order. Proceedings for revocation or other action must be promptly  
20 instituted and determined. An administrative law judge may extend the  
21 summary suspension period for up to one calendar year in the event  
22 the proceedings for revocation or other action cannot be completed  
23 during the initial one hundred eighty day period due to actions by  
24 the licensee or permittee. The board's enforcement division must  
25 complete a preliminary staff investigation of the violation before  
26 requesting an emergency suspension by the board.

27 (5) The issues that may be considered at a hearing to contest a  
28 suspension of a license or the denial of an application for a new  
29 license or renewal of an existing license, under RCW 66.24.010(3)(c),  
30 do not include the right to challenge the amount of any spirits taxes  
31 assessed against the licensee or applicant by the department of  
32 (~~revenue~~) taxation. For purposes of this subsection, "spirits  
33 taxes" has the same meaning as in RCW 82.08.155.

34 **Sec. 165.** RCW 66.20.370 and 2006 c 49 s 3 are each amended to  
35 read as follows:

36 (1) An applicant for a wine shipper's permit under RCW 66.20.365  
37 must:

38 (a) Operate a winery located in the United States;



1 (b) Provide the board a copy of its valid license to manufacture  
2 wine issued by another state;

3 (c) Certify that it holds all state and federal licenses and  
4 permits necessary to operate a winery; and

5 (d) Register with the department of ~~((revenue))~~ taxation under  
6 RCW 82.32.030.

7 (2) Holders of a winery certificate of approval under RCW  
8 66.24.206(1)(a) are deemed to hold a wine shipper's permit without  
9 further application or fee, if the holder meets all requirements for  
10 a wine shipper's permit. A winery certificate of approval holder who  
11 wants to ship wine under its wine shipper's permit privilege must  
12 notify the liquor ~~((control))~~ and cannabis board in a manner  
13 determined by the board before shipping any wine to a Washington  
14 consumer.

15 (3) Holders of a wine shipper's permit must:

16 (a) Pay the tax under RCW 66.24.210 for sales of wine to  
17 Washington state residents; and

18 (b) Collect and remit to the department of ~~((revenue))~~ taxation  
19 all applicable state and local sales and use taxes imposed by or  
20 under the authority of chapters 82.08, 82.12, and 82.14 RCW on all  
21 sales of wine delivered to buyers in this state, regardless of  
22 whether the permit holder has a physical presence in this state.

23 **Sec. 166.** RCW 66.24.010 and 2012 c 39 s 4 are each amended to  
24 read as follows:

25 (1) Every license must be issued in the name of the applicant,  
26 and the holder thereof may not allow any other person to use the  
27 license.

28 (2) For the purpose of considering any application for a license,  
29 or the renewal of a license, the board may cause an inspection of the  
30 premises to be made, and may inquire into all matters in connection  
31 with the construction and operation of the premises. For the purpose  
32 of reviewing any application for a license and for considering the  
33 denial, suspension, revocation, or renewal or denial thereof, of any  
34 license, the liquor ~~((control))~~ and cannabis board may consider any  
35 prior criminal conduct of the applicant including an administrative  
36 violation history record with the board and a criminal history record  
37 information check. The board may submit the criminal history record  
38 information check to the Washington state patrol and to the  
39 identification division of the federal bureau of investigation in

1 order that these agencies may search their records for prior arrests  
2 and convictions of the individual or individuals who filled out the  
3 forms. The board must require fingerprinting of any applicant whose  
4 criminal history record information check is submitted to the federal  
5 bureau of investigation. The provisions of RCW 9.95.240 and of  
6 chapter 9.96A RCW do not apply to such cases. Subject to the  
7 provisions of this section, the board may, in its discretion, grant  
8 or deny the renewal or license applied for. Denial may be based on,  
9 without limitation, the existence of chronic illegal activity  
10 documented in objections submitted pursuant to subsections (8)(d) and  
11 (12) of this section. Authority to approve an uncontested or  
12 unopposed license may be granted by the board to any staff member the  
13 board designates in writing. Conditions for granting such authority  
14 must be adopted by rule. No retail license of any kind may be issued  
15 to:

16 (a) A person doing business as a sole proprietor who has not  
17 resided in the state for at least one month prior to receiving a  
18 license, except in cases of licenses issued to dining places on  
19 railroads, boats, or aircraft;

20 (b) A copartnership, unless all of the members thereof are  
21 qualified to obtain a license, as provided in this section;

22 (c) A person whose place of business is conducted by a manager or  
23 agent, unless such manager or agent possesses the same qualifications  
24 required of the licensee;

25 (d) A corporation or a limited liability company, unless it was  
26 created under the laws of the state of Washington or holds a  
27 certificate of authority to transact business in the state of  
28 Washington.

29 (3)(a) The board may, in its discretion, subject to the  
30 provisions of RCW 66.08.150, suspend or cancel any license; and all  
31 rights of the licensee to keep or sell liquor thereunder must be  
32 suspended or terminated, as the case may be.

33 (b) The board must immediately suspend the license or certificate  
34 of a person who has been certified pursuant to RCW 74.20A.320 by the  
35 department of social and health services as a person who is not in  
36 compliance with a support order. If the person has continued to meet  
37 all other requirements for reinstatement during the suspension,  
38 reissuance of the license or certificate is automatic upon the  
39 board's receipt of a release issued by the department of social and

1 health services stating that the licensee is in compliance with the  
2 order.

3 (c) Upon written notification by the department of (~~revenue~~)  
4 taxation in accordance with RCW 82.08.155 that a person is more than  
5 thirty days delinquent in reporting or remitting spirits taxes to the  
6 department, the board must suspend all spirits licenses held by that  
7 person. The board must also refuse to renew any existing spirits  
8 license of, or issue any new spirits license to, the person or any  
9 other applicant controlled directly or indirectly by that person. The  
10 board may not reinstate a person's spirits license or renew or issue  
11 a new spirits license to that person, or an applicant controlled  
12 directly or indirectly by that person, until such time as the  
13 department of (~~revenue~~) taxation notifies the board that the person  
14 is current in reporting and remitting spirits taxes or that the  
15 department consents to the reinstatement or renewal of the person's  
16 spirits license or the issuance of a new spirits license to the  
17 person. For purposes of this section: (i) "Spirits license" means any  
18 license issued by the board under the authority of this chapter that  
19 authorizes the licensee to sell spirits; and (ii) "spirits taxes" has  
20 the same meaning as in RCW 82.08.155.

21 (d) The board may request the appointment of administrative law  
22 judges under chapter 34.12 RCW who must have power to administer  
23 oaths, issue subpoenas for the attendance of witnesses and the  
24 production of papers, books, accounts, documents, and testimony,  
25 examine witnesses, and to receive testimony in any inquiry,  
26 investigation, hearing, or proceeding in any part of the state, under  
27 such rules and regulations as the board may adopt.

28 (e) Witnesses are allowed fees and mileage each way to and from  
29 any such inquiry, investigation, hearing, or proceeding at the rate  
30 authorized by RCW 34.05.446. Fees need not be paid in advance of  
31 appearance of witnesses to testify or to produce books, records, or  
32 other legal evidence.

33 (f) In case of disobedience of any person to comply with the  
34 order of the board or a subpoena issued by the board, or any of its  
35 members, or administrative law judges, or on the refusal of a witness  
36 to testify to any matter regarding which he or she may be lawfully  
37 interrogated, the judge of the superior court of the county in which  
38 the person resides, on application of any member of the board or  
39 administrative law judge, must compel obedience by contempt

1 proceedings, as in the case of disobedience of the requirements of a  
2 subpoena issued from said court or a refusal to testify therein.

3 (4) Upon receipt of notice of the suspension or cancellation of a  
4 license, the licensee must forthwith deliver up the license to the  
5 board. Where the license has been suspended only, the board must  
6 return the license to the licensee at the expiration or termination  
7 of the period of suspension. The board must notify all vendors in the  
8 city or place where the licensee has its premises of the suspension  
9 or cancellation of the license; and no employee may allow or cause  
10 any liquor to be delivered to or for any person at the premises of  
11 that licensee.

12 (5) (a) At the time of the original issuance of a spirits, beer,  
13 and wine restaurant license, the board must prorate the license fee  
14 charged to the new licensee according to the number of calendar  
15 quarters, or portion thereof, remaining until the first renewal of  
16 that license is required.

17 (b) Unless sooner canceled, every license issued by the board  
18 must expire at midnight of the thirtieth day of June of the fiscal  
19 year for which it was issued. However, if the board deems it feasible  
20 and desirable to do so, it may establish, by rule pursuant to chapter  
21 34.05 RCW, a system for staggering the annual renewal dates for any  
22 and all licenses authorized by this chapter. If such a system of  
23 staggered annual renewal dates is established by the board, the  
24 license fees provided by this chapter must be appropriately prorated  
25 during the first year that the system is in effect.

26 (6) Every license issued under this section is subject to all  
27 conditions and restrictions imposed by this title or by rules adopted  
28 by the board. All conditions and restrictions imposed by the board in  
29 the issuance of an individual license may be listed on the face of  
30 the individual license along with the trade name, address, and  
31 expiration date. Conditions and restrictions imposed by the board may  
32 also be included in official correspondence separate from the  
33 license. All spirits licenses are subject to the condition that the  
34 spirits license holder must report and remit to the department of  
35 (~~revenue~~) taxation all spirits taxes by the date due.

36 (7) Every licensee must post and keep posted its license, or  
37 licenses, and any additional correspondence containing conditions and  
38 restrictions imposed by the board in a conspicuous place on the  
39 premises.

1 (8) (a) Unless (b) of this subsection applies, before the board  
2 issues a new or renewal license to an applicant it must give notice  
3 of such application to the chief executive officer of the  
4 incorporated city or town, if the application is for a license within  
5 an incorporated city or town, or to the county legislative authority,  
6 if the application is for a license outside the boundaries of  
7 incorporated cities or towns.

8 (b) If the application for a special occasion license is for an  
9 event held during a county, district, or area fair as defined by RCW  
10 15.76.120, and the county, district, or area fair is located on  
11 property owned by the county but located within an incorporated city  
12 or town, the county legislative authority must be the entity notified  
13 by the board under (a) of this subsection. The board must send a  
14 duplicate notice to the incorporated city or town within which the  
15 fair is located.

16 (c) The incorporated city or town through the official or  
17 employee selected by it, or the county legislative authority or the  
18 official or employee selected by it, has the right to file with the  
19 board within twenty days after the date of transmittal of such notice  
20 for applications, or at least thirty days prior to the expiration  
21 date for renewals, written objections against the applicant or  
22 against the premises for which the new or renewal license is asked.  
23 The board may extend the time period for submitting written  
24 objections.

25 (d) The written objections must include a statement of all facts  
26 upon which such objections are based, and in case written objections  
27 are filed, the city or town or county legislative authority may  
28 request and the liquor (~~control~~) and cannabis board may in its  
29 discretion hold a hearing subject to the applicable provisions of  
30 Title 34 RCW. If the board makes an initial decision to deny a  
31 license or renewal based on the written objections of an incorporated  
32 city or town or county legislative authority, the applicant may  
33 request a hearing subject to the applicable provisions of Title 34  
34 RCW. If such a hearing is held at the request of the applicant,  
35 liquor (~~control~~) and cannabis board representatives must present  
36 and defend the board's initial decision to deny a license or renewal.

37 (e) Upon the granting of a license under this title the board  
38 must send written notification to the chief executive officer of the  
39 incorporated city or town in which the license is granted, or to the  
40 county legislative authority if the license is granted outside the

1 boundaries of incorporated cities or towns. When the license is for a  
2 special occasion license for an event held during a county, district,  
3 or area fair as defined by RCW 15.76.120, and the county, district,  
4 or area fair is located on county-owned property but located within  
5 an incorporated city or town, the written notification must be sent  
6 to both the incorporated city or town and the county legislative  
7 authority.

8 (9)(a) Before the board issues any license to any applicant, it  
9 shall give (i) due consideration to the location of the business to  
10 be conducted under such license with respect to the proximity of  
11 churches, schools, and public institutions and (ii) written notice,  
12 with receipt verification, of the application to public institutions  
13 identified by the board as appropriate to receive such notice,  
14 churches, and schools within five hundred feet of the premises to be  
15 licensed. The board may not issue a liquor license for either on-  
16 premises or off-premises consumption covering any premises not now  
17 licensed, if such premises are within five hundred feet of the  
18 premises of any tax-supported public elementary or secondary school  
19 measured along the most direct route over or across established  
20 public walks, streets, or other public passageway from the main  
21 entrance of the school to the nearest public entrance of the premises  
22 proposed for license, and if, after receipt by the school of the  
23 notice as provided in this subsection, the board receives written  
24 objection, within twenty days after receiving such notice, from an  
25 official representative or representatives of the school within five  
26 hundred feet of said proposed licensed premises, indicating to the  
27 board that there is an objection to the issuance of such license  
28 because of proximity to a school. The board may extend the time  
29 period for submitting objections. For the purpose of this section,  
30 "church" means a building erected for and used exclusively for  
31 religious worship and schooling or other activity in connection  
32 therewith. For the purpose of this section, "public institution"  
33 means institutions of higher education, parks, community centers,  
34 libraries, and transit centers.

35 (b) No liquor license may be issued or reissued by the board to  
36 any motor sports facility or licensee operating within the motor  
37 sports facility unless the motor sports facility enforces a program  
38 reasonably calculated to prevent alcohol or alcoholic beverages not  
39 purchased within the facility from entering the facility and such  
40 program is approved by local law enforcement agencies.

1 (c) It is the intent under this subsection (9) that a retail  
2 license may not be issued by the board where doing so would, in the  
3 judgment of the board, adversely affect a private school meeting the  
4 requirements for private schools under Title 28A RCW, which school is  
5 within five hundred feet of the proposed licensee. The board must  
6 fully consider and give substantial weight to objections filed by  
7 private schools. If a license is issued despite the proximity of a  
8 private school, the board must state in a letter addressed to the  
9 private school the board's reasons for issuing the license.

10 (10) The restrictions set forth in subsection (9) of this section  
11 do not prohibit the board from authorizing the assumption of existing  
12 licenses now located within the restricted area by other persons or  
13 licenses or relocations of existing licensed premises within the  
14 restricted area. In no case may the licensed premises be moved closer  
15 to a church or school than it was before the assumption or  
16 relocation.

17 (11)(a) Nothing in this section prohibits the board, in its  
18 discretion, from issuing a temporary retail or distributor license to  
19 an applicant to operate the retail or distributor premises during the  
20 period the application for the license is pending. The board may  
21 establish a fee for a temporary license by rule.

22 (b) A temporary license issued by the board under this section  
23 must be for a period not to exceed sixty days. A temporary license  
24 may be extended at the discretion of the board for additional periods  
25 of sixty days upon payment of an additional fee and upon compliance  
26 with all conditions required in this section.

27 (c) Refusal by the board to issue or extend a temporary license  
28 shall not entitle the applicant to request a hearing. A temporary  
29 license may be canceled or suspended summarily at any time if the  
30 board determines that good cause for cancellation or suspension  
31 exists. RCW 66.08.130 applies to temporary licenses.

32 (d) Application for a temporary license must be on such form as  
33 the board shall prescribe. If an application for a temporary license  
34 is withdrawn before issuance or is refused by the board, the fee  
35 which accompanied such application must be refunded in full.

36 (12) In determining whether to grant or deny a license or renewal  
37 of any license, the board must give substantial weight to objections  
38 from an incorporated city or town or county legislative authority  
39 based upon chronic illegal activity associated with the applicant's  
40 operations of the premises proposed to be licensed or the applicant's

1 operation of any other licensed premises, or the conduct of the  
2 applicant's patrons inside or outside the licensed premises. "Chronic  
3 illegal activity" means (a) a pervasive pattern of activity that  
4 threatens the public health, safety, and welfare of the city, town,  
5 or county including, but not limited to, open container violations,  
6 assaults, disturbances, disorderly conduct, or other criminal law  
7 violations, or as documented in crime statistics, police reports,  
8 emergency medical response data, calls for service, field data, or  
9 similar records of a law enforcement agency for the city, town,  
10 county, or any other municipal corporation or any state agency; or  
11 (b) an unreasonably high number of citations for violations of RCW  
12 46.61.502 associated with the applicant's or licensee's operation of  
13 any licensed premises as indicated by the reported statements given  
14 to law enforcement upon arrest.

15 **Sec. 167.** RCW 66.24.620 and 2012 c 2 s 102 are each amended to  
16 read as follows:

17 (1) The holder of a spirits distributor license or spirits retail  
18 license issued under this title may commence sale of spirits upon  
19 issuance thereof, but in no event earlier than March 1, 2012, for  
20 distributors, or June 1, 2012, for retailers. The board must complete  
21 application processing by those dates of all complete applications  
22 for spirits licenses on file with the board on or before sixty days  
23 from December 8, 2011.

24 (2) The board must effect orderly closure of all state liquor  
25 stores no later than June 1, 2012, and must thereafter refrain from  
26 purchase, sale, or distribution of liquor, except for asset sales  
27 authorized by chapter 2, Laws of 2012.

28 (3) The board must devote sufficient resources to planning and  
29 preparation for sale of all assets of state liquor stores and  
30 distribution centers, and all other assets of the state over which  
31 the board has power of disposition, including without limitation  
32 goodwill and location value associated with state liquor stores, with  
33 the objective of depleting all inventory of liquor by May 31, 2012,  
34 and closing all other asset sales no later than June 1, 2013. The  
35 board, in furtherance of this subsection, may sell liquor to spirits  
36 licensees.

37 (4)(a) Disposition of any state liquor store or distribution  
38 center assets remaining after June 1, 2013, must be managed by the  
39 department of (~~revenue~~) taxation.



1 (b) The board must obtain the maximum reasonable value for all  
2 asset sales made under this section.

3 (c) The board must sell by auction open to the public the right  
4 at each state-owned store location of a spirits retail licensee to  
5 operate a liquor store upon the premises. Such right must be freely  
6 alienable and subject to all state and local zoning and land use  
7 requirements applicable to the property. Acquisition of the operating  
8 rights must be a precondition to, but does not establish eligibility  
9 for, a spirits retail license at the location of a state store and  
10 does not confer any privilege conferred by a spirits retail license.  
11 Holding the rights does not require the holder of the right to  
12 operate a liquor-licensed business or apply for a liquor license.

13 (5) All sales proceeds under this section, net of direct sales  
14 expenses and other transition costs authorized by this section, must  
15 be deposited into the liquor revolving fund.

16 (6) (a) The board must complete the orderly transition from the  
17 current state-controlled system to the private licensee system of  
18 spirits retailing and distribution as required under this chapter by  
19 June 1, 2012.

20 (b) The transition must include, without limitation, a provision  
21 for applying operating and asset sale revenues of the board to just  
22 and reasonable measures to avert harm to interests of tribes,  
23 military buyers, and nonemployee liquor store operators under then  
24 existing contracts for supply by the board of distilled spirits,  
25 taking into account present value of issuance of a spirits retail  
26 license to the holder of such interest. The provision may extend  
27 beyond the time for completion of transition to a spirits licensee  
28 system.

29 (c) Purchases by the federal government from any licensee of the  
30 board of spirits for resale through commissaries at military  
31 installations are exempt from sales tax based on selling price levied  
32 by RCW 82.08.150.

33 **Sec. 168.** RCW 67.28.200 and 2004 c 79 s 9 are each amended to  
34 read as follows:

35 The legislative body of any municipality may establish reasonable  
36 exemptions for taxes authorized under this chapter. The department of  
37 (~~revenue~~) taxation shall perform the collection of such taxes on  
38 behalf of such municipality at no cost to such municipality. Except  
39 as expressly provided in this chapter, all of the provisions

1 contained in RCW 82.08.050 and 82.08.060 and chapter 82.32 RCW shall  
2 have full force and application with respect to taxes imposed under  
3 the provisions of this chapter.

4 **Sec. 169.** RCW 69.07.210 and 2017 c 138 s 5 are each amended to  
5 read as follows:

6 The department of agriculture, state liquor and cannabis board,  
7 and department of (~~revenue~~) taxation shall take the necessary steps  
8 to ensure that RCW 69.07.200 is implemented on its effective date.

9 **Sec. 170.** RCW 69.43.035 and 2013 c 19 s 67 are each amended to  
10 read as follows:

11 (1) Any manufacturer or wholesaler who sells, transfers, or  
12 otherwise furnishes any substance specified in RCW 69.43.010(1) to  
13 any person in a suspicious transaction shall report the transaction  
14 in writing to the pharmacy quality assurance commission.

15 (2) Any person specified in subsection (1) of this section who  
16 does not submit a report as required by subsection (1) of this  
17 section is guilty of a gross misdemeanor.

18 (3) For the purposes of this section, "suspicious transaction"  
19 means a sale or transfer to which any of the following applies:

20 (a) The circumstances of the sale or transfer would lead a  
21 reasonable person to believe that the substance is likely to be used  
22 for the purpose of unlawfully manufacturing a controlled substance  
23 under chapter 69.50 RCW, based on such factors as the amount  
24 involved, the method of payment, the method of delivery, and any past  
25 dealings with any participant in the transaction. The pharmacy  
26 quality assurance commission shall adopt by rule criteria for  
27 determining whether a transaction is suspicious, taking into  
28 consideration the recommendations in appendix A of the report to the  
29 United States attorney general by the suspicious orders task force  
30 under the federal comprehensive methamphetamine control act of 1996.

31 (b) The transaction involves payment for any substance specified  
32 in RCW 69.43.010(1) in cash or money orders in a total amount of more  
33 than two hundred dollars.

34 (4) The pharmacy quality assurance commission shall transmit to  
35 the department of (~~revenue~~) taxation a copy of each report of a  
36 suspicious transaction that it receives under this section.

1       **Sec. 171.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to  
2 read as follows:

3       (1) A medical marijuana endorsement to a marijuana retail license  
4 is hereby established to permit a marijuana retailer to sell  
5 marijuana for medical use to qualifying patients and designated  
6 providers. This endorsement also permits such retailers to provide  
7 marijuana at no charge, at their discretion, to qualifying patients  
8 and designated providers.

9       (2) An applicant may apply for a medical marijuana endorsement  
10 concurrently with an application for a marijuana retail license.

11       (3) To be issued an endorsement, a marijuana retailer must:

12       (a) Not authorize the medical use of marijuana for qualifying  
13 patients at the retail outlet or permit health care professionals to  
14 authorize the medical use of marijuana for qualifying patients at the  
15 retail outlet;

16       (b) Carry marijuana concentrates and marijuana-infused products  
17 identified by the department under subsection (4) of this section;

18       (c) Not use labels or market marijuana concentrates, useable  
19 marijuana, or marijuana-infused products in a way that make them  
20 intentionally attractive to minors;

21       (d) Demonstrate the ability to enter qualifying patients and  
22 designated providers in the medical marijuana authorization database  
23 established in RCW 69.51A.230 and issue recognition cards and agree  
24 to enter qualifying patients and designated providers into the  
25 database and issue recognition cards in compliance with department  
26 standards;

27       (e) Keep copies of the qualifying patient's or designated  
28 provider's recognition card, or keep equivalent records as required  
29 by rule of the state liquor and cannabis board or the department of  
30 (~~revenue~~) taxation to document the validity of tax exempt sales;  
31 and

32       (f) Meet other requirements as adopted by rule of the department  
33 or the state liquor and cannabis board.

34       (4) The department, in conjunction with the state liquor and  
35 cannabis board, must adopt rules on requirements for marijuana  
36 concentrates, useable marijuana, and marijuana-infused products that  
37 may be sold, or provided at no charge, to qualifying patients or  
38 designated providers at a retail outlet holding a medical marijuana  
39 endorsement. These rules must include:

1 (a) THC concentration, CBD concentration, or low THC, high CBD  
2 ratios appropriate for marijuana concentrates, useable marijuana, or  
3 marijuana-infused products sold to qualifying patients or designated  
4 providers;

5 (b) Labeling requirements including that the labels attached to  
6 marijuana concentrates, useable marijuana, or marijuana-infused  
7 products contain THC concentration, CBD concentration, and THC to CBD  
8 ratios;

9 (c) Other product requirements, including any additional mold,  
10 fungus, or pesticide testing requirements, or limitations to the  
11 types of solvents that may be used in marijuana processing that the  
12 department deems necessary to address the medical needs of qualifying  
13 patients;

14 (d) Safe handling requirements for marijuana concentrates,  
15 useable marijuana, or marijuana-infused products; and

16 (e) Training requirements for employees.

17 (5) A marijuana retailer holding an endorsement to sell marijuana  
18 to qualifying patients or designated providers must train its  
19 employees on:

20 (a) Procedures regarding the recognition of valid authorizations  
21 and the use of equipment to enter qualifying patients and designated  
22 providers into the medical marijuana authorization database;

23 (b) Recognition of valid recognition cards; and

24 (c) Recognition of strains, varieties, THC concentration, CBD  
25 concentration, and THC to CBD ratios of marijuana concentrates,  
26 useable marijuana, and marijuana-infused products, available for sale  
27 when assisting qualifying patients and designated providers at the  
28 retail outlet.

29 **Sec. 172.** RCW 69.50.535 and 2015 2nd sp.s. c 4 s 205 are each  
30 amended to read as follows:

31 (1)(a) There is levied and collected a marijuana excise tax equal  
32 to thirty-seven percent of the selling price on each retail sale in  
33 this state of marijuana concentrates, useable marijuana, and  
34 marijuana-infused products. This tax is separate and in addition to  
35 general state and local sales and use taxes that apply to retail  
36 sales of tangible personal property, and is not part of the total  
37 retail price to which general state and local sales and use taxes  
38 apply. The tax must be separately itemized from the state and local  
39 retail sales tax on the sales receipt provided to the buyer.

1 (b) The tax levied in this section must be reflected in the price  
2 list or quoted shelf price in the licensed marijuana retail store and  
3 in any advertising that includes prices for all useable marijuana,  
4 marijuana concentrates, or marijuana-infused products.

5 (2) All revenues collected from the marijuana excise tax imposed  
6 under this section must be deposited each day in the dedicated  
7 marijuana account.

8 (3) The tax imposed in this section must be paid by the buyer to  
9 the seller. Each seller must collect from the buyer the full amount  
10 of the tax payable on each taxable sale. The tax collected as  
11 required by this section is deemed to be held in trust by the seller  
12 until paid to the board. If any seller fails to collect the tax  
13 imposed in this section or, having collected the tax, fails to pay it  
14 as prescribed by the board, whether such failure is the result of the  
15 seller's own acts or the result of acts or conditions beyond the  
16 seller's control, the seller is, nevertheless, personally liable to  
17 the state for the amount of the tax.

18 (4) The definitions in this subsection apply throughout this  
19 section unless the context clearly requires otherwise.

20 (a) "Board" means the state liquor and cannabis board.

21 (b) "Retail sale" has the same meaning as in RCW 82.08.010.

22 (c) "Selling price" has the same meaning as in RCW 82.08.010,  
23 except that when product is sold under circumstances where the total  
24 amount of consideration paid for the product is not indicative of its  
25 true value, "selling price" means the true value of the product sold.

26 (d) "Product" means marijuana, marijuana concentrates, useable  
27 marijuana, and marijuana-infused products.

28 (e) "True value" means market value based on sales at comparable  
29 locations in this state of the same or similar product of like  
30 quality and character sold under comparable conditions of sale to  
31 comparable purchasers. However, in the absence of such sales of the  
32 same or similar product, true value means the value of the product  
33 sold as determined by all of the seller's direct and indirect costs  
34 attributable to the product.

35 (5) (a) The board must regularly review the tax level established  
36 under this section and make recommendations, in consultation with the  
37 department of (~~revenue~~) taxation, to the legislature as appropriate  
38 regarding adjustments that would further the goal of discouraging use  
39 while undercutting illegal market prices.

1 (b) The state liquor and cannabis board must report, in  
2 compliance with RCW 43.01.036, to the appropriate committees of the  
3 legislature every two years. The report at a minimum must include the  
4 following:

5 (i) The specific recommendations required under (a) of this  
6 subsection;

7 (ii) A comparison of gross sales and tax collections prior to and  
8 after any marijuana tax change;

9 (iii) The increase or decrease in the volume of legal marijuana  
10 sold prior to and after any marijuana tax change;

11 (iv) Increases or decreases in the number of licensed marijuana  
12 producers, processors, and retailers;

13 (v) The number of illegal and noncompliant marijuana outlets the  
14 board requires to be closed;

15 (vi) Gross marijuana sales and tax collections in Oregon; and

16 (vii) The total amount of reported sales and use taxes exempted  
17 for qualifying patients. The department of (~~revenue~~) taxation must  
18 provide the data of exempt amounts to the board.

19 (c) The board is not required to report to the legislature as  
20 required in (b) of this subsection after January 1, 2025.

21 (6) The legislature does not intend and does not authorize any  
22 person or entity to engage in activities or to conspire to engage in  
23 activities that would constitute per se violations of state and  
24 federal antitrust laws including, but not limited to, agreements  
25 among retailers as to the selling price of any goods sold.

26 **Sec. 173.** RCW 69.51A.230 and 2015 c 70 s 21 are each amended to  
27 read as follows:

28 (1) The department must contract with an entity to create,  
29 administer, and maintain a secure and confidential medical marijuana  
30 authorization database that, beginning July 1, 2016, allows:

31 (a) A marijuana retailer with a medical marijuana endorsement to  
32 add a qualifying patient or designated provider and include the  
33 amount of marijuana concentrates, useable marijuana, marijuana-  
34 infused products, or plants for which the qualifying patient is  
35 authorized under RCW 69.51A.210;

36 (b) Persons authorized to prescribe or dispense controlled  
37 substances to access health care information on their patients for  
38 the purpose of providing medical or pharmaceutical care for their  
39 patients;

1 (c) A qualifying patient or designated provider to request and  
2 receive his or her own health care information or information on any  
3 person or entity that has queried their name or information;

4 (d) Appropriate local, state, tribal, and federal law enforcement  
5 or prosecutorial officials who are engaged in a bona fide specific  
6 investigation of suspected marijuana-related activity that may be  
7 illegal under Washington state law to confirm the validity of the  
8 recognition card of a qualifying patient or designated provider;

9 (e) A marijuana retailer holding a medical marijuana endorsement  
10 to confirm the validity of the recognition card of a qualifying  
11 patient or designated provider;

12 (f) The department of (~~revenue~~) taxation to verify tax  
13 exemptions under chapters 82.08 and 82.12 RCW;

14 (g) The department and the health care professional's  
15 disciplining authorities to monitor authorizations and ensure  
16 compliance with this chapter and chapter 18.130 RCW by their  
17 licensees; and

18 (h) Authorizations to expire six months or one year after entry  
19 into the medical marijuana authorization database, depending on  
20 whether the authorization is for a minor or an adult.

21 (2) A qualifying patient and his or her designated provider, if  
22 any, may be placed in the medical marijuana authorization database at  
23 a marijuana retailer with a medical marijuana endorsement. After a  
24 qualifying patient or designated provider is placed in the medical  
25 marijuana authorization database, he or she must be provided with a  
26 recognition card that contains identifiers required in subsection (3)  
27 of this section.

28 (3) The recognition card requirements must be developed by the  
29 department in rule and include:

30 (a) A randomly generated and unique identifying number;

31 (b) For designated providers, the unique identifying number of  
32 the qualifying patient whom the provider is assisting;

33 (c) A photograph of the qualifying patient's or designated  
34 provider's face taken by an employee of the marijuana retailer with a  
35 medical marijuana endorsement at the same time that the qualifying  
36 patient or designated provider is being placed in the medical  
37 marijuana authorization database in accordance with rules adopted by  
38 the department;

1 (d) The amount of marijuana concentrates, useable marijuana,  
2 marijuana-infused products, or plants for which the qualifying  
3 patient is authorized under RCW 69.51A.210;

4 (e) The effective date and expiration date of the recognition  
5 card;

6 (f) The name of the health care professional who authorized the  
7 qualifying patient or designated provider; and

8 (g) For the recognition card, additional security features as  
9 necessary to ensure its validity.

10 (4) For qualifying patients who are eighteen years of age or  
11 older and their designated providers, recognition cards are valid for  
12 one year from the date the health care professional issued the  
13 authorization. For qualifying patients who are under the age of  
14 eighteen and their designated providers, recognition cards are valid  
15 for six months from the date the health care professional issued the  
16 authorization. Qualifying patients may not be reentered into the  
17 medical marijuana authorization database until they have been  
18 reexamined by a health care professional and determined to meet the  
19 definition of qualifying patient. After reexamination, a marijuana  
20 retailer with a medical marijuana endorsement must reenter the  
21 qualifying patient or designated provider into the medical marijuana  
22 authorization database and a new recognition card will then be issued  
23 in accordance with department rules.

24 (5) If a recognition card is lost or stolen, a marijuana retailer  
25 with a medical marijuana endorsement, in conjunction with the  
26 database administrator, may issue a new card that will be valid for  
27 six months to one year if the patient is reexamined by a health care  
28 professional and determined to meet the definition of qualifying  
29 patient and depending on whether the patient is under the age of  
30 eighteen or eighteen years of age or older as provided in subsection  
31 (4) of this section. If a reexamination is not performed, the  
32 expiration date of the replacement recognition card must be the same  
33 as the lost or stolen recognition card.

34 (6) The database administrator must remove qualifying patients  
35 and designated providers from the medical marijuana authorization  
36 database upon expiration of the recognition card. Qualifying patients  
37 and designated providers may request to remove themselves from the  
38 medical marijuana authorization database before expiration of a  
39 recognition card and health care professionals may request to remove  
40 qualifying patients and designated providers from the medical



1 marijuana authorization database if the patient or provider no longer  
2 qualifies for the medical use of marijuana. The database  
3 administrator must retain database records for at least five calendar  
4 years to permit the state liquor and cannabis board and the  
5 department of (~~revenue~~) taxation to verify eligibility for tax  
6 exemptions.

7 (7) During development of the medical marijuana authorization  
8 database, the database administrator must consult with the  
9 department, stakeholders, and persons with relevant expertise to  
10 include, but not be limited to, qualifying patients, designated  
11 providers, health care professionals, state and local law enforcement  
12 agencies, and the University of Washington computer science and  
13 engineering security and privacy research lab or a certified  
14 cybersecurity firm, vendor, or service.

15 (8) The medical marijuana authorization database must meet the  
16 following requirements:

17 (a) Any personally identifiable information included in the  
18 database must be nonreversible, pursuant to definitions and standards  
19 set forth by the national institute of standards and technology;

20 (b) Any personally identifiable information included in the  
21 database must not be susceptible to linkage by use of data external  
22 to the database;

23 (c) The database must incorporate current best differential  
24 privacy practices, allowing for maximum accuracy of database queries  
25 while minimizing the chances of identifying the personally  
26 identifiable information included therein; and

27 (d) The database must be upgradable and updated in a timely  
28 fashion to keep current with state of the art privacy and security  
29 standards and practices.

30 (9) (a) Personally identifiable information of qualifying patients  
31 and designated providers included in the medical marijuana  
32 authorization database is confidential and exempt from public  
33 disclosure, inspection, or copying under chapter 42.56 RCW.

34 (b) Information contained in the medical marijuana authorization  
35 database may be released in aggregate form, with all personally  
36 (~~identifying [identifiable]~~) identifiable information redacted, for  
37 the purpose of statistical analysis and oversight of agency  
38 performance and actions.

39 (c) Information contained in the medical marijuana authorization  
40 database shall not be shared with the federal government or its

1 agents unless the particular (~~(qualifying)~~) qualifying patient or  
2 designated provider is convicted in state court for violating this  
3 chapter or chapter 69.50 RCW.

4 (10)(a) The department must charge a one dollar fee for each  
5 initial and renewal recognition card issued by a marijuana retailer  
6 with a medical marijuana endorsement. The marijuana retailer with a  
7 medical marijuana endorsement shall collect the fee from the  
8 qualifying patient or designated provider at the time that he or she  
9 is entered into the database and issued a recognition card. The  
10 department shall establish a schedule for marijuana retailers with a  
11 medical marijuana endorsement to remit the fees collected. Fees  
12 collected under this subsection shall be deposited into the health  
13 professions account created under RCW 43.70.320.

14 (b) By November 1, 2016, the department shall report to the  
15 governor and the fiscal committees of both the house of  
16 representatives and the senate regarding the cost of implementation  
17 and administration of the medical marijuana authorization database.  
18 The report must specify amounts from the health professions account  
19 used to finance the establishment and administration of the medical  
20 marijuana authorization database as well as estimates of the  
21 continuing costs associated with operating the medical marijuana  
22 (~~(authorization)~~) authorization database. The report must also  
23 provide initial enrollment figures in the medical marijuana  
24 authorization database and estimates of expected future enrollment.

25 (11) If the database administrator fails to comply with this  
26 section, the department may cancel any contracts with the database  
27 administrator and contract with another database administrator to  
28 continue administration of the database. A database administrator who  
29 fails to comply with this section is subject to a fine of up to five  
30 thousand dollars in addition to any penalties established in the  
31 contract. Fines collected under this section must be deposited into  
32 the health professions account created under RCW 43.70.320.

33 (12) The department may adopt rules to implement this section.

34 **Sec. 174.** RCW 70.93.180 and 2015 c 15 s 3 are each amended to  
35 read as follows:

36 (1) There is hereby created an account within the state treasury  
37 to be known as the waste reduction, recycling, and litter control  
38 account. Moneys in the account may be spent only after appropriation.

1 Expenditures from the waste reduction, recycling, and litter control  
2 account shall be used as follows:

3 (a) Fifty percent to the department of ecology, for use by the  
4 departments of ecology, natural resources, (~~revenue~~) taxation,  
5 transportation, and corrections, and the parks and recreation  
6 commission, for use in litter collection programs, to be distributed  
7 under RCW 70.93.220. The amount to the department of ecology shall  
8 also be used for a central coordination function for litter control  
9 efforts statewide; for statewide public awareness programs under RCW  
10 70.93.200(7); and to support employment of youth in litter cleanup as  
11 intended in RCW 70.93.020, and for litter pick up using other  
12 authorized agencies. The amount to the department shall also be used  
13 to defray the costs of administering the funding, coordination, and  
14 oversight of local government programs for waste reduction, litter  
15 control, recycling, and composting so that local governments can  
16 apply one hundred percent of their funding to achieving program  
17 goals. The amount to the department of (~~revenue~~) taxation shall be  
18 used to enforce compliance with the litter tax imposed in chapter  
19 82.19 RCW;

20 (b) (i) Twenty percent to the department for local government  
21 funding programs for waste reduction, litter control, recycling  
22 activities, and composting activities by cities and counties under  
23 RCW 70.93.250, to be administered by the department of ecology; (ii)  
24 any unspent funds under (b) (i) of this subsection may be used to  
25 create and pay for a matching fund competitive grant program to be  
26 used by local governments and nonprofit organizations for local or  
27 statewide education programs designed to help the public with litter  
28 control, waste reduction, recycling, and composting of primarily the  
29 products taxed under chapter 82.19 RCW. Grants must adhere to the  
30 following requirements: (A) No grant may exceed sixty thousand  
31 dollars; (B) grant recipients shall match the grant funding allocated  
32 by the department by an amount equal to twenty-five percent of  
33 eligible expenses. A local government's share of these costs may be  
34 met by cash or contributed services; (C) the obligation of the  
35 department to make grant payments is contingent upon the availability  
36 of the amount of money appropriated for this subsection (1) (b); and  
37 (D) grants are managed under the guidelines for existing grant  
38 programs; and

39 (c) Thirty percent to the department of ecology to: (i) Implement  
40 activities under RCW 70.93.200 for waste reduction, recycling, and

1 composting efforts; (ii) provide technical assistance to local  
2 governments for commercial business and residential recycling  
3 programs primarily for the products taxed under chapter 82.19 RCW  
4 designed to educate citizens about waste reduction, litter control,  
5 and recyclable and compostable products and programs; and (iii)  
6 increase access to waste reduction, composting, and recycling  
7 programs, particularly for food packaging and plastic bags and  
8 appropriate composting techniques.

9 (2) All taxes imposed in RCW 82.19.010 and fines and bail  
10 forfeitures collected or received pursuant to this chapter shall be  
11 deposited in the waste reduction, recycling, and litter control  
12 account and used for the programs under subsection (1) of this  
13 section.

14 (3) Not less than five percent and no more than ten percent of  
15 the amount appropriated into the waste reduction, recycling, and  
16 litter control account every biennium shall be reserved for capital  
17 needs, including the purchase of vehicles for transporting crews and  
18 for collecting litter and solid waste. Capital funds shall be  
19 distributed among state agencies and local governments according to  
20 the same criteria provided in RCW 70.93.220 for the remainder of the  
21 funds, so that the most effective waste reduction, litter control,  
22 recycling, and composting programs receive the most funding. The  
23 intent of this subsection is to provide funds for the purchase of  
24 equipment that will enable the department to account for the greatest  
25 return on investment in terms of reaching a zero litter goal.

26 (4) Funds in the waste reduction, recycling, and litter control  
27 account, collected under chapter 82.19 RCW, must be prioritized for  
28 the products identified under RCW 82.19.020 solely for the purposes  
29 of recycling, composting, and litter collection, reduction, and  
30 control programs.

31 **Sec. 175.** RCW 70.94.161 and 2008 c 14 s 6 are each amended to  
32 read as follows:

33 The department of ecology, or board of an authority, shall  
34 require renewable permits for the operation of air contaminant  
35 sources subject to the following conditions and limitations:

36 (1) Permits shall be issued for a term of five years. A permit  
37 may be modified or amended during its term at the request of the  
38 permittee, or for any reason allowed by the federal clean air act.  
39 The rules adopted pursuant to subsection (2) of this section shall

1 include rules for permit amendments and modifications. The terms and  
2 conditions of a permit shall remain in effect after the permit itself  
3 expires if the permittee submits a timely and complete application  
4 for permit renewal.

5 (2) (a) Rules establishing the elements for a statewide operating  
6 permit program and the process for permit application and renewal  
7 consistent with federal requirements shall be established by the  
8 department by January 1, 1993. The rules shall provide that every  
9 proposed permit must be reviewed prior to issuance by a professional  
10 engineer or staff under the direct supervision of a professional  
11 engineer in the employ of the permitting authority. The permit  
12 program established by these rules shall be administered by the  
13 department and delegated local air authorities. Rules developed under  
14 this subsection shall not preclude a delegated local air authority  
15 from including in a permit its own more stringent emission standards  
16 and operating restrictions.

17 (b) The board of any local air pollution control authority may  
18 apply to the department of ecology for a delegation order authorizing  
19 the local authority to administer the operating permit program for  
20 sources under that authority's jurisdiction. The department shall, by  
21 order, approve such delegation, if the department finds that the  
22 local authority has the technical and financial resources, to  
23 discharge the responsibilities of a permitting authority under the  
24 federal clean air act. A delegation request shall include adequate  
25 information about the local authority's resources to enable the  
26 department to make the findings required by this subsection. However,  
27 any delegation order issued under this subsection shall take effect  
28 ninety days after the environmental protection agency authorizes the  
29 local authority to issue operating permits under the federal clean  
30 air act.

31 (c) Except for the authority granted the energy facility site  
32 evaluation council to issue permits for the new construction,  
33 reconstruction, or enlargement or operation of new energy facilities  
34 under chapter 80.50 RCW, the department may exercise the authority,  
35 as delegated by the environmental protection agency, to administer  
36 Title IV of the federal clean air act as amended and to delegate such  
37 administration to local authorities as applicable pursuant to (b) of  
38 this subsection.

1 (3) In establishing technical standards, defined in RCW  
2 70.94.030, the permitting authority shall consider and, if found to  
3 be appropriate, give credit for waste reduction within the process.

4 (4) Operating permits shall apply to all sources (a) where  
5 required by the federal clean air act, and (b) for any source that  
6 may cause or contribute to air pollution in such quantity as to  
7 create a threat to the public health or welfare. Subsection (b) of  
8 this subsection is not intended to apply to small businesses except  
9 when both of the following limitations are satisfied: (i) The source  
10 is in an area exceeding or threatening to exceed federal or state air  
11 quality standards; and (ii) the department provides a reasonable  
12 justification that requiring a source to have a permit is necessary  
13 to meet a federal or state air quality standard, or to prevent  
14 exceeding a standard in an area threatening to exceed the standard.  
15 For purposes of this subsection "areas threatening to exceed air  
16 quality standards" shall mean areas projected by the department to  
17 exceed such standards within five years. Prior to identifying  
18 threatened areas the department shall hold a public hearing or  
19 hearings within the proposed areas.

20 (5) Sources operated by government agencies are not exempt under  
21 this section.

22 (6) Within one hundred eighty days after the United States  
23 environmental protection agency approves the state operating permit  
24 program, a person required to have a permit shall submit to the  
25 permitting authority a compliance plan and permit application, signed  
26 by a responsible official, certifying the accuracy of the information  
27 submitted. Until permits are issued, existing sources shall be  
28 allowed to operate under presently applicable standards and  
29 conditions provided that such sources submit complete and timely  
30 permit applications.

31 (7) All draft permits shall be subject to public notice and  
32 comment. The rules adopted pursuant to subsection (2) of this section  
33 shall specify procedures for public notice and comment. Such  
34 procedures shall provide the permitting agency with an opportunity to  
35 respond to comments received from interested parties prior to the  
36 time that the proposed permit is submitted to the environmental  
37 protection agency for review pursuant to section 505(a) of the  
38 federal clean air act. In the event that the environmental protection  
39 agency objects to a proposed permit pursuant to section 505(b) of the  
40 federal clean air act, the permitting authority shall not issue the

1 permit, unless the permittee consents to the changes required by the  
2 environmental protection agency.

3 (8) The procedures contained in chapter 43.21B RCW shall apply to  
4 permit appeals. The pollution control hearings board may stay the  
5 effectiveness of any permit issued under this section during the  
6 pendency of an appeal filed by the permittee, if the permittee  
7 demonstrates that compliance with the permit during the pendency of  
8 the appeal would require significant expenditures that would not be  
9 necessary in the event that the permittee prevailed on the merits of  
10 the appeal.

11 (9) After the effective date of any permit program promulgated  
12 under this section, it shall be unlawful for any person to: (a)  
13 Operate a permitted source in violation of any requirement of a  
14 permit issued under this section; or (b) fail to submit a permit  
15 application at the time required by rules adopted under subsection  
16 (2) of this section.

17 (10) Each air operating permit shall state the origin of and  
18 specific legal authority for each requirement included therein. Every  
19 requirement in an operating permit shall be based upon the most  
20 stringent of the following requirements:

21 (a) The federal clean air act and rules implementing that act,  
22 including provision of the approved state implementation plan;

23 (b) This chapter and rules adopted thereunder;

24 (c) In permits issued by a local air pollution control authority,  
25 the requirements of any order or regulation adopted by that  
26 authority;

27 (d) Chapter 70.98 RCW and rules adopted thereunder; and

28 (e) Chapter 80.50 RCW and rules adopted thereunder.

29 (11) Consistent with the provisions of the federal clean air act,  
30 the permitting authority may issue general permits covering  
31 categories of permitted sources, and temporary permits authorizing  
32 emissions from similar operations at multiple temporary locations.

33 (12) Permit program sources within the territorial jurisdiction  
34 of an authority delegated the operating permit program shall file  
35 their permit applications with that authority, except that permit  
36 applications for sources regulated on a statewide basis pursuant to  
37 RCW 70.94.395 shall be filed with the department. Permit program  
38 sources outside the territorial jurisdiction of a delegated authority  
39 shall file their applications with the department. Permit program  
40 sources subject to chapter 80.50 RCW shall, irrespective of their

1 location, file their applications with the energy facility site  
2 evaluation council.

3 (13) When issuing operating permits to coal-fired electric  
4 generating plants, the permitting authority shall establish  
5 requirements consistent with Title IV of the federal clean air act.

6 (14)(a) The department and the local air authorities are  
7 authorized to assess and to collect, and each source emitting one  
8 hundred tons or more per year of a regulated pollutant shall pay an  
9 interim assessment to fund the development of the operating permit  
10 program during fiscal year 1994.

11 (b) The department shall conduct a workload analysis and prepare  
12 an operating permit program development budget for fiscal year 1994.  
13 The department shall allocate among all sources emitting one hundred  
14 tons or more per year of a regulated pollutant during calendar year  
15 1992 the costs identified in its program development budget according  
16 to a three-tiered model, with each of the three tiers being equally  
17 weighted, based upon:

18 (i) The number of sources;

19 (ii) The complexity of sources; and

20 (iii) The size of sources, as measured by the quantity of each  
21 regulated pollutant emitted by the source.

22 (c) Each local authority and the department shall collect from  
23 sources under their respective jurisdictions the interim fee  
24 determined by the department and shall remit the fee to the  
25 department.

26 (d) Each local authority may, in addition, allocate its fiscal  
27 year 1994 operating permit program development costs among the  
28 sources under its jurisdiction emitting one hundred tons or more per  
29 year of a regulated pollutant during calendar year 1992 and may  
30 collect an interim fee from these sources. A fee assessed pursuant to  
31 this subsection (14)(d) shall be collected at the same time as the  
32 fee assessed pursuant to (c) of this subsection.

33 (e) The fees assessed to a source under this subsection shall be  
34 limited to the first seven thousand five hundred tons for each  
35 regulated pollutant per year.

36 (15)(a) The department shall determine the persons liable for the  
37 fee imposed by subsection (14) of this section, compute the fee, and  
38 provide by November 1, 1993, the identity of the fee payer with the  
39 computation of the fee to each local authority and to the department  
40 of (~~revenue~~) taxation for collection. The department of (~~revenue~~)



1 taxation shall collect the fee computed by the department from the  
2 fee payers under the jurisdiction of the department. The  
3 administrative, collection, and penalty provisions of chapter 82.32  
4 RCW shall apply to the collection of the fee by the department of  
5 (~~revenue~~) taxation. The department shall provide technical  
6 assistance to the department of (~~revenue~~) taxation for decisions  
7 made by the department of (~~revenue~~) taxation pursuant to RCW  
8 82.32.160 and 82.32.170. All interim fees collected by the department  
9 of (~~revenue~~) taxation on behalf of the department and all interim  
10 fees collected by local authorities on behalf of the department shall  
11 be deposited in the air operating permit account. The interim fees  
12 collected by the local air authorities to cover their permit program  
13 development costs under subsection (14)(d) of this section shall be  
14 deposited in the dedicated accounts of their respective treasuries.

15 (b) All fees identified in this section shall be due and payable  
16 on March 1, 1994, except that the local air pollution control  
17 authorities may adopt by rule an earlier date on which fees are to be  
18 due and payable. The section 5, chapter 252, Laws of 1993 amendments  
19 to RCW 70.94.161 do not have the effect of terminating, or in any way  
20 modifying, any liability, civil or criminal, incurred pursuant to the  
21 provisions of RCW 70.94.161 (15) and (17) as they existed prior to  
22 July 25, 1993.

23 (16) For sources or source categories not required to obtain  
24 permits under subsection (4) of this section, the department or local  
25 authority may establish by rule control technology requirements. If  
26 control technology rule revisions are made by the department or local  
27 authority under this subsection, the department or local authority  
28 shall consider the remaining useful life of control equipment  
29 previously installed on existing sources before requiring technology  
30 changes. The department or any local air authority may issue a  
31 general permit, as authorized under the federal clean air act, for  
32 such sources.

33 (17) Emissions of greenhouse gases as defined in RCW 70.235.010  
34 must be reported as required by RCW 70.94.151. The reporting  
35 provisions of RCW 70.94.151 shall not apply to any other emissions  
36 from any permit program source after the effective date of United  
37 States environmental protection agency approval of the state  
38 operating permit program.

1       **Sec. 176.** RCW 70.94.162 and 2014 c 76 s 5 are each amended to  
2 read as follows:

3       (1) The department and delegated local air authorities are  
4 authorized to determine, assess, and collect, and each permit program  
5 source shall pay, annual fees sufficient to cover the direct and  
6 indirect costs of implementing a state operating permit program  
7 approved by the United States environmental protection agency under  
8 the federal clean air act. However, a source that receives its  
9 operating permit from the United States environmental protection  
10 agency shall not be considered a permit program source so long as the  
11 environmental protection agency continues to act as the permitting  
12 authority for that source. Each permitting authority shall develop by  
13 rule a fee schedule allocating among its permit program sources the  
14 costs of the operating permit program, and may, by rule, establish a  
15 payment schedule whereby periodic installments of the annual fee are  
16 due and payable more frequently. All operating permit program fees  
17 collected by the department shall be deposited in the air operating  
18 permit account. All operating permit program fees collected by the  
19 delegated local air authorities shall be deposited in their  
20 respective air operating permit accounts or other accounts dedicated  
21 exclusively to support of the operating permit program. The fees  
22 assessed under this subsection shall first be due not less than  
23 forty-five days after the United States environmental protection  
24 agency delegates to the department the authority to administer the  
25 operating permit program and then annually thereafter.

26       The department shall establish, by rule, procedures for  
27 administrative appeals to the department regarding the fee assessed  
28 pursuant to this subsection.

29       (2) The fee schedule developed by each permitting authority shall  
30 fully cover and not exceed both its permit administration costs and  
31 the permitting authority's share of statewide program development and  
32 oversight costs.

33       (a) Permit administration costs are those incurred by each  
34 permitting authority, including the department, in administering and  
35 enforcing the operating permit program with respect to sources under  
36 its jurisdiction. Costs associated with the following activities are  
37 fee eligible as these activities relate to the operating permit  
38 program and to the sources permitted by a permitting authority,  
39 including, where applicable, sources subject to a general permit:

- 1 (i) Preapplication assistance and review of an application and  
2 proposed compliance plan for a permit, permit revision, or renewal;
- 3 (ii) Source inspections, testing, and other data-gathering  
4 activities necessary for the development of a permit, permit  
5 revision, or renewal;
- 6 (iii) Acting on an application for a permit, permit revision, or  
7 renewal, including the costs of developing an applicable requirement  
8 as part of the processing of a permit, permit revision, or renewal,  
9 preparing a draft permit and fact sheet, and preparing a final  
10 permit, but excluding the costs of developing BACT, LAER, BART, or  
11 RACT requirements for criteria and toxic air pollutants;
- 12 (iv) Notifying and soliciting, reviewing and responding to  
13 comment from the public and contiguous states and tribes, conducting  
14 public hearings regarding the issuance of a draft permit and other  
15 costs of providing information to the public regarding operating  
16 permits and the permit issuance process;
- 17 (v) Modeling necessary to establish permit limits or to determine  
18 compliance with permit limits;
- 19 (vi) Reviewing compliance certifications and emissions reports  
20 and conducting related compilation and reporting activities;
- 21 (vii) Conducting compliance inspections, complaint  
22 investigations, and other activities necessary to ensure that a  
23 source is complying with permit conditions;
- 24 (viii) Administrative enforcement activities and penalty  
25 assessment, excluding the costs of proceedings before the pollution  
26 control hearings board and all costs of judicial enforcement;
- 27 (ix) The share attributable to permitted sources of the  
28 development and maintenance of emissions inventories;
- 29 (x) The share attributable to permitted sources of ambient air  
30 quality monitoring and associated recording and reporting activities;
- 31 (xi) Training for permit administration and enforcement;
- 32 (xii) Fee determination, assessment, and collection, including  
33 the costs of necessary administrative dispute resolution and penalty  
34 collection;
- 35 (xiii) Required fiscal audits, periodic performance audits, and  
36 reporting activities;
- 37 (xiv) Tracking of time, revenues and expenditures, and accounting  
38 activities;
- 39 (xv) Administering the permit program including the costs of  
40 clerical support, supervision, and management;

1 (xvi) Provision of assistance to small businesses under the  
2 jurisdiction of the permitting authority as required under section  
3 507 of the federal clean air act; and

4 (xvii) Other activities required by operating permit regulations  
5 issued by the United States environmental protection agency under the  
6 federal clean air act.

7 (b) Development and oversight costs are those incurred by the  
8 department in developing and administering the state operating permit  
9 program, and in overseeing the administration of the program by the  
10 delegated local permitting authorities. Costs associated with the  
11 following activities are fee eligible as these activities relate to  
12 the operating permit program:

13 (i) Review and determinations necessary for delegation of  
14 authority to administer and enforce a permit program to a local air  
15 authority under RCW 70.94.161(2) and 70.94.860;

16 (ii) Conducting fiscal audits and periodic performance audits of  
17 delegated local authorities, and other oversight functions required  
18 by the operating permit program;

19 (iii) Administrative enforcement actions taken by the department  
20 on behalf of a permitting authority, including those actions taken by  
21 the department under RCW 70.94.785, but excluding the costs of  
22 proceedings before the pollution control hearings board and all costs  
23 of judicial enforcement;

24 (iv) Determination and assessment with respect to each permitting  
25 authority of the fees covering its share of the costs of development  
26 and oversight;

27 (v) Training and assistance for permit program administration and  
28 oversight, including training and assistance regarding technical,  
29 administrative, and data management issues;

30 (vi) Development of generally applicable regulations or guidance  
31 regarding the permit program or its implementation or enforcement;

32 (vii) State codification of federal rules or standards for  
33 inclusion in operating permits;

34 (viii) Preparation of delegation package and other activities  
35 associated with submittal of the state permit program to the United  
36 States environmental protection agency for approval, including  
37 ongoing coordination activities;

38 (ix) General administration and coordination of the state permit  
39 program, related support activities, and other agency indirect costs,  
40 including necessary data management and quality assurance;

1 (x) Required fiscal audits and periodic performance audits of the  
2 department, and reporting activities;

3 (xi) Tracking of time, revenues and expenditures, and accounting  
4 activities;

5 (xii) Public education and outreach related to the operating  
6 permit program, including the maintenance of a permit register;

7 (xiii) The share attributable to permitted sources of compiling  
8 and maintaining emissions inventories;

9 (xiv) The share attributable to permitted sources of ambient air  
10 quality monitoring, related technical support, and associated  
11 recording activities;

12 (xv) The share attributable to permitted sources of modeling  
13 activities;

14 (xvi) Provision of assistance to small business as required under  
15 section 507 of the federal clean air act as it exists on July 25,  
16 1993, or its later enactment as adopted by reference by the director  
17 by rule;

18 (xvii) Provision of services by the department of (~~revenue~~)  
19 taxation and the office of the state attorney general and other state  
20 agencies in support of permit program administration;

21 (xviii) A one-time revision to the state implementation plan to  
22 make those administrative changes necessary to ensure coordination of  
23 the state implementation plan and the operating permit program; and

24 (xix) Other activities required by operating permit regulations  
25 issued by the United States environmental protection agency under the  
26 federal clean air act.

27 (3) The responsibility for operating permit fee determination,  
28 assessment, and collection is to be shared by the department and  
29 delegated local air authorities as follows:

30 (a) Each permitting authority, including the department, acting  
31 in its capacity as a permitting authority, shall develop a fee  
32 schedule and mechanism for collecting fees from the permit program  
33 sources under its jurisdiction; the fees collected by each authority  
34 shall be sufficient to cover its costs of permit administration and  
35 its share of the department's costs of development and oversight.  
36 Each delegated local authority shall remit to the department its  
37 share of the department's development and oversight costs.

38 (b) Only those local air authorities to whom the department has  
39 delegated the authority to administer the program pursuant to RCW  
40 70.94.161(2) (b) and (c) and 70.94.860 shall have the authority to

1 administer and collect operating permit fees. The department shall  
2 retain the authority to administer and collect such fees with respect  
3 to the sources within the jurisdiction of a local air authority until  
4 the effective date of program delegation to that air authority.

5 (c) The department shall allocate its development and oversight  
6 costs among all permitting authorities, including the department, in  
7 proportion to the number of permit program sources under the  
8 jurisdiction of each authority, except that extraordinary costs or  
9 other costs readily attributable to a specific permitting authority  
10 may be assessed that authority. For purposes of this subsection, all  
11 sources covered by a single general permit shall be treated as one  
12 source.

13 (4) The department and each delegated local air authority shall  
14 adopt by rule a general permit fee schedule for sources under their  
15 respective jurisdictions after such time as the department adopts  
16 provisions for general permit issuance. Within ninety days of the  
17 time that the department adopts a general permit fee schedule, the  
18 department shall report to the relevant standing committees of the  
19 legislature regarding the general permit fee schedules adopted by the  
20 department and by the delegated local air authorities. The permit  
21 administration costs of each general permit shall be allocated  
22 equitably among only those sources subject to that general permit.  
23 The share of development and oversight costs attributable to each  
24 general permit shall be determined pursuant to subsection (3)(c) of  
25 this section.

26 (5) The fee schedule developed by the department shall allocate  
27 among the sources for whom the department acts as a permitting  
28 authority, other than sources subject to a general permit, those  
29 portions of the department's permit administration costs and the  
30 department's share of the development and oversight costs which the  
31 department does not plan to recover under its general permit fee  
32 schedule or schedules as follows:

33 (a) The department shall allocate its permit administration costs  
34 and its share of the development and oversight costs not recovered  
35 through general permit fees according to a three-tiered model based  
36 upon:

37 (i) The number of permit program sources under its jurisdiction;  
38 (ii) The complexity of permit program sources under its  
39 jurisdiction; and

1 (iii) The size of permit program sources under its jurisdiction,  
2 as measured by the quantity of each regulated pollutant emitted by  
3 the source.

4 (b) Each of the three tiers shall be equally weighted.

5 (c) The department may, in addition, allocate activities-based  
6 costs readily attributable to a specific source to that source under  
7 RCW 70.94.152(1) and 70.94.154(7).

8 The quantity of each regulated pollutant emitted by a source  
9 shall be determined based on the annual emissions during the most  
10 recent calendar year for which data is available.

11 (6) The department shall, after opportunity for public review and  
12 comment, adopt rules that establish a process for development and  
13 review of its operating permit program fee schedule, a methodology  
14 for tracking program revenues and expenditures, and, for both the  
15 department and the delegated local air authorities, a system of  
16 fiscal audits, reports, and periodic performance audits.

17 (a) The fee schedule development and review process shall include  
18 the following:

19 (i) The department shall conduct a biennial workload analysis.  
20 The department shall provide the opportunity for public review of and  
21 comment on the workload analysis. The department shall review and  
22 update its workload analysis during each biennial budget cycle,  
23 taking into account information gathered by tracking previous  
24 revenues, time, and expenditures and other information obtained  
25 through fiscal audits and performance audits.

26 (ii) The department shall prepare a biennial budget based upon  
27 the resource requirements identified in the workload analysis for  
28 that biennium. In preparing the budget, the department shall take  
29 into account the projected operating permit account balance at the  
30 start of the biennium. The department shall provide the opportunity  
31 for public review of and comment on the proposed budget. The  
32 department shall review and update its budget each biennium.

33 (iii) The department shall develop a fee schedule allocating the  
34 department's permit administration costs and its share of the  
35 development and oversight costs among the department's permit program  
36 sources using the methodology described in subsection (5) of this  
37 section. The department shall provide the opportunity for public  
38 review of and comment on the allocation methodology and fee schedule.  
39 The department shall provide procedures for administrative resolution  
40 of disputes regarding the source data on which allocation

1 determinations are based; these procedures shall be designed such  
2 that resolution occurs prior to the completion of the allocation  
3 process. The department shall review and update its fee schedule  
4 annually.

5 (b) The methodology for tracking revenues and expenditures shall  
6 include the following:

7 (i) The department shall develop a system for tracking revenues  
8 and expenditures that provides the maximum practicable information.  
9 At a minimum, revenues from fees collected under the operating permit  
10 program shall be tracked on a source-specific basis and time and  
11 expenditures required to administer the program shall be tracked on  
12 the basis of source categories and functional categories. Each  
13 general permit will be treated as a separate source category for  
14 tracking and accounting purposes.

15 (ii) The department shall use the information obtained from  
16 tracking revenues, time, and expenditures to modify the workload  
17 analysis required in subsection (6)(a) of this section.

18 (iii) The information obtained from tracking revenues, time, and  
19 expenditures shall not provide a basis for challenge to the amount of  
20 an individual source's fee.

21 (c) The system of fiscal audits, reports, and periodic  
22 performance audits shall include the following:

23 (i) The department and the delegated local air authorities shall  
24 periodically report information about the air operating permit  
25 program on the department's web site.

26 (ii) The department shall arrange for fiscal audits and routine  
27 performance audits and for periodic intensive performance audits of  
28 each permitting authority and of the department.

29 (7) Each local air authority requesting delegation shall, after  
30 opportunity for public review and comment, publish regulations which  
31 establish a process for development and review of its operating  
32 permit program fee schedule, and a methodology for tracking its  
33 revenues and expenditures. These regulations shall be submitted to  
34 the department for review and approval as part of the local  
35 authority's delegation request.

36 (8) As used in this section and in RCW 70.94.161(14), "regulated  
37 pollutant" shall have the same meaning as defined in section 502(b)  
38 of the federal clean air act as it exists on July 25, 1993, or its  
39 later enactment as adopted by reference by the director by rule.



1 (9) Fee structures as authorized under this section shall remain  
2 in effect until such time as the legislature authorizes an  
3 alternative structure following receipt of the report required by  
4 this subsection.

5 **Sec. 177.** RCW 70.94.483 and 2003 1st sp.s. c 25 s 932 are each  
6 amended to read as follows:

7 (1) The woodstove education and enforcement account is hereby  
8 created in the state treasury. Money placed in the account shall  
9 include all money received under subsection (2) of this section and  
10 any other money appropriated by the legislature. Money in the account  
11 shall be spent for the purposes of the woodstove education program  
12 established under RCW 70.94.480 and for enforcement of the woodstove  
13 program, and shall be subject to legislative appropriation. However,  
14 during the 2003-05 fiscal biennium, the legislature may transfer from  
15 the woodstove education and enforcement account to the air pollution  
16 control account such amounts as specified in the omnibus operating  
17 budget bill.

18 (2) The department of ecology, with the advice of the advisory  
19 committee, shall set a flat fee of thirty dollars, on the retail  
20 sale, as defined in RCW 82.04.050, of each solid fuel burning device  
21 after January 1, 1992. The fee shall be imposed upon the consumer and  
22 shall not be subject to the retail sales tax provisions of chapters  
23 82.08 and 82.12 RCW. The fee may be adjusted annually above thirty  
24 dollars to account for inflation as determined by the state office of  
25 the economic and revenue forecast council. The fee shall be collected  
26 by the department of (~~revenue~~) taxation in conjunction with the  
27 retail sales tax under chapter 82.08 RCW. If the seller fails to  
28 collect the fee herein imposed or fails to remit the fee to the  
29 department of (~~revenue~~) taxation in the manner prescribed in  
30 chapter 82.08 RCW, the seller shall be personally liable to the state  
31 for the amount of the fee. The collection provisions of chapter 82.32  
32 RCW shall apply. The department of (~~revenue~~) taxation shall deposit  
33 fees collected under this section in the woodstove education and  
34 enforcement account.

35 **Sec. 178.** RCW 70.95.510 and 2009 c 261 s 2 are each amended to  
36 read as follows:

37 (1) There is levied a one dollar per tire fee on the retail sale  
38 of new replacement vehicle tires. The fee imposed in this section

1 must be paid by the buyer to the seller, and each seller shall  
2 collect from the buyer the full amount of the fee. The fee collected  
3 from the buyer by the seller less the ten percent amount retained by  
4 the seller as provided in RCW 70.95.535(1) must be paid to the  
5 department of (~~revenue~~) taxation in accordance with RCW 82.32.045.

6 (2) The department of (~~revenue~~) taxation shall incorporate into  
7 the agency's regular audit cycle a reconciliation of the number of  
8 tires sold and the amount of revenue collected by the businesses  
9 selling new replacement vehicle tires at retail. The department of  
10 (~~revenue~~) taxation shall collect on the business excise tax return  
11 from the businesses selling new replacement vehicle tires at retail:

12 (a) The number of tires sold; and

13 (b) The fee levied in this section.

14 (3) All other applicable provisions of chapter 82.32 RCW have  
15 full force and application with respect to the fee imposed under this  
16 section. The department of (~~revenue~~) taxation shall administer this  
17 section.

18 (4) For the purposes of this section, "new replacement vehicle  
19 tires" means tires that are newly manufactured for vehicle purposes  
20 and does not include retreaded vehicle tires.

21 **Sec. 179.** RCW 70.95.515 and 2005 c 354 s 4 are each amended to  
22 read as follows:

23 (1) The fee required by this chapter, to be collected by the  
24 seller, shall be deemed to be held in trust by the seller until paid  
25 to the department of (~~revenue~~) taxation, and any seller who  
26 appropriates or converts the fee collected to his or her own use or  
27 to any use other than the payment of the fee to the extent that the  
28 money required to be collected is not available for payment on the  
29 due date as prescribed in this chapter is guilty of a gross  
30 misdemeanor.

31 (2) In case any seller fails to collect the fee imposed in this  
32 chapter or, having collected the fee, fails to pay it to the  
33 department of (~~revenue~~) taxation in the manner prescribed by this  
34 chapter, whether such failure is the result of his or her own acts or  
35 the result of acts or conditions beyond his or her control, he or she  
36 shall, nevertheless, be personally liable to the state for the amount  
37 of the fee.

38 (3) The amount of the fee, until paid by the buyer to the seller  
39 or to the department of (~~revenue~~) taxation, shall constitute a debt

1 from the buyer to the seller and any seller who fails or refuses to  
2 collect the fee as required with intent to violate the provisions of  
3 this chapter or to gain some advantage or benefit, either direct or  
4 indirect, and any buyer who refuses to pay any fee due under this  
5 chapter is guilty of a misdemeanor.

6 **Sec. 180.** RCW 70.95C.220 and 2005 c 274 s 338 are each amended  
7 to read as follows:

8 (1) The department may review a plan, executive summary, or an  
9 annual progress report to determine whether the plan, executive  
10 summary, or annual progress report is adequate pursuant to the rules  
11 developed under this section and with the provisions of RCW  
12 70.95C.200. In determining the adequacy of any plan, executive  
13 summary, or annual progress report, the department shall base its  
14 determination solely on whether the plan, executive summary, or  
15 annual progress report is complete and prepared in accordance with  
16 the provisions of RCW 70.95C.200.

17 (2) Plans developed under RCW 70.95C.200 shall be retained at the  
18 facility of the hazardous substance user or hazardous waste generator  
19 preparing a plan. The plan is not a public record under the public  
20 records act, chapter 42.56 RCW. A user or generator required to  
21 prepare a plan shall permit the director or a representative of the  
22 director to review the plan to determine its adequacy. No visit made  
23 by the director or a representative of the director to a facility for  
24 the purposes of this subsection may be regarded as an inspection or  
25 investigation, and no notices or citations may be issued, nor any  
26 civil penalty assessed, upon such a visit.

27 (3) If a hazardous substance user or hazardous waste generator  
28 fails to complete an adequate plan, executive summary, or annual  
29 progress report, the department shall notify the user or generator of  
30 the inadequacy, identifying specific deficiencies. For the purposes  
31 of this section, a deficiency may include failure to develop a plan,  
32 failure to submit an executive summary pursuant to the schedule  
33 provided in RCW 70.95C.200(5), and failure to submit an annual  
34 progress report pursuant to the rules developed under RCW  
35 70.95C.200(6). The department shall specify a reasonable time frame,  
36 of not less than ninety days, within which the user or generator  
37 shall complete a modified plan, executive summary, or annual progress  
38 report addressing the specified deficiencies.

1 (4) If the department determines that a modified plan, executive  
2 summary, or annual progress report is inadequate, the department may,  
3 within its discretion, either require further modification or enter  
4 an order pursuant to subsection (5) (a) of this section.

5 (5) (a) If, after having received a list of specified deficiencies  
6 from the department, a hazardous substance user or hazardous waste  
7 generator required to prepare a plan fails to complete modification  
8 of a plan, executive summary, or annual progress report within the  
9 time period specified by the department, the department may enter an  
10 order pursuant to chapter 34.05 RCW finding the user or generator not  
11 in compliance with the requirements of RCW 70.95C.200. When the order  
12 is final, the department shall notify the department of (~~revenue~~)  
13 taxation to charge a penalty fee. The penalty fee shall be the  
14 greater of one thousand dollars or three times the amount of the  
15 user's or generator's previous year's fee, in addition to the current  
16 year's fee. If no fee was assessed the previous year, the penalty  
17 shall be the greater of one thousand dollars or three times the  
18 amount of the current year's fee. The penalty assessed under this  
19 subsection shall be collected each year after the year for which the  
20 penalty was assessed until an adequate plan or executive summary is  
21 completed.

22 (b) If a hazardous substance user or hazardous waste generator  
23 required to prepare a plan fails to complete an adequate plan,  
24 executive summary, or annual progress report after the department has  
25 levied against the user or generator the penalty provided in (a) of  
26 this subsection, the user or generator shall be required to pay a  
27 surcharge to the department whenever the user or generator disposes  
28 of a hazardous waste at any hazardous waste incinerator or hazardous  
29 waste landfill facility located in Washington state, until a plan,  
30 executive summary, or annual progress report is completed and  
31 determined to be adequate by the department. The surcharge shall be  
32 equal to three times the fee charged for disposal. The department  
33 shall furnish the incinerator and landfill facilities in this state  
34 with a list of environmental protection agency/state identification  
35 numbers of the hazardous waste generators that are not in compliance  
36 with the requirements of RCW 70.95C.200.

37 **Sec. 181.** RCW 70.105D.070 and 2018 c 299 s 911 are each amended  
38 to read as follows:

1 (1) The state toxics control account and the local toxics control  
2 account are hereby created in the state treasury.

3 (2) (a) Moneys collected under RCW 82.21.030 must be deposited as  
4 follows: Fifty-six percent to the state toxics control account under  
5 subsection (3) of this section and forty-four percent to the local  
6 toxics control account under subsection (4) of this section. When the  
7 cumulative amount of deposits made to the state and local toxics  
8 control accounts under this section reaches the limit during a fiscal  
9 year as established in (b) of this subsection, the remainder of the  
10 moneys collected under RCW 82.21.030 during that fiscal year must be  
11 deposited into the environmental legacy stewardship account created  
12 in RCW 70.105D.170.

13 (b) The limit on distributions of moneys collected under RCW  
14 82.21.030 to the state and local toxics control accounts for the  
15 fiscal year beginning July 1, 2013, is one hundred forty million  
16 dollars.

17 (c) In addition to the funds required under (a) of this  
18 subsection, the following moneys must be deposited into the state  
19 toxics control account: (i) The costs of remedial actions recovered  
20 under this chapter or chapter 70.105A RCW; (ii) penalties collected  
21 or recovered under this chapter; and (iii) any other money  
22 appropriated or transferred to the account by the legislature.

23 (3) Moneys in the state toxics control account must be used only  
24 to carry out the purposes of this chapter, including but not limited  
25 to the following activities:

26 (a) The state's responsibility for hazardous waste planning,  
27 management, regulation, enforcement, technical assistance, and public  
28 education required under chapter 70.105 RCW;

29 (b) The state's responsibility for solid waste planning,  
30 management, regulation, enforcement, technical assistance, and public  
31 education required under chapter 70.95 RCW;

32 (c) The hazardous waste clean-up program required under this  
33 chapter;

34 (d) State matching funds required under federal cleanup law;

35 (e) Financial assistance for local programs in accordance with  
36 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

37 (f) State government programs for the safe reduction, recycling,  
38 or disposal of paint and hazardous wastes from households, small  
39 businesses, and agriculture;

1 (g) Oil and hazardous materials spill prevention, preparedness,  
2 training, and response activities;

3 (h) Water and environmental health protection and monitoring  
4 programs;

5 (i) Programs authorized under chapter 70.146 RCW;

6 (j) A public participation program;

7 (k) Public funding to assist potentially liable persons to pay  
8 for the costs of remedial action in compliance with clean-up  
9 standards under RCW 70.105D.030(2)(e) but only when the amount and  
10 terms of such funding are established under a settlement agreement  
11 under RCW 70.105D.040(4) and when the director has found that the  
12 funding will achieve both: (i) A substantially more expeditious or  
13 enhanced cleanup than would otherwise occur; and (ii) the prevention  
14 or mitigation of unfair economic hardship;

15 (l) Development and demonstration of alternative management  
16 technologies designed to carry out the hazardous waste management  
17 priorities of RCW 70.105.150;

18 (m) State agriculture and health programs for the safe use,  
19 reduction, recycling, or disposal of pesticides;

20 (n) Stormwater pollution control projects and activities that  
21 protect or preserve existing remedial actions or prevent hazardous  
22 clean-up sites;

23 (o) Funding requirements to maintain receipt of federal funds  
24 under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et  
25 seq.);

26 (p) Air quality programs and actions for reducing public exposure  
27 to toxic air pollution;

28 (q) Public funding to assist prospective purchasers to pay for  
29 the costs of remedial action in compliance with clean-up standards  
30 under RCW 70.105D.030(2)(e) if:

31 (i) The facility is located within a redevelopment opportunity  
32 zone designated under RCW 70.105D.150;

33 (ii) The amount and terms of the funding are established under a  
34 settlement agreement under RCW 70.105D.040(5); and

35 (iii) The director has found the funding meets any additional  
36 criteria established in rule by the department, will achieve a  
37 substantially more expeditious or enhanced cleanup than would  
38 otherwise occur, and will provide a public benefit in addition to  
39 cleanup commensurate with the scope of the public funding;

1 (r) Petroleum-based plastic or expanded polystyrene foam debris  
2 cleanup activities in fresh or marine waters;

3 (s) Appropriations to the local toxics control account or the  
4 environmental legacy stewardship account created in RCW 70.105D.170,  
5 if the legislature determines that priorities for spending exceed  
6 available funds in those accounts;

7 (t) During the 2015-2017 and 2017-2019 fiscal biennia, the  
8 department of ecology's water quality, shorelands, environmental  
9 assessment, administration, and air quality programs;

10 (u) During the 2013-2015 fiscal biennium, actions at the state  
11 conservation commission to improve water quality for shellfish;

12 (v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at  
13 the University of Washington for reducing ocean acidification;

14 (w) During the 2015-2017 and 2017-2019 fiscal biennia, for the  
15 University of Washington Tacoma soil remediation project;

16 (x) For the 2013-2015 fiscal biennium, moneys in the state toxics  
17 control account may be spent on projects in section 3160, chapter 19,  
18 Laws of 2013 2nd sp. sess. and for transfer to the local toxics  
19 control account;

20 (y) For the 2013-2015 fiscal biennium, moneys in the state toxics  
21 control account may be transferred to the radioactive mixed waste  
22 account; and

23 (z) For the 2015-2017 and 2017-2019 fiscal biennia, forest  
24 practices regulation at the department of natural resources.

25 (4)(a) The department shall use moneys deposited in the local  
26 toxics control account for grants or loans to local governments for  
27 the following purposes in descending order of priority:

28 (i) Extended grant agreements entered into under (c)(i) of this  
29 subsection;

30 (ii) Remedial actions, including planning for adaptive reuse of  
31 properties as provided for under (c)(iv) of this subsection. The  
32 department must prioritize funding of remedial actions at:

33 (A) Facilities on the department's hazardous sites list with a  
34 high hazard ranking for which there is an approved remedial action  
35 work plan or an equivalent document under federal cleanup law;

36 (B) Brownfield properties within a redevelopment opportunity zone  
37 if the local government is a prospective purchaser of the property  
38 and there is a department-approved remedial action work plan or  
39 equivalent document under the federal cleanup law;

1 (iii) Stormwater pollution source projects that: (A) Work in  
2 conjunction with a remedial action; (B) protect completed remedial  
3 actions against recontamination; or (C) prevent hazardous clean-up  
4 sites;

5 (iv) Hazardous waste plans and programs under chapter 70.105 RCW;

6 (v) Solid waste plans and programs under chapters 70.95, 70.95C,  
7 70.95I, and 70.105 RCW;

8 (vi) Petroleum-based plastic or expanded polystyrene foam debris  
9 cleanup activities in fresh or marine waters; and

10 (vii) Appropriations to the state toxics control account or the  
11 environmental legacy stewardship account created in RCW 70.105D.170,  
12 if the legislature determines that priorities for spending exceed  
13 available funds in those accounts.

14 (b) Funds for plans and programs must be allocated consistent  
15 with the priorities and matching requirements established in chapters  
16 70.105, 70.95C, 70.95I, and 70.95 RCW.

17 (c) During the 2013-2015 fiscal biennium, the local toxics  
18 control account may also be used for local government stormwater  
19 planning and implementation activities.

20 (d) During the 2013-2015 fiscal biennium, the legislature may  
21 transfer from the local toxics control account to the state general  
22 fund, such amounts as reflect the excess fund balance in the account.

23 (e) To expedite cleanups throughout the state, the department may  
24 use the following strategies when providing grants to local  
25 governments under this subsection:

26 (i) Enter into an extended grant agreement with a local  
27 government conducting remedial actions at a facility where those  
28 actions extend over multiple biennia and the total eligible cost of  
29 those actions exceeds twenty million dollars. The agreement is  
30 subject to the following limitations:

31 (A) The initial duration of such an agreement may not exceed ten  
32 years. The department may extend the duration of such an agreement  
33 upon finding substantial progress has been made on remedial actions  
34 at the facility;

35 (B) Extended grant agreements may not exceed fifty percent of the  
36 total eligible remedial action costs at the facility; and

37 (C) The department may not allocate future funding to an extended  
38 grant agreement unless the local government has demonstrated to the  
39 department that funds awarded under the agreement during the previous



1 biennium have been substantially expended or contracts have been  
2 entered into to substantially expend the funds;

3 (ii) Enter into a grant agreement with a local government  
4 conducting a remedial action that provides for periodic reimbursement  
5 of remedial action costs as they are incurred as established in the  
6 agreement;

7 (iii) Enter into a grant agreement with a local government prior  
8 to it acquiring a property or obtaining necessary access to conduct  
9 remedial actions, provided the agreement is conditioned upon the  
10 local government acquiring the property or obtaining the access in  
11 accordance with a schedule specified in the agreement;

12 (iv) Provide integrated planning grants to local governments to  
13 fund studies necessary to facilitate remedial actions at brownfield  
14 properties and adaptive reuse of properties following remediation.  
15 Eligible activities include, but are not limited to: Environmental  
16 site assessments; remedial investigations; health assessments;  
17 feasibility studies; site planning; community involvement; land use  
18 and regulatory analyses; building and infrastructure assessments;  
19 economic and fiscal analyses; and any environmental analyses under  
20 chapter 43.21C RCW;

21 (v) Provide grants to local governments for remedial actions  
22 related to area-wide groundwater contamination. To receive the  
23 funding, the local government does not need to be a potentially  
24 liable person or be required to seek reimbursement of grant funds  
25 from a potentially liable person;

26 (vi) The director may alter grant matching requirements to create  
27 incentives for local governments to expedite cleanups when one of the  
28 following conditions exists:

29 (A) Funding would prevent or mitigate unfair economic hardship  
30 imposed by the clean-up liability;

31 (B) Funding would create new substantial economic development,  
32 public recreational opportunities, or habitat restoration  
33 opportunities that would not otherwise occur; or

34 (C) Funding would create an opportunity for acquisition and  
35 redevelopment of brownfield property under RCW 70.105D.040(5) that  
36 would not otherwise occur;

37 (vii) When pending grant applications under (e)(iv) and (v) of  
38 this subsection (4) exceed the amount of funds available, designated  
39 redevelopment opportunity zones must receive priority for  
40 distribution of available funds.

1 (f) To expedite multiparty clean-up efforts, the department may  
2 purchase remedial action cost-cap insurance. For the 2013-2015 fiscal  
3 biennium, moneys in the local toxics control account may be spent on  
4 projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of  
5 2013 2nd sp. sess.

6 (5) Except for unanticipated receipts under RCW 43.79.260 through  
7 43.79.282, moneys in the state and local toxics control accounts may  
8 be spent only after appropriation by statute.

9 (6) No moneys deposited into either the state or local toxics  
10 control account may be used for: Natural disasters where there is no  
11 hazardous substance contamination; high performance buildings; solid  
12 waste incinerator facility feasibility studies, construction,  
13 maintenance, or operation; or projects designed to address the  
14 restoration of Puget Sound, funded in a competitive grant process,  
15 that are in conflict with the action agenda developed by the Puget  
16 Sound partnership under RCW 90.71.310. However, this subsection does  
17 not prevent an appropriation from the state toxics control account to  
18 the department of (~~revenue~~) taxation to enforce compliance with the  
19 hazardous substance tax imposed in chapter 82.21 RCW.

20 (7) Except during the 2011-2013 and the 2015-2017 fiscal biennia,  
21 one percent of the moneys collected under RCW 82.21.030 shall be  
22 allocated only for public participation grants to persons who may be  
23 adversely affected by a release or threatened release of a hazardous  
24 substance and to not-for-profit public interest organizations. The  
25 primary purpose of these grants is to facilitate the participation by  
26 persons and organizations in the investigation and remedying of  
27 releases or threatened releases of hazardous substances and to  
28 implement the state's solid and hazardous waste management  
29 priorities. No grant may exceed sixty thousand dollars. Grants may be  
30 renewed annually. Moneys appropriated for public participation that  
31 are not expended at the close of any biennium revert to the state  
32 toxics control account.

33 (8) The department shall adopt rules for grant or loan issuance  
34 and performance. To accelerate both remedial action and economic  
35 recovery, the department may expedite the adoption of rules necessary  
36 to implement chapter 1, Laws of 2013 2nd sp. sess. using the  
37 expedited procedures in RCW 34.05.353. The department shall initiate  
38 the award of financial assistance by August 1, 2013. To ensure the  
39 adoption of rules will not delay financial assistance, the department

1 may administer the award of financial assistance through interpretive  
2 guidance pending the adoption of rules through July 1, 2014.

3 (9) Except as provided under subsection (3)(k) and (q) of this  
4 section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the  
5 ability of a potentially liable person to receive public funding.

6 (10) During the 2015-2017 fiscal biennium the local toxics  
7 control account may also be used for the centennial clean water  
8 program and for the stormwater financial assistance program  
9 administered by the department of ecology.

10 (11) During the 2017-2019 fiscal biennium:

11 (a) The state toxics control account, the local toxics control  
12 account, and the environmental legacy stewardship account may be used  
13 for interchangeable purposes and funds may be transferred between  
14 accounts to accomplish those purposes.

15 (b) The legislature may direct the state treasurer to make  
16 transfers of moneys in the state toxics control account to the water  
17 pollution control revolving account.

18 **Sec. 182.** RCW 70.108.140 and 1972 ex.s. c 123 s 4 are each  
19 amended to read as follows:

20 The department of (~~revenue~~) taxation shall be allowed to  
21 inspect the books and records of any outdoor music festival during  
22 the period of operation of the festival and after the festival has  
23 concluded for the purpose of determining whether or not the tax laws  
24 of this state are complied with.

25 **Sec. 183.** RCW 70.155.120 and 2016 sp.s. c 38 s 2 are each  
26 amended to read as follows:

27 (1) The youth tobacco and vapor products prevention account is  
28 created in the state treasury. All fees collected pursuant to RCW  
29 82.24.520, 82.24.530, 82.26.160, and 82.26.170 and funds collected by  
30 the liquor and cannabis board from the imposition of monetary  
31 penalties shall be deposited into this account, except that ten  
32 percent of all such fees and penalties shall be deposited in the  
33 state general fund.

34 (2) Moneys appropriated from the youth tobacco and vapor products  
35 prevention account to the department of health shall be used by the  
36 department of health for implementation of this chapter, including  
37 collection and reporting of data regarding enforcement and the extent

1 to which access to tobacco products and vapor products by youth has  
2 been reduced.

3 (3) The department of health shall enter into interagency  
4 agreements with the liquor and cannabis board to pay the costs  
5 incurred, up to thirty percent of available funds, in carrying out  
6 its enforcement responsibilities under this chapter. Such agreements  
7 shall set forth standards of enforcement, consistent with the funding  
8 available, so as to reduce the extent to which tobacco products and  
9 vapor products are available to individuals under the age of  
10 eighteen. The agreements shall also set forth requirements for data  
11 reporting by the liquor and cannabis board regarding its enforcement  
12 activities.

13 (4) The department of health, the liquor and cannabis board, and  
14 the department of (~~revenue~~) taxation shall enter into an  
15 interagency agreement for payment of the cost of administering the  
16 tobacco retailer licensing system and for the provision of quarterly  
17 documentation of tobacco wholesaler, retailer, and vending machine  
18 names and locations.

19 (5) The department of health shall, within up to seventy percent  
20 of available funds, provide grants to local health departments or  
21 other local community agencies to develop and implement coordinated  
22 tobacco and vapor product intervention strategies to prevent and  
23 reduce tobacco and vapor product use by youth.

24 **Sec. 184.** RCW 70.157.010 and 1999 c 393 s 2 are each amended to  
25 read as follows:

26 (a) "Adjusted for inflation" means increased in accordance with  
27 the formula for inflation adjustment set forth in Exhibit C to the  
28 Master Settlement Agreement.

29 (b) "Affiliate" means a person who directly or indirectly owns or  
30 controls, is owned or controlled by, or is under common ownership or  
31 control with, another person. Solely for purposes of this definition,  
32 the terms "owns," "is owned" and "ownership" mean ownership of an  
33 equity interest, or the equivalent thereof, of ten percent or more,  
34 and the term "person" means an individual, partnership, committee,  
35 association, corporation or any other organization or group of  
36 persons.

37 (c) "Allocable share" means Allocable Share as that term is  
38 defined in the Master Settlement Agreement.

1 (d) "Cigarette" means any product that contains nicotine, is  
2 intended to be burned or heated under ordinary conditions of use, and  
3 consists of or contains (1) any roll of tobacco wrapped in paper or  
4 in any substance not containing tobacco; or (2) tobacco, in any form,  
5 that is functional in the product, which, because of its appearance,  
6 the type of tobacco used in the filler, or its packaging and  
7 labeling, is likely to be offered to, or purchased by, consumers as a  
8 cigarette; or (3) any roll of tobacco wrapped in any substance  
9 containing tobacco which, because of its appearance, the type of  
10 tobacco used in the filler, or its packaging and labeling, is likely  
11 to be offered to, or purchased by, consumers as a cigarette described  
12 in clause (1) of this definition. The term "cigarette" includes  
13 "roll-your-own" (i.e., any tobacco which, because of its appearance,  
14 type, packaging, or labeling is suitable for use and likely to be  
15 offered to, or purchased by, consumers as tobacco for making  
16 cigarettes). For purposes of this definition of "cigarette," 0.09  
17 ounces of "roll-your-own" tobacco shall constitute one individual  
18 "cigarette".

19 (e) "Master Settlement Agreement" means the settlement agreement  
20 (and related documents) entered into on November 23, 1998 by the  
21 State and leading United States tobacco product manufacturers.

22 (f) "Qualified escrow fund" means an escrow arrangement with a  
23 federally or State chartered financial institution having no  
24 affiliation with any tobacco product manufacturer and having assets  
25 of at least \$1,000,000,000 where such arrangement requires that such  
26 financial institution hold the escrowed funds' principal for the  
27 benefit of releasing parties and prohibits the tobacco product  
28 manufacturer placing the funds into escrow from using, accessing or  
29 directing the use of the funds' principal except as consistent with  
30 RCW 70.157.020(b).

31 (g) "Released claims" means Released Claims as that term is  
32 defined in the Master Settlement Agreement.

33 (h) "Releasing parties" means Releasing Parties as that term is  
34 defined in the Master Settlement Agreement.

35 (i) "Tobacco Product Manufacturer" means an entity that after the  
36 date of enactment of this Act directly (and not exclusively through  
37 any affiliate):

38 (1) manufactures cigarettes anywhere that such manufacturer  
39 intends to be sold in the United States, including cigarettes  
40 intended to be sold in the United States through an importer (except

1 where such importer is an original participating manufacturer (as  
2 that term is defined in the Master Settlement Agreement) that will be  
3 responsible for the payments under the Master Settlement Agreement  
4 with respect to such cigarettes as a result of the provisions of  
5 subsections II(mm) of the Master Settlement Agreement and that pays  
6 the taxes specified in subsection II(z) of the Master Settlement  
7 Agreement, and provided that the manufacturer of such cigarettes does  
8 not market or advertise such cigarettes in the United States);

9 (2) is the first purchaser anywhere for resale in the United  
10 States of cigarettes manufactured anywhere that the manufacturer does  
11 not intend to be sold in the United States; or

12 (3) becomes a successor of an entity described in paragraph (1)  
13 or (2).

14 The term "Tobacco Product Manufacturer" shall not include an  
15 affiliate of a tobacco product manufacturer unless such affiliate  
16 itself falls within any of (1)-(3) above.

17 (j) "Units sold" means the number of individual cigarettes sold  
18 in the State by the applicable tobacco product manufacturer (whether  
19 directly or through a distributor, retailer or similar intermediary  
20 or intermediaries) during the year in question, as measured by excise  
21 taxes collected by the State on packs bearing the excise tax stamp of  
22 the State or "roll-your-own" tobacco containers. The department of  
23 (~~revenue~~) taxation shall promulgate such regulations as are  
24 necessary to ascertain the amount of State excise tax paid on the  
25 cigarettes of such tobacco product manufacturer for each year.

26 **Sec. 185.** RCW 70.158.020 and 2003 c 25 s 2 are each amended to  
27 read as follows:

28 The following definitions apply to this chapter unless the  
29 context clearly requires otherwise.

30 (1) "Brand family" means all styles of cigarettes sold under the  
31 same trademark and differentiated from one another by means of  
32 additional modifiers or descriptors, including, but not limited to,  
33 "menthol," "lights," "kings," and "100s," and includes any brand name  
34 alone or in conjunction with any other word, trademark, logo, symbol,  
35 motto, selling message, recognizable pattern of colors, or any other  
36 indicia of product identification identical or similar to, or  
37 identifiable with, a previously known brand of cigarettes.

38 (2) "Board" means the liquor (~~control~~) and cannabis board.

39 (3) "Cigarette" has the same meaning as in RCW 70.157.010(d).

1 (4) "Director" means the director of the department of  
2 (~~revenue~~) taxation except as otherwise noted.

3 (5) "Directory" means the directory to be created and published  
4 on a web site by the attorney general pursuant to RCW 70.158.030(2).

5 (6) "Distributor" has the same meaning as in RCW 82.26.010(3),  
6 except that for purposes of this chapter, no person is a distributor  
7 if that person does not deal with cigarettes as defined in this  
8 section.

9 (7) "Master settlement agreement" has the same meaning as in RCW  
10 70.157.010(e).

11 (8) "Nonparticipating manufacturer" means any tobacco product  
12 manufacturer that is not a participating manufacturer.

13 (9) "Participating manufacturer" has the meaning given that term  
14 in section II(jj) of the master settlement agreement.

15 (10) "Qualified escrow fund" has the same meaning as in RCW  
16 70.157.010(f).

17 (11) "Stamp" means "stamp" as defined in RCW 82.24.010(7) or as  
18 referred to in RCW 43.06.455(4).

19 (12) "Tobacco product manufacturer" has the same meaning as in  
20 RCW 70.157.010(i).

21 (13) "Units sold" has the same meaning as in RCW 70.157.010(j).

22 (14) "Wholesaler" has the same meaning as in RCW 82.24.010.

23 **Sec. 186.** RCW 74.04.014 and 2018 c 58 s 9 are each amended to  
24 read as follows:

25 (1) In carrying out the provisions of this chapter, the office of  
26 fraud and accountability shall have prompt access to all individuals,  
27 records, electronic data, reports, audits, reviews, documents, and  
28 other materials available to the department of (~~revenue~~) taxation,  
29 department of labor and industries, department of children, youth,  
30 and families, employment security department, department of  
31 licensing, and any other government entity that can be used to help  
32 facilitate investigations of fraud or abuse as determined necessary  
33 by the director of the office of fraud and accountability.

34 (2) The investigator shall have access to all original child care  
35 records maintained by licensed and unlicensed child care providers  
36 with the consent of the provider or with a court order or valid  
37 search warrant.

38 (3) Information gathered by the department, the office, or the  
39 fraud ombuds shall be safeguarded and remain confidential as required

1 by applicable state or federal law. Whenever information or  
2 assistance requested under subsection (1) or (2) of this section is,  
3 in the judgment of the director, unreasonably refused or not  
4 provided, the director of the office of fraud and accountability must  
5 report the circumstances to the secretary immediately.

6 **Sec. 187.** RCW 74.08A.350 and 1997 c 58 s 1007 are each amended  
7 to read as follows:

8 The department of social and health services shall create a  
9 questionnaire, asking businesses for information regarding available  
10 and upcoming job opportunities for welfare recipients. The department  
11 of (~~revenue~~) taxation shall include the questionnaire in a regular  
12 quarterly mailing. The department of social and health services shall  
13 receive responses and use the information to develop work activities  
14 in the areas where jobs will be available.

15 **Sec. 188.** RCW 74.20A.020 and 1997 c 58 s 805 are each amended to  
16 read as follows:

17 Unless a different meaning is plainly required by the context,  
18 the following words and phrases as hereinafter used in this chapter  
19 and chapter 74.20 RCW shall have the following meanings:

20 (1) "Department" means the state department of social and health  
21 services.

22 (2) "Secretary" means the secretary of the department of social  
23 and health services, the secretary's designee or authorized  
24 representative.

25 (3) "Dependent child" means any person:

26 (a) Under the age of eighteen who is not self-supporting,  
27 married, or a member of the armed forces of the United States; or

28 (b) Over the age of eighteen for whom a court order for support  
29 exists.

30 (4) "Support obligation" means the obligation to provide for the  
31 necessary care, support, and maintenance, including medical expenses,  
32 of a dependent child or other person as required by statutes and the  
33 common law of this or another state.

34 (5) "Superior court order" means any judgment, decree, or order  
35 of the superior court of the state of Washington, or a court of  
36 comparable jurisdiction of another state, establishing the existence  
37 of a support obligation and ordering payment of a set or determinable  
38 amount of support moneys to satisfy the support obligation. For



1 purposes of RCW 74.20A.055, orders for support which were entered  
2 under the uniform reciprocal enforcement of support act by a state  
3 where the responsible parent no longer resides shall not preclude the  
4 department from establishing an amount to be paid as current and  
5 future support.

6 (6) "Administrative order" means any determination, finding,  
7 decree, or order for support pursuant to RCW 74.20A.055, or by an  
8 agency of another state pursuant to a substantially similar  
9 administrative process, establishing the existence of a support  
10 obligation and ordering the payment of a set or determinable amount  
11 of support moneys to satisfy the support obligation.

12 (7) "Responsible parent" means a natural parent, adoptive parent,  
13 or stepparent of a dependent child or a person who has signed an  
14 affidavit acknowledging paternity which has been filed with the state  
15 office of vital statistics.

16 (8) "Stepparent" means the present spouse of the person who is  
17 either the mother, father, or adoptive parent of a dependent child,  
18 and such status shall exist until terminated as provided for in RCW  
19 26.16.205.

20 (9) "Support moneys" means any moneys or in-kind providings paid  
21 to satisfy a support obligation whether denominated as child support,  
22 spouse support, alimony, maintenance, or any other such moneys  
23 intended to satisfy an obligation for support of any person or  
24 satisfaction in whole or in part of arrears or delinquency on such an  
25 obligation.

26 (10) "Support debt" means any delinquent amount of support moneys  
27 which is due, owing, and unpaid under a superior court order or an  
28 administrative order, a debt for the payment of expenses for the  
29 reasonable or necessary care, support, and maintenance, including  
30 medical expenses, of a dependent child or other person for whom a  
31 support obligation is owed; or a debt under RCW 74.20A.100 or  
32 74.20A.270. Support debt also includes any accrued interest, fees, or  
33 penalties charged on a support debt, and attorneys fees and other  
34 costs of litigation awarded in an action to establish and enforce a  
35 support obligation or debt.

36 (11) "State" means any state or political subdivision, territory,  
37 or possession of the United States, the District of Columbia, and the  
38 Commonwealth of Puerto Rico.

1 (12) "Account" means a demand deposit account, checking or  
2 negotiable withdrawal order account, savings account, time deposit  
3 account, or money-market mutual fund account.

4 (13) "Child support order" means a superior court order or an  
5 administrative order.

6 (14) "Financial institution" means:

7 (a) A depository institution, as defined in section 3(c) of the  
8 federal deposit insurance act;

9 (b) An institution-affiliated party, as defined in section 3(u)  
10 of the federal deposit insurance act;

11 (c) Any federal or state credit union, as defined in section 101  
12 of the federal credit union act, including an institution-affiliated  
13 party of such credit union, as defined in section 206(r) of the  
14 federal deposit insurance act; or

15 (d) Any benefit association, insurance company, safe deposit  
16 company, money-market mutual fund, or similar entity.

17 (15) "License" means a license, certificate, registration,  
18 permit, approval, or other similar document issued by a licensing  
19 entity to a licensee evidencing admission to or granting authority to  
20 engage in a profession, occupation, business, industry, recreational  
21 pursuit, or the operation of a motor vehicle. "License" does not mean  
22 the tax registration or certification issued under Title 82 RCW by  
23 the department of (~~revenue~~) taxation.

24 (16) "Licensee" means any individual holding a license,  
25 certificate, registration, permit, approval, or other similar  
26 document issued by a licensing entity evidencing admission to or  
27 granting authority to engage in a profession, occupation, business,  
28 industry, recreational pursuit, or the operation of a motor vehicle.

29 (17) "Licensing entity" includes any department, board,  
30 commission, or other organization authorized to issue, renew,  
31 suspend, or revoke a license authorizing an individual to engage in a  
32 business, occupation, profession, industry, recreational pursuit, or  
33 the operation of a motor vehicle, and includes the Washington state  
34 supreme court, to the extent that a rule has been adopted by the  
35 court to implement suspension of licenses related to the practice of  
36 law.

37 (18) "Noncompliance with a child support order" for the purposes  
38 of the license suspension program authorized under RCW 74.20A.320  
39 means a responsible parent has:

1 (a) Accumulated arrears totaling more than six months of child  
2 support payments;

3 (b) Failed to make payments pursuant to a written agreement with  
4 the department towards a support arrearage in an amount that exceeds  
5 six months of payments; or

6 (c) Failed to make payments required by a superior court order or  
7 administrative order towards a support arrearage in an amount that  
8 exceeds six months of payments.

9 (19) "Noncompliance with a residential or visitation order" means  
10 that a court has found the parent in contempt of court under RCW  
11 26.09.160(3) for failure to comply with a residential provision of a  
12 court-ordered parenting plan.

13 **Sec. 189.** RCW 76.09.040 and 2012 1st sp.s. c 1 s 203 are each  
14 amended to read as follows:

15 (1)(a) Where necessary to accomplish the purposes and policies  
16 stated in RCW 76.09.010, and to implement the provisions of this  
17 chapter, the board shall adopt forest practices rules pursuant to  
18 chapter 34.05 RCW and in accordance with the procedures enumerated in  
19 this section that:

20 (i) Establish minimum standards for forest practices;

21 (ii) Provide procedures for the voluntary development of resource  
22 management plans which may be adopted as an alternative to the  
23 minimum standards in (a)(i) of this subsection if the plan is  
24 consistent with the purposes and policies stated in RCW 76.09.010 and  
25 the plan meets or exceeds the objectives of the minimum standards;

26 (iii) Set forth necessary administrative provisions;

27 (iv) Establish procedures for the collection and administration  
28 of forest practice fees as set forth by this chapter; and

29 (v) Allow for the development of watershed analyses.

30 (b) Forest practices rules pertaining to water quality protection  
31 shall be adopted by the board after reaching agreement with the  
32 director of the department of ecology or the director's designee on  
33 the board with respect to these rules. All other forest practices  
34 rules shall be adopted by the board.

35 (c) Forest practices rules shall be administered and enforced by  
36 either the department or the local governmental entity as provided in  
37 this chapter. Such rules shall be adopted and administered so as to  
38 give consideration to all purposes and policies set forth in RCW  
39 76.09.010.

1 (2) (a) The board shall prepare proposed forest practices rules  
2 consistent with this section and chapter 34.05 RCW. In addition to  
3 any forest practices rules relating to water quality protection  
4 proposed by the board, the department of ecology may submit to the  
5 board proposed forest practices rules relating to water quality  
6 protection.

7 (b) (i) The board shall hold one or more hearings on the proposed  
8 rules pursuant to chapter 34.05 RCW. Any county representative may  
9 propose specific forest practices rules relating to problems existing  
10 within the county at the hearings.

11 (ii) The board may adopt and the department of ecology may  
12 approve such proposals if they find the proposals are consistent with  
13 the purposes and policies of this chapter.

14 (3) (a) The board shall incorporate into the forest practices  
15 rules those fish protection standards in the rules adopted under  
16 chapter 77.55 RCW, as the rules existed on July 10, 2012, that are  
17 applicable to activities regulated under the forest practices rules.  
18 If fish protection standards are incorporated by reference, the board  
19 shall minimize administrative processes by utilizing the exception  
20 from the administrative procedures controlling significant  
21 legislative rules under RCW 34.05.328(5) (b) (iii) for the  
22 incorporation of rules adopted by other state agencies.

23 (b) Thereafter, the board shall incorporate into the forest  
24 practices rules any changes to those fish protection standards in the  
25 rules adopted under chapter 77.55 RCW that are: (i) Adopted  
26 consistent with RCW 77.55.361; and (ii) applicable to activities  
27 regulated under the forest practices rules. If fish protection  
28 standards are incorporated by reference, the board shall minimize  
29 administrative processes by utilizing the exception from the  
30 administrative procedures controlling significant legislative rules  
31 under RCW 34.05.328(5) (b) (iii) for the incorporation of rules adopted  
32 by other state agencies.

33 (c) The board shall establish and maintain technical guidance in  
34 the forest practices board manual, as provided under WAC 222-12-090  
35 as it existed on July 10, 2012, to assist with implementation of the  
36 standards incorporated into the forest practices rules under this  
37 section. The guidance must include best management practices and  
38 standard techniques to ensure fish protection.

1 (d) The board must complete the requirements of (a) of this  
2 subsection and establish initial technical guidance under (c) of this  
3 subsection by December 31, 2013.

4 (4)(a) The board shall establish by rule a program for the  
5 acquisition of riparian open space and critical habitat for  
6 threatened or endangered species as designated by the board.  
7 Acquisition must be a conservation easement. Lands eligible for  
8 acquisition are forestlands within unconfined channel migration zones  
9 or forestlands containing critical habitat for threatened or  
10 endangered species as designated by the board. Once acquired, these  
11 lands may be held and managed by the department, transferred to  
12 another state agency, transferred to an appropriate local government  
13 agency, or transferred to a private nonprofit nature conservancy  
14 corporation, as defined in RCW 64.04.130, in fee or transfer of  
15 management obligation. The board shall adopt rules governing the  
16 acquisition by the state or donation to the state of such interest in  
17 lands including the right of refusal if the lands are subject to  
18 unacceptable liabilities. The rules shall include definitions of  
19 qualifying lands, priorities for acquisition, and provide for the  
20 opportunity to transfer such lands with limited warranties and with a  
21 description of boundaries that does not require full surveys where  
22 the cost of securing the surveys would be unreasonable in relation to  
23 the value of the lands conveyed. The rules shall provide for the  
24 management of the lands for ecological protection or fisheries  
25 enhancement. For the purposes of conservation easements entered into  
26 under this section, the following apply:

27 (i) For conveyances of a conservation easement in which the  
28 landowner conveys an interest in the trees only, the compensation  
29 must include the timber value component, as determined by the cruised  
30 volume of any timber located within the channel migration zone or  
31 critical habitat for threatened or endangered species as designated  
32 by the board, multiplied by the appropriate quality code stumpage  
33 value for timber of the same species shown on the appropriate table  
34 used for timber harvest excise tax purposes under RCW 84.33.091;

35 (ii) For conveyances of a conservation easement in which the  
36 landowner conveys interests in both land and trees, the compensation  
37 must include the timber value component in (a)(i) of this subsection  
38 plus such portion of the land value component as determined just and  
39 equitable by the department. The land value component must be the  
40 acreage of qualifying channel migration zone or critical habitat for

1 threatened or endangered species as determined by the board, to be  
2 conveyed, multiplied by the average per acre value of all commercial  
3 forestland in western Washington or the average for eastern  
4 Washington, whichever average is applicable to the qualifying lands.  
5 The department must determine the western and eastern Washington  
6 averages based on the land value tables established by RCW 84.33.140  
7 and revised annually by the department of (~~revenue~~) taxation.

8 (b) Subject to appropriations sufficient to cover the cost of  
9 such an acquisition program and the related costs of administering  
10 the program, the department must establish a conservation easement in  
11 land that an owner tenders for purchase; provided that such lands  
12 have been taxed as forestlands and are located within an unconfined  
13 channel migration zone or contain critical habitat for threatened or  
14 endangered species as designated by the board. Lands acquired under  
15 this section shall become riparian or habitat open space. These  
16 acquisitions shall not be deemed to trigger the compensating tax of  
17 chapters 84.33 and 84.34 RCW.

18 (c) Instead of offering to sell interests in qualifying lands,  
19 owners may elect to donate the interests to the state.

20 (d) Any acquired interest in qualifying lands by the state under  
21 this section shall be managed as riparian open space or critical  
22 habitat.

23 **Sec. 190.** RCW 76.09.240 and 2011 c 207 s 2 are each amended to  
24 read as follows:

25 (1)(a) Counties planning under RCW 36.70A.040 with a population  
26 greater than one hundred thousand, and the cities and towns within  
27 those counties, where more than a total of twenty-five Class IV  
28 forest practices applications, as defined in RCW 76.09.050(1) Class  
29 IV (a) through (d), have been filed with the department between  
30 January 1, 2003, and December 31, 2005, shall adopt and enforce  
31 ordinances or regulations as provided in subsection (2) of this  
32 section for the following:

33 (i) Forest practices classified as Class I, II, III, and IV that  
34 are within urban growth areas designated under RCW 36.70A.110, except  
35 for forest practices on ownerships of contiguous forestland equal to  
36 or greater than twenty acres where the forest landowner provides, to  
37 the department and the county, city, or town, a written statement of  
38 intent, signed by the forest landowner, not to convert to a use other

1 than growing commercial timber for ten years. This statement must be  
2 accompanied by either:

3 (A) A written forest management plan acceptable to the  
4 department; or

5 (B) Documentation that the land is enrolled as forestland of  
6 long-term commercial significance under the provisions of chapter  
7 84.33 RCW; and

8 (ii) Forest practices classified as Class IV, outside urban  
9 growth areas designated under RCW 36.70A.110, involving either timber  
10 harvest or road construction, or both on:

11 (A) Forestlands that are being converted to another use; or  
12 (B) Lands which, under RCW 76.09.070, are not to be reforested  
13 because of the likelihood of future conversion to urban development;

14 (b) Counties planning under RCW 36.70A.040, and the cities and  
15 towns within those counties, not included in (a) of this subsection,  
16 may adopt and enforce ordinances or regulations as provided in (a) of  
17 this subsection; and

18 (c) Counties not planning under RCW 36.70A.040, and the cities  
19 and towns within those counties, may adopt and enforce ordinances or  
20 regulations as provided in subsection (2) of this section for forest  
21 practices classified as Class IV involving either timber harvest or  
22 road construction, or both on:

23 (i) Forestlands that are being converted to another use; or  
24 (ii) Lands which, under RCW 76.09.070, are not to be reforested  
25 because of the likelihood of future conversion to urban development.

26 (2) Before a county, city, or town may regulate forest practices  
27 under subsection (1) of this section, it shall ensure that its  
28 critical areas and development regulations are in compliance with RCW  
29 36.70A.130 and, if applicable, RCW 36.70A.215. The county, city, or  
30 town shall notify the department and the department of ecology in  
31 writing sixty days prior to adoption of the development regulations  
32 required in this section. The transfer of jurisdiction shall not  
33 occur until the county, city, or town has notified the department,  
34 the department of (~~revenue~~) taxation, and the department of ecology  
35 in writing of the effective date of the regulations. Ordinances and  
36 regulations adopted under subsection (1) of this section and this  
37 subsection must be consistent with or supplement development  
38 regulations that protect critical areas pursuant to RCW 36.70A.060,  
39 and shall at a minimum include:

1 (a) Provisions that require appropriate approvals for all phases  
2 of the conversion of forestlands, including land clearing and  
3 grading; and

4 (b) Procedures for the collection and administration of permit  
5 and recording fees.

6 (3) Activities regulated by counties, cities, or towns as  
7 provided in subsections (1) and (2) of this section shall be  
8 administered and enforced by those counties, cities, or towns. The  
9 department shall not regulate these activities under this chapter.

10 (4) The board shall continue to adopt rules and the department  
11 shall continue to administer and enforce those rules in each county,  
12 city, or town for all forest practices as provided in this chapter  
13 until such a time as the county, city, or town has updated its  
14 development regulations as required by RCW 36.70A.130 and, if  
15 applicable, RCW 36.70A.215, and has adopted ordinances or regulations  
16 under subsections (1) and (2) of this section. However, counties,  
17 cities, and towns that have adopted ordinances or regulations  
18 regarding forest practices prior to July 22, 2011, are not required  
19 to readopt their ordinances or regulations in order to satisfy the  
20 requirements of this section except as necessary to ensure  
21 consistency with Class IV forest practices as defined in RCW  
22 76.09.050.

23 (5) Upon request, the department shall provide technical  
24 assistance to all counties, cities, and towns while they are in the  
25 process of adopting the regulations required by this section, and  
26 after the regulations become effective.

27 (6) For those forest practices over which the board and the  
28 department maintain regulatory authority no county, city,  
29 municipality, or other local or regional governmental entity shall  
30 adopt or enforce any law, ordinance, or regulation pertaining to  
31 forest practices, except that to the extent otherwise permitted by  
32 law, such entities may exercise any:

33 (a) Land use planning or zoning authority: PROVIDED, That  
34 exercise of such authority may regulate forest practices only where  
35 the application submitted under RCW 76.09.060 as now or hereafter  
36 amended indicates that the lands are being converted to a use other  
37 than commercial forest product production: PROVIDED, That no permit  
38 system solely for forest practices shall be allowed; that any  
39 additional or more stringent regulations shall not be inconsistent  
40 with the forest practices regulations enacted under this chapter; and



1 such local regulations shall not unreasonably prevent timber  
2 harvesting;

3 (b) Taxing powers;

4 (c) Regulatory authority with respect to public health; and

5 (d) Authority granted by chapter 90.58 RCW, the "Shoreline  
6 Management Act of 1971."

7 (7) All counties and cities adopting or enforcing regulations or  
8 ordinances under this section shall include in the regulation or  
9 ordinance a requirement that a verification accompany every permit  
10 issued for forestland by that county or city associated with the  
11 conversion to a use other than commercial timber operation, as that  
12 term is defined in RCW 76.09.020, that verifies that the land in  
13 question is not or has not been subject to a notice of conversion to  
14 nonforestry uses under RCW 76.09.060 during the six-year period prior  
15 to the submission of a permit application.

16 (8) To improve the administration of the forest excise tax  
17 created in chapter 84.33 RCW, a county, city, or town that regulates  
18 forest practices under this section shall report permit information  
19 to the department of (~~revenue~~) taxation for all approved forest  
20 practices permits. The permit information shall be reported to the  
21 department of (~~revenue~~) taxation no later than sixty days after the  
22 date the permit was approved and shall be in a form and manner agreed  
23 to by the county, city, or town and the department of (~~revenue~~)  
24 taxation. Permit information includes the landowner's legal name,  
25 address, telephone number, and parcel number.

26 **Sec. 191.** RCW 76.13.120 and 2017 c 140 s 1 are each amended to  
27 read as follows:

28 (1) The legislature finds that the state should acquire easements  
29 primarily along riparian and other sensitive aquatic areas from  
30 qualifying small forest landowners willing to sell or donate  
31 easements to the state provided that the state will not be required  
32 to acquire the easements if they are subject to unacceptable  
33 liabilities. Therefore the legislature establishes a forestry  
34 riparian easement program.

35 (2) The definitions in this subsection apply throughout this  
36 section and RCW 76.13.100, 76.13.110, 76.13.140, and 76.13.160 unless  
37 the context clearly requires otherwise.

1 (a) "Forestry riparian easement" means an easement covering  
2 qualifying timber granted voluntarily to the state by a qualifying  
3 small forest landowner.

4 (b) "Qualifying small forest landowner" means a landowner meeting  
5 all of the following characteristics as of the date the department  
6 offers compensation for a forestry riparian easement:

7 (i) Is a small forest landowner as defined in (d) of this  
8 subsection; and

9 (ii) Is an individual, partnership, corporation, or other  
10 nongovernmental for-profit legal entity.

11 (c) "Qualifying timber" means those forest trees for which the  
12 small forest landowner is willing to grant the state a forestry  
13 riparian easement and meets all of the following:

14 (i) The forest trees are covered by a forest practices  
15 application that the small forest landowner is required to leave  
16 unharvested under the rules adopted under RCW 76.09.040, 76.09.055,  
17 and 76.09.370 or that is made uneconomic to harvest by those rules;

18 (ii) The forest trees are within or bordering a commercially  
19 reasonable harvest unit as determined under rules adopted by the  
20 forest practices board, or for which an approved forest practices  
21 application for timber harvest cannot be obtained because of  
22 restrictions under the forest practices rules;

23 (iii) The forest trees are located within, or affected by forest  
24 practices rules pertaining to any one, or all, of the following:

25 (A) Riparian or other sensitive aquatic areas;

26 (B) Channel migration zones; or

27 (C) Areas of potentially unstable slopes or landforms, verified  
28 by the department, and must meet all of the following:

29 (I) Are addressed in a forest practices application;

30 (II) Are adjacent to a commercially reasonable harvest area; and

31 (III) Have the potential to deliver sediment or debris to a  
32 public resource or threaten public safety.

33 (d) "Small forest landowner" means a landowner meeting all of the  
34 following characteristics:

35 (i) A forest landowner as defined in RCW 76.09.020 whose interest  
36 in the land and timber is in fee or who has rights to the timber to  
37 be included in the forestry riparian easement that extend at least  
38 fifty years from the date the completed forestry riparian easement  
39 application associated with the easement is submitted;

1 (ii) An entity that has harvested from its own lands in this  
2 state during the three years prior to the year of application an  
3 average timber volume that would qualify the owner as a small  
4 harvester under RCW 84.33.035; and

5 (iii) An entity that certifies at the time of application that it  
6 does not expect to harvest from its own lands more than the volume  
7 allowed by RCW 84.33.035 during the ten years following application.  
8 If a landowner's prior three-year average harvest exceeds the limit  
9 of RCW 84.33.035, or the landowner expects to exceed this limit  
10 during the ten years following application, and that landowner  
11 establishes to the department's reasonable satisfaction that the  
12 harvest limits were or will be exceeded to raise funds to pay estate  
13 taxes or equally compelling and unexpected obligations such as court-  
14 ordered judgments or extraordinary medical expenses, the landowner  
15 shall be deemed to be a small forest landowner. For purposes of  
16 determining whether a person qualifies as a small forest landowner,  
17 the small forest landowner office, created in RCW 76.13.110, shall  
18 evaluate the landowner under this definition, pursuant to RCW  
19 76.13.160, as of the date that the forest practices application is  
20 submitted and the date that the department offers compensation for  
21 the forestry riparian easement. A small forest landowner can include  
22 an individual, partnership, corporation, or other nongovernmental  
23 legal entity. If a landowner grants timber rights to another entity  
24 for less than five years, the landowner may still qualify as a small  
25 forest landowner under this section. If a landowner is unable to  
26 obtain an approved forest practices application for timber harvest  
27 for any of his or her land because of restrictions under the forest  
28 practices rules, the landowner may still qualify as a small forest  
29 landowner under this section.

30 (e) "Completion of harvest" means that the trees have been  
31 harvested from an area and that further entry into that area by  
32 mechanized logging or slash treating equipment is not expected.

33 (3) The department is authorized and directed to accept and hold  
34 in the name of the state of Washington forestry riparian easements  
35 granted by qualifying small forest landowners covering qualifying  
36 timber and to pay compensation to the landowners in accordance with  
37 this section. The department may not transfer the easements to any  
38 entity other than another state agency.

39 (4) Forestry riparian easements shall be effective for fifty  
40 years from the date of the completed forestry riparian easement

1 application, unless the easement is voluntarily terminated earlier by  
2 the department, based on a determination that termination is in the  
3 best interest of the state, or under the terms of a termination  
4 clause in the easement.

5 (5) Forestry riparian easements shall be restrictive only, and  
6 shall preserve all lawful uses of the easement premises by the  
7 landowner that are consistent with the terms of the easement and the  
8 requirement to protect riparian functions during the term of the  
9 easement, subject to the restriction that the leave trees required by  
10 the rules to be left on the easement premises may not be cut during  
11 the term of the easement. No right of public access to or across, or  
12 any public use of the easement premises is created by this statute or  
13 by the easement. Forestry riparian easements shall not be deemed to  
14 trigger the compensating tax of or otherwise disqualify land from  
15 being taxed under chapter 84.33 or 84.34 RCW.

16 (6) The small forest landowner office shall determine what  
17 constitutes a completed application for a forestry riparian easement.  
18 An application shall, at a minimum, include documentation of the  
19 owner's status as a qualifying small forest landowner, identification  
20 of location and the types of qualifying timber, and notification of  
21 completion of harvest, if applicable.

22 (7) Upon receipt of the qualifying small forest landowner's  
23 forestry riparian easement application, and subject to the  
24 availability of amounts appropriated for this specific purpose, the  
25 following must occur:

26 (a) The small forest landowner office must determine the  
27 compensation to be offered to the qualifying small forest landowner  
28 for qualifying timber after the department accepts the completed  
29 forestry riparian easement application and the landowner has  
30 completed marking the boundary of the area containing the qualifying  
31 timber. The legislature recognizes that there is not readily  
32 available market transaction evidence of value for easements of the  
33 nature required by this section, and thus establishes the methodology  
34 provided in this subsection to ascertain the value for forestry  
35 riparian easements. Values so determined may not be considered  
36 competent evidence of value for any other purpose.

37 (b) The small forest landowner office, subject to the  
38 availability of amounts appropriated for this specific purpose, is  
39 responsible for assessing the volume of qualifying timber. However,  
40 no more than fifty percent of the total amounts appropriated for the

1 forestry riparian easement program may be applied to determine the  
2 volume of qualifying timber for completed forestry riparian easement  
3 applications. Based on the volume established by the small forest  
4 landowner office and using data obtained or maintained by the  
5 department of (~~revenue~~) taxation under RCW 84.33.074 and 84.33.091,  
6 the small forest landowner office shall attempt to determine the fair  
7 market value of the qualifying timber as of the date the complete  
8 forestry riparian easement application is received. Removal of any  
9 qualifying timber before the expiration of the easement must be in  
10 accordance with the forest practices rules and the terms of the  
11 easement. There shall be no reduction in compensation for reentry.

12 (8) (a) Except as provided in subsection (9) of this section and  
13 subject to the availability of amounts appropriated for this specific  
14 purpose, the small forest landowner office shall offer compensation  
15 for qualifying timber to the qualifying small forest landowner in the  
16 amount of fifty percent of the value determined by the small forest  
17 landowner office, plus the compliance and reimbursement costs as  
18 determined in accordance with RCW 76.13.140. However, compensation  
19 for any qualifying small forest landowner for qualifying timber  
20 located on potentially unstable slopes or landforms may not exceed a  
21 total of fifty thousand dollars during any biennial funding period.

22 (b) If the landowner accepts the offer for qualifying timber, the  
23 department shall pay the compensation promptly upon:

24 (i) Completion of harvest in the area within a commercially  
25 reasonable harvest unit with which the forestry riparian easement is  
26 associated under an approved forest practices application, unless an  
27 approved forest practices application for timber harvest cannot be  
28 obtained because of restrictions under the forest practices rules;

29 (ii) Verification that the landowner has no outstanding  
30 violations under chapter 76.09 RCW or any associated rules; and

31 (iii) Execution and delivery of the easement to the department.

32 (c) Upon donation or payment of compensation, the department may  
33 record the easement.

34 (9) For approved forest practices applications for which the  
35 regulatory impact is greater than the average percentage impact for  
36 all small forest landowners as determined by an analysis by the  
37 department under the regulatory fairness act, chapter 19.85 RCW, the  
38 compensation offered will be increased to one hundred percent for  
39 that portion of the regulatory impact that is in excess of the  
40 average. Regulatory impact includes all trees identified as

1 qualifying timber. A separate average or high impact regulatory  
2 threshold shall be established for western and eastern Washington.  
3 Criteria for these measurements and payments shall be established by  
4 the small forest landowner office.

5 (10) The forest practices board shall adopt rules under the  
6 administrative procedure act, chapter 34.05 RCW, to implement the  
7 forestry riparian easement program, including the following:

8 (a) A standard version of a forestry riparian easement  
9 application as well as all additional documents necessary or  
10 advisable to create the forestry riparian easements as provided for  
11 in this section;

12 (b) Standards for descriptions of the easement premises with a  
13 degree of precision that is reasonable in relation to the values  
14 involved;

15 (c) Methods and standards for cruises and valuation of forestry  
16 riparian easements for purposes of establishing the compensation. The  
17 department shall perform the timber cruises of forestry riparian  
18 easements required under this chapter and chapter 76.09 RCW. Timber  
19 cruises are subject to amounts appropriated for this purpose.  
20 However, no more than fifty percent of the total appropriated funding  
21 for the forestry riparian easement program may be applied to  
22 determine the volume of qualifying timber for completed forestry  
23 riparian easement applications. Any rules concerning the methods and  
24 standards for valuations of forestry riparian easements shall apply  
25 only to the department, qualifying small forest landowners, and the  
26 small forest landowner office;

27 (d) A method to determine that a forest practices application  
28 involves a commercially reasonable harvest, and adopt criteria for  
29 entering into a forestry riparian easement where a commercially  
30 reasonable harvest is not possible or a forest practices application  
31 that has been submitted cannot be approved because of restrictions  
32 under the forest practices rules;

33 (e) A method to address blowdown of qualified timber falling  
34 outside the easement premises;

35 (f) A formula for sharing of proceeds in relation to the  
36 acquisition of qualified timber covered by an easement through the  
37 exercise or threats of eminent domain by a federal or state agency  
38 with eminent domain authority, based on the present value of the  
39 department's and the landowner's relative interests in the qualified  
40 timber;

- 1 (g) High impact regulatory thresholds;
- 2 (h) A method to determine timber that is qualifying timber
- 3 because it is rendered uneconomic to harvest by the rules adopted
- 4 under RCW 76.09.055 and 76.09.370;
- 5 (i) A method for internal department review of small forest
- 6 landowner office compensation decisions under this section; and
- 7 (j) Consistent with RCW 76.13.180, a method to collect
- 8 reimbursement from landowners who received compensation for a
- 9 forestry riparian easement and who, within the first ten years after
- 10 receipt of compensation for a forestry riparian easement, sells the
- 11 land on which an easement is located to a nonqualifying landowner.
- 12 (11) The legislature finds that the overall societal benefits of
- 13 economically viable working forests are multiple, and include the
- 14 protection of clean, cold water, the provision of wildlife habitat,
- 15 the sheltering of cultural resources from development, and the
- 16 natural carbon storage potential of growing trees. As such, working
- 17 forests and the forest riparian easement program may be part of the
- 18 state's overall carbon sequestration strategy. If the state creates a
- 19 climate strategy, the department must share information regarding the
- 20 carbon sequestration benefits of the forest riparian easement program
- 21 with other state programs using methods and protocols established in
- 22 the state climate strategy that attempt to quantify carbon storage or
- 23 account for carbon emissions. The department must promote the
- 24 expansion of funding for the forest riparian easement program and the
- 25 ecosystem services supported by the program based on the findings
- 26 stated in RCW 76.13.100. Nothing in this subsection allows a
- 27 landowner to be reimbursed by the state more than once for the same
- 28 forest riparian easement application.

29 **Sec. 192.** RCW 76.13.160 and 2011 c 218 s 3 are each amended to  
30 read as follows:

31 When establishing a forestry riparian easement program  
32 applicant's status as a qualifying small forest landowner pursuant to  
33 RCW 76.13.120, the department shall not review the applicant's timber  
34 harvest records, or any other tax-related documents, on file with the  
35 department of ((~~revenue~~)) taxation. The department of ((~~revenue~~))  
36 taxation may confirm or deny an applicant's status as a small forest  
37 landowner at the request of the department. However, for the purposes  
38 of this section, the department of ((~~revenue~~)) taxation may not  
39 disclose more information than whether or not the applicant has

1 reported a harvest or harvests totaling greater than or less than the  
2 qualifying thresholds established in RCW 76.13.120. Nothing in this  
3 section, or RCW 84.33.280, prohibits the department from reviewing  
4 aggregate or general information provided by the department of  
5 (~~revenue~~) taxation.

6 **Sec. 193.** RCW 79.100.170 and 2014 c 195 s 101 are each amended  
7 to read as follows:

8 (1) Any individual or company that purchases or otherwise  
9 receives a used vessel greater than sixty-five feet in length and  
10 more than forty years old must, prior to or concurrent with the  
11 transfer of ownership, secure a marine insurance policy consistent  
12 with this section. Proof of the marine insurance policy must be  
13 provided to:

14 (a) The transferor of the vessel upon purchase or other transfer;  
15 and

16 (b) If applicable, the department of licensing upon registration  
17 or the department of (~~revenue~~) taxation upon the payment of any  
18 taxes.

19 (2) The transferor of a vessel greater than sixty-five feet in  
20 length and more than forty years old has an affirmative duty to  
21 ensure that any potential transferee has secured a marine insurance  
22 policy consistent with this section prior to or concurrent with the  
23 finalization of any sale or transfer. Nothing in this section  
24 prohibits the sale or other transfer of a vessel greater than sixty-  
25 five feet in length and more than forty years old to a transferee  
26 that fails to secure a marine insurance policy. However, a transferor  
27 that chooses to finalize a sale or other transfer with a transferee  
28 not in possession of a marine insurance policy assumes secondary  
29 liability for the vessel consistent with RCW 79.100.060 if the vessel  
30 is later abandoned by the transferee or becomes derelict prior to a  
31 subsequent ownership transfer.

32 (3) The marine insurance policy required under this section must  
33 be secured by the transferee prior to, or concurrent with, assuming  
34 ownership of a vessel greater than sixty-five feet in length and more  
35 than forty years old. The marine insurance policy must satisfy the  
36 following conditions:

37 (a) Have a term of at least twelve months following the  
38 transferee's assumption of vessel ownership;



1 (b) Provide coverage of an amount that is, unless otherwise  
2 provided by the department by rule, at least three hundred thousand  
3 dollars;

4 (c) Provide, unless otherwise provided by the department by rule,  
5 coverage for the removal of the vessel if it should sink and coverage  
6 should it cause a pollution event.

7 (4) The purchaser of marine insurance under this section may  
8 satisfy the requirements of this section through the purchase of  
9 multiple policies as necessary.

10 (5) The department may, by rule, provide for a purchaser of a  
11 vessel to also satisfy the insurance requirements of this section  
12 through the posting of adequate security with a financial  
13 institution.

14 (6) A person required to secure marine insurance or show proof of  
15 marine insurance under this section who either: (a) Fails to secure a  
16 marine insurance policy consistent with this section prior to or  
17 concurrent with the transfer of ownership, unless the vessel was sold  
18 consistent with RCW 79.100.150(2)(b); or (b) cancels a marine  
19 insurance policy consistent with this section prior to the end of the  
20 twelfth month of vessel ownership or to a subsequent transfer of  
21 ownership, whichever occurs first, without securing another marine  
22 insurance policy consistent with this section in its place, is guilty  
23 of a misdemeanor. The department may contact any vessel owner  
24 required by this section to have a marine insurance policy to ensure  
25 compliance with this section.

26 **Sec. 194.** RCW 79.100.180 and 2014 c 195 s 402 are each amended  
27 to read as follows:

28 (1)(a) Except as otherwise provided in (b) of this subsection, an  
29 annual derelict vessel removal fee is imposed upon all persons  
30 required by RCW 84.40.065 to list any ship or vessel with the  
31 department of (~~revenue~~) taxation for state property tax purposes.

32 (b) The derelict vessel removal fee imposed in (a) of this  
33 subsection does not apply in any year that a person required to list  
34 a ship or vessel does not owe the state property tax levied for  
35 collection in that year with respect to that ship or vessel.

36 (c) The annual derelict vessel removal fee is equal to one dollar  
37 per vessel foot measured by extreme length of the vessel, rounded up  
38 to the nearest whole foot.

1 (2) Each year, the department of (~~revenue~~) taxation must  
2 include the amount of the derelict vessel removal fee due under this  
3 section for that calendar year in the tax statement required in RCW  
4 84.40.065.

5 (3) The person listing a ship or vessel and the owner of the ship  
6 or vessel, if not the same person, are jointly and severally liable  
7 for the fee imposed in this section.

8 (4) The department of (~~revenue~~) taxation must collect the  
9 derelict vessel removal fee imposed in this section as provided in  
10 RCW 84.56.440.

11 (5) All derelict vessel removal fees collected under this section  
12 must be deposited into the derelict vessel removal account created in  
13 RCW 79.100.100.

14 **Sec. 195.** RCW 81.100.030 and 2002 c 56 s 410 are each amended to  
15 read as follows:

16 (1) A county with a population of one million or more, or a  
17 county with a population of from two hundred ten thousand to less  
18 than one million that is adjoining a county with a population of one  
19 million or more, and having within its boundaries existing or planned  
20 high occupancy vehicle lanes on the state highway system, or a  
21 regional transportation investment district for capital improvements,  
22 but only to the extent that the tax has not already been imposed by  
23 the county, may, with voter approval impose an excise tax of up to  
24 two dollars per employee per month on all employers or any class or  
25 classes of employers, public and private, including the state located  
26 in the agency's jurisdiction, measured by the number of full-time  
27 equivalent employees. In no event may the total taxes imposed under  
28 this section exceed two dollars per employee per month for any single  
29 employer. The county or investment district imposing the tax  
30 authorized in this section may provide for exemptions from the tax to  
31 such educational, cultural, health, charitable, or religious  
32 organizations as it deems appropriate.

33 Counties or investment districts may contract with the state  
34 department of (~~revenue~~) taxation or other appropriate entities for  
35 administration and collection of the tax. Such contract shall provide  
36 for deduction of an amount for administration and collection  
37 expenses.

38 (2) The tax shall not apply to employment of a person when the  
39 employer has paid for at least half of the cost of a transit pass

1 issued by a transit agency for that employee, valid for the period  
2 for which the tax would otherwise be owed.

3 (3) A county or investment district shall adopt rules that exempt  
4 from all or a portion of the tax any employer that has entered into  
5 an agreement with the county or investment district that is designed  
6 to reduce the proportion of employees who drive in single-occupant  
7 vehicles during peak commuting periods in proportion to the degree  
8 that the agreement is designed to meet the goals for the employer's  
9 location adopted under RCW 81.100.040.

10 The agreement shall include a list of specific actions that the  
11 employer will undertake to be entitled to the exemption. Employers  
12 having an exemption from all or part of the tax through this  
13 subsection shall annually certify to the county or investment  
14 district that the employer is fulfilling the terms of the agreement.  
15 The exemption continues as long as the employer is in compliance with  
16 the agreement.

17 If the tax authorized in RCW 81.100.060 is also imposed, the  
18 total proceeds from both tax sources each year shall not exceed the  
19 maximum amount which could be collected under RCW 81.100.060.

20 **Sec. 196.** RCW 81.100.070 and 1991 sp.s. c 13 ss 105, 119 are  
21 each amended to read as follows:

22 Funds collected by the department of (~~revenue~~) taxation or  
23 other entity under RCW 81.100.030, or by the department of licensing  
24 under RCW 81.100.060, less the deduction for collection expenses,  
25 shall be deposited in the high occupancy vehicle account hereby  
26 created in the custody of the state treasurer. On the first day of  
27 the months of January, April, July, and October of each year, the  
28 state treasurer shall distribute the funds in the account to the  
29 counties on whose behalf the funds were received. The state treasurer  
30 shall make the distribution under this section without appropriation.

31 **Sec. 197.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to  
32 read as follows:

33 Cities that operate transit systems, county transportation  
34 authorities, metropolitan municipal corporations, public  
35 transportation benefit areas, high capacity transportation corridor  
36 areas, and regional transit systems may contract with the state  
37 department of (~~revenue~~) taxation or other appropriate entities for

1 administration and collection of any tax authorized by RCW  
2 81.104.150, 81.104.160, and 81.104.170.

3 **Sec. 198.** RCW 81.112.360 and 2015 3rd sp.s. c 44 s 422 are each  
4 amended to read as follows:

5 (1) Beginning January 1, 2017, and until the requirements in  
6 subsection (4) of this section are met, a regional transit authority  
7 must pay to the department of (~~revenue~~) taxation, for deposit into  
8 the Puget Sound taxpayer accountability account, a sales and use tax  
9 offset fee.

10 (2) A sales and use tax offset fee is three and twenty-five one-  
11 hundredths percent of the total payments made by the regional transit  
12 authority to construction contractors on construction contracts that  
13 are (a) for new projects identified in the system plan funded by any  
14 proposition approved by voters after January 1, 2015, and (b)  
15 excluded from the definition of retail sale under RCW 82.04.050(10).

16 (3) Fees are due monthly by the twenty-fifth day of the month,  
17 with respect to payments made to construction contractors during the  
18 previous month.

19 (4) A sales and use tax offset fee is due until the regional  
20 transit authority has paid five hundred eighteen million dollars.

21 (5) Except as otherwise provided in this section, the provisions  
22 of chapter 82.32 RCW apply to this section.

23 (6) The department of (~~revenue~~) taxation must oversee the  
24 collection of the sales and use tax offset fee and may adopt rules  
25 necessary to implement this section.

26 **Sec. 199.** RCW 82.01.050 and 1967 ex.s. c 26 s 2 are each amended  
27 to read as follows:

28 There is established a department of state government to be known  
29 as the department of (~~revenue~~) taxation of the state of Washington,  
30 of which the chief executive officer shall be known as the director  
31 of (~~revenue~~) taxation.

32 **Sec. 200.** RCW 82.01.060 and 2017 c 323 s 801 are each amended to  
33 read as follows:

34 The director of (~~revenue~~) taxation, hereinafter in chapter 26,  
35 Laws of 1967 ex. sess. referred to as the director, through the  
36 department of (~~revenue~~) taxation, hereinafter in chapter 26, Laws  
37 of 1967 ex. sess. referred to as the department, must:

1 (1) Assess and collect all taxes and administer all programs  
2 relating to taxes which are the responsibility of the tax commission  
3 at the time chapter 26, Laws of 1967 ex. sess. takes effect or which  
4 the legislature may hereafter make the responsibility of the director  
5 or of the department;

6 (2) Make, adopt and publish such rules as he or she may deem  
7 necessary or desirable to carry out the powers and duties imposed  
8 upon him or her or the department by the legislature. However, the  
9 director may not adopt rules after July 23, 1995, that are based  
10 solely on a section of law stating a statute's intent or purpose, on  
11 the enabling provisions of the statute establishing the agency, or on  
12 any combination of such provisions, for statutory authority to adopt  
13 any rule;

14 (3) Rules adopted by the tax commission before July 23, 1995,  
15 remain in force until such time as they may be revised or rescinded  
16 by the director;

17 (4) Provide by general regulations for an adequate system of  
18 departmental review of the actions of the department or of its  
19 officers and employees in the assessment or collection of taxes;

20 (5) Maintain a tax research section with sufficient technical,  
21 clerical and other employees to conduct constant observation and  
22 investigation of the effectiveness and adequacy of the revenue laws  
23 of this state and of the sister states in order to assist the  
24 governor, the legislature and the director in estimation of revenue,  
25 analysis of tax measures, and determination of the administrative  
26 feasibility of proposed tax legislation and allied problems;

27 (6) Recommend to the governor such amendments, changes in, and  
28 modifications of the revenue laws as seem proper and requisite to  
29 remedy injustice and irregularities in taxation, and to facilitate  
30 the assessment and collection of taxes in the most economical manner;

31 (7) Provide the opportunity for any person feeling aggrieved by  
32 any action taken against the person by the department in the  
33 administration of chapters 19.02, 19.80, and 59.30 RCW to request a  
34 review of the department's action. Such review may be conducted as a  
35 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494;  
36 and

37 (8) (a) Establish background investigation policies applicable to  
38 those current and prospective department employees and contractors  
39 that are or may be authorized by the department to access federal tax  
40 information. Such policies must require a criminal history record

1 check through the Washington state patrol criminal identification  
2 system and through the federal bureau of investigation, at the  
3 expense of the department. The record check must include a  
4 fingerprint check using a complete Washington state criminal  
5 identification fingerprint card, which must be forwarded by the  
6 Washington state patrol to the federal bureau of investigation. The  
7 department's background investigation policies must also satisfy any  
8 specific background investigation standards established by the  
9 internal revenue service.

10 (b) Information received by the department pursuant to this  
11 subsection may be used only for the purposes of making, supporting,  
12 or defending decisions regarding the appointment, hiring, or  
13 retention of persons, or for complying with any requirements from the  
14 internal revenue service. Further dissemination or use of the  
15 information is prohibited, notwithstanding any other provision of  
16 law.

17 **Sec. 201.** RCW 82.01.070 and 1997 c 156 s 1 are each amended to  
18 read as follows:

19 The director shall have charge and general supervision of the  
20 department of (~~revenue~~) taxation. The director shall appoint an  
21 assistant director for administration, hereinafter in chapter 26,  
22 Laws of 1967 ex. sess. referred to as the assistant director, and  
23 subject to the provisions of chapter 41.06 RCW may appoint and employ  
24 such clerical, technical and other personnel as may be necessary to  
25 carry out the powers and duties of the department. The director may  
26 also enter into personal service contracts with out-of-state  
27 individuals or business entities for the performance of auditing  
28 services outside the state of Washington when normal efforts to  
29 recruit classified employees are unsuccessful. The director may agree  
30 to pay to the department's employees or contractors who reside out of  
31 state such amounts in addition to their ordinary rate of compensation  
32 as are necessary to defray the extra costs of facilities, living, and  
33 other costs reasonably related to the out-of-state services, subject  
34 to legislative appropriation for those purposes. The special  
35 allowances shall be in such amounts or at such rates as are approved  
36 by the office of financial management. This section does not apply to  
37 audit functions performed in states contiguous to the state of  
38 Washington.

1       **Sec. 202.** RCW 82.01.100 and 1967 ex.s. c 26 s 11 are each  
2 amended to read as follows:

3       Assistance of the department of (~~revenue~~) taxation in the  
4 administration or collection of those state taxes which are  
5 administered or collected by other state agencies may be requested by  
6 the agencies concerned. Such assistance may be given by the director  
7 to the extent that the limitations of time, personnel and the conduct  
8 of the duties of the department shall allow. The department shall be  
9 reimbursed by any agency to which assistance is rendered.

10       **Sec. 203.** RCW 82.02.010 and 2014 c 140 s 30 are each amended to  
11 read as follows:

12       For the purpose of this title, unless the context clearly  
13 requires otherwise:

14       (1) "Department" means the department of (~~revenue~~) taxation of  
15 the state of Washington;

16       (2) "Director" means the director of the department of  
17 (~~revenue~~) taxation of the state of Washington;

18       (3) "Marijuana," "marijuana-infused products," and "useable  
19 marijuana" have the same meanings as provided in RCW 69.50.101;

20       (4) "Taxpayer" includes any individual, group of individuals,  
21 corporation, or association liable for any tax or the collection of  
22 any tax hereunder, or who engages in any business or performs any act  
23 for which a tax is imposed by this title. "Taxpayer" also includes  
24 any person liable for any fee or other charge collected by the  
25 department under any provision of law, including registration  
26 assessments and delinquency fees imposed under RCW 59.30.050; and

27       (5) Words in the singular number include the plural and the  
28 plural include the singular. Words in one gender include all other  
29 genders.

30       **Sec. 204.** RCW 82.02.210 and 2007 c 6 s 105 are each amended to  
31 read as follows:

32       (1) It is the intent of the legislature that Washington join as a  
33 member state in the streamlined sales and use tax agreement referred  
34 to in chapter 82.58 RCW. The agreement provides for a simpler and  
35 more uniform sales and use tax structure among states that have sales  
36 and use taxes. The intent of the legislature is to bring Washington's  
37 sales and use tax system into compliance with the agreement so that  
38 Washington may join as a member state and have a voice in the

1 development and administration of the system, and to substantially  
2 reduce the burden of tax compliance on sellers.

3 (2) Chapter 168, Laws of 2003 does not include changes to  
4 Washington law that may be required in the future and that are not  
5 fully developed under the agreement. These include, but are not  
6 limited to, changes relating to online registration, reporting, and  
7 remitting of payments by businesses for sales and use tax purposes,  
8 monetary allowances for sellers and their agents, sourcing, and  
9 amnesty for businesses registering under the agreement.

10 (3) It is the intent of the legislature that the provisions of  
11 this title relating to the administration and collection of state and  
12 local sales and use taxes be interpreted and applied consistently  
13 with the agreement.

14 (4) The department of (~~revenue~~) taxation shall report to the  
15 fiscal committees of the legislature on January 1, 2004, and each  
16 January 1st thereafter, on the development of the agreement and shall  
17 recommend changes to the sales and use tax structure and propose  
18 legislation as may be necessary to keep Washington in compliance with  
19 the agreement.

20 **Sec. 205.** RCW 82.03.130 and 2005 c 253 s 7 are each amended to  
21 read as follows:

22 (1) The board shall have jurisdiction to decide the following  
23 types of appeals:

24 (a) Appeals taken pursuant to RCW 82.03.190.

25 (b) Appeals from a county board of equalization pursuant to RCW  
26 84.08.130.

27 (c) Appeals by an assessor or landowner from an order of the  
28 director of (~~revenue~~) taxation made pursuant to RCW 84.08.010 and  
29 84.08.060, if filed with the board of tax appeals within thirty days  
30 after the mailing of the order, the right to such an appeal being  
31 hereby established.

32 (d) Appeals by an assessor or owner of an intercounty public  
33 utility or private car company from determinations by the director of  
34 (~~revenue~~) taxation of equalized assessed valuation of property and  
35 the apportionment thereof to a county made pursuant to chapter 84.12  
36 and 84.16 RCW, if filed with the board of tax appeals within thirty  
37 days after mailing of the determination, the right to such appeal  
38 being hereby established.



1 (e) Appeals by an assessor, landowner, or owner of an intercounty  
2 public utility or private car company from a determination of any  
3 county indicated ratio for such county compiled by the department of  
4 (~~revenue~~) taxation pursuant to RCW 84.48.075: PROVIDED, That

5 (i) Said appeal be filed after review of the ratio under RCW  
6 84.48.075(3) and not later than fifteen days after the mailing of the  
7 certification; and

8 (ii) The hearing before the board shall be expeditiously held in  
9 accordance with rules prescribed by the board and shall take  
10 precedence over all matters of the same character.

11 (f) Appeals from the decisions of sale price of second-class  
12 shorelands on navigable lakes by the department of natural resources  
13 pursuant to RCW 79.94.210.

14 (g) Appeals from urban redevelopment property tax apportionment  
15 district proposals established by governmental ordinances pursuant to  
16 RCW 39.88.060.

17 (h) Appeals from interest rates as determined by the department  
18 of (~~revenue~~) taxation for use in valuing farmland under current use  
19 assessment pursuant to RCW 84.34.065.

20 (i) Appeals from revisions to stumpage value tables used to  
21 determine value by the department of (~~revenue~~) taxation pursuant to  
22 RCW 84.33.091.

23 (j) Appeals from denial of tax exemption application by the  
24 department of (~~revenue~~) taxation pursuant to RCW 84.36.850.

25 (k) Appeals pursuant to RCW 84.40.038(3).

26 (l) Appeals pursuant to RCW 84.39.020.

27 (2) Except as otherwise specifically provided by law hereafter,  
28 the provisions of RCW 1.12.070 shall apply to all notices of appeal  
29 filed with the board of tax appeals.

30 **Sec. 206.** RCW 82.03.150 and 2018 c 174 s 14 are each amended to  
31 read as follows:

32 In all appeals involving an informal hearing before the board or  
33 any of its members or tax referees, the board, any member of the  
34 board, and the board's tax referees have all powers relating to  
35 administration of oaths, issuance of subpoenas, and taking of  
36 depositions as are granted to agencies by chapter 34.05 RCW. The  
37 board, any member of the board, and the board's tax referees also  
38 have all powers granted the department of (~~revenue~~) taxation  
39 pursuant to RCW 82.32.110. In the case of appeals within the scope of

1 RCW 82.03.130(1)(b) the board or any member thereof may obtain such  
2 assistance, including the making of field investigations, from the  
3 staff of the director of ((~~revenue~~)) taxation as the board or any  
4 member thereof may deem necessary or appropriate.

5 **Sec. 207.** RCW 82.03.160 and 2018 c 174 s 15 are each amended to  
6 read as follows:

7 In all appeals involving a formal hearing before the board or any  
8 of its members or tax referees, the board, any member of the board,  
9 and the board's tax referees have all powers relating to  
10 administration of oaths, issuance of subpoenas, and taking of  
11 depositions as are granted to agencies in chapter 34.05 RCW; and the  
12 board, and each member thereof, or its tax referees, are subject to  
13 all duties imposed upon, and have all powers granted to, an agency by  
14 those provisions of chapter 34.05 RCW relating to adjudicative  
15 proceedings. The board, any member of the board, and the board's tax  
16 referees also have all powers granted the department of ((~~revenue~~))  
17 taxation pursuant to RCW 82.32.110. In the case of appeals within the  
18 scope of RCW 82.03.130(1)(b), the board, or any member thereof, may  
19 obtain such assistance, including the making of field investigations,  
20 from the staff of the director of ((~~revenue~~)) taxation as the board,  
21 or any member thereof, may deem necessary or appropriate: PROVIDED,  
22 HOWEVER, That any communication, oral or written, from the staff of  
23 the director to the board or its tax referees may be presented only  
24 in open hearing.

25 **Sec. 208.** RCW 82.03.190 and 2012 c 39 s 3 are each amended to  
26 read as follows:

27 (1) Except as provided in subsection (2) of this section, any  
28 person having received notice of a denial of a petition or a notice  
29 of determination made under RCW 82.32.160, 82.32.170, 82.34.110, or  
30 82.49.060 may appeal by filing in accordance with RCW 1.12.070 a  
31 notice of appeal with the board of tax appeals within thirty days  
32 after the mailing of the notice of such denial or determination. In  
33 the notice of appeal the taxpayer must set forth the amount of the  
34 tax which the taxpayer contends should be reduced or refunded and the  
35 reasons for such reduction or refund, in accordance with rules of  
36 practice and procedure prescribed by the board. However, if the  
37 notice of appeal relates to an application made to the department  
38 under chapter 82.34 RCW, the taxpayer must set forth the amount to

1 which the taxpayer claims the credit or exemption should apply, and  
2 the grounds for such contention, in accordance with rules of practice  
3 and procedure prescribed by the board. The board must transmit a copy  
4 of the notice of appeal to the department and all other named parties  
5 within thirty days of its receipt by the board. If the taxpayer  
6 intends that the hearing before the board be held pursuant to the  
7 administrative procedure act (chapter 34.05 RCW), the notice of  
8 appeal must also so state. In the event that the notice of appeal  
9 does not so state, the department may, within thirty days from the  
10 date of its receipt of the notice of appeal, file with the board  
11 notice of its intention that the hearing be held pursuant to the  
12 administrative procedure act.

13 (2) No person may file a notice of appeal with the board of tax  
14 appeals to contest the amount of spirits taxes assessed or asserted  
15 to be due by the department of (~~revenue~~) taxation unless the person  
16 has first paid the full amount of the contested spirits taxes. For  
17 purposes of this subsection, "spirits taxes" has the same meaning as  
18 in RCW 82.08.155.

19 **Sec. 209.** RCW 82.04.020 and 1975 1st ex.s. c 278 s 39 are each  
20 amended to read as follows:

21 "Tax year" or "taxable year" means either the calendar year, or  
22 the taxpayer's fiscal year when permission is obtained from the  
23 department of (~~revenue~~) taxation to use a fiscal year in lieu of  
24 the calendar year.

25 **Sec. 210.** RCW 82.04.090 and 2001 c 20 s 1 are each amended to  
26 read as follows:

27 "Value proceeding or accruing" means the consideration, whether  
28 money, credits, rights, or other property expressed in terms of  
29 money, actually received or accrued. The term shall be applied, in  
30 each case, on a cash receipts or accrual basis according to which  
31 method of accounting is regularly employed in keeping the books of  
32 the taxpayer. However, persons operating grain warehouses licensed  
33 under chapter 22.09 RCW may elect to report the value proceeding or  
34 accruing from grain warehouse operations on either a cash receipts or  
35 accrual basis. The department of (~~revenue~~) taxation may provide by  
36 regulation that the value proceeding or accruing from sales on the  
37 installment plan under conditional contracts of sale may be reported  
38 as of the dates when the payments become due.

1       **Sec. 211.** RCW 82.04.44525 and 2009 c 535 s 1104 are each amended  
2 to read as follows:

3       (1) Subject to the limits in this section, an eligible person is  
4 allowed a credit against the tax due under this chapter. The credit  
5 is based on qualified employment positions in eligible areas. The  
6 credit is available to persons who are engaged in international  
7 services as defined in this section. In order to receive the credit,  
8 the international service activities must take place at a business  
9 within the eligible area.

10       (2)(a) The credit shall equal three thousand dollars for each  
11 qualified employment position created after July 1, 1998, in an  
12 eligible area. A credit is earned for the calendar year the person is  
13 hired to fill the position, plus the four subsequent consecutive  
14 years, if the position is maintained for those four years.

15       (b) Credit may not be taken for hiring of persons into positions  
16 that exist on July 1, 1998. Credit is authorized for new employees  
17 hired for new positions created after July 1, 1998. New positions  
18 filled by existing employees are eligible for the credit under this  
19 section only if the position vacated by the existing employee is  
20 filled by a new hire.

21       (c) When a position is newly created, if it is filled before July  
22 1st, this position is eligible for the full yearly credit. If it is  
23 filled after June 30th, this position is eligible for half of the  
24 credit.

25       (d) Credit may be accrued and carried over until it is used. No  
26 refunds may be granted for credits under this section.

27       (3) For the purposes of this section:

28       (a) "Eligible area" means: (i) A community empowerment zone under  
29 RCW 43.31C.020; or (ii) a contiguous group of census tracts that  
30 meets the unemployment and poverty criteria of RCW 43.31C.030 and is  
31 designated under subsection (4) of this section;

32       (b) "Eligible person" means a person, as defined in RCW  
33 82.04.030, who in an eligible area at a specific location is engaged  
34 in the business of providing international services;

35       (c)(i) "International services" means the provision of a service,  
36 as defined under (c)(iii) of this subsection, that is subject to tax  
37 under RCW 82.04.290 (2) or (3), and either:

38       (A) Is for a person domiciled outside the United States; or

39       (B) The service itself is for use primarily outside of the United  
40 States.

1 (ii) "International services" excludes any service taxable under  
2 RCW 82.04.290(1).

3 (iii) Eligible services are: Computer; data processing;  
4 information; legal; accounting and tax preparation; engineering;  
5 architectural; business consulting; business management; public  
6 relations and advertising; surveying; geological consulting; real  
7 estate appraisal; or financial services. For the purposes of this  
8 section these services mean the following:

9 (A) "Computer services" are services such as computer  
10 programming, custom software modification, customization of canned  
11 software, custom software installation, custom software maintenance,  
12 custom software repair, training in the use of software, computer  
13 systems design, and custom software update services;

14 (B) "Data processing services" are services such as word  
15 processing, data entry, data retrieval, data search, information  
16 compilation, payroll processing, business accounts processing, data  
17 production, and other computerized data and information storage or  
18 manipulation. "Data processing services" also includes the use of a  
19 computer or computer time for data processing whether the processing  
20 is performed by the provider of the computer or by the purchaser or  
21 other beneficiary of the service;

22 (C) "Information services" are services such as electronic data  
23 retrieval or research that entails furnishing financial or legal  
24 information, data or research, internet access as defined in RCW  
25 82.04.297, general or specialized news, or current information;

26 (D) "Legal services" are services such as representation by an  
27 attorney, or other person when permitted, in an administrative or  
28 legal proceeding, legal drafting, paralegal services, legal research  
29 services, and court reporting services, arbitration, and mediation  
30 services;

31 (E) "Accounting and tax preparation services" are services such  
32 as accounting, auditing, actuarial, bookkeeping, or tax preparation  
33 services;

34 (F) "Engineering services" are services such as civil,  
35 electrical, mechanical, petroleum, marine, nuclear, and design  
36 engineering, machine designing, machine tool designing, and sewage  
37 disposal system designing services;

38 (G) "Architectural services" are services such as structural or  
39 landscape design or architecture, interior design, building design,  
40 building program management, and space planning services;

1 (H) "Business consulting services" are services such as primarily  
2 providing operating counsel, advice, or assistance to the management  
3 or owner of any business, private, nonprofit, or public organization,  
4 including but not limited to those in the following areas:  
5 Administrative management consulting; general management consulting;  
6 human resource consulting or training; management engineering  
7 consulting; management information systems consulting; manufacturing  
8 management consulting; marketing consulting; operations research  
9 consulting; personnel management consulting; physical distribution  
10 consulting; site location consulting; economic consulting; motel,  
11 hotel, and resort consulting; restaurant consulting; government  
12 affairs consulting; and lobbying;

13 (I) "Business management services" are services such as  
14 administrative management, business management, and office  
15 management. "Business management services" does not include property  
16 management or property leasing, motel, hotel, and resort management,  
17 or automobile parking management;

18 (J) "Public relations and advertising services" are services such  
19 as layout, art direction, graphic design, copy writing, mechanical  
20 preparation, opinion research, marketing research, marketing, or  
21 production supervision;

22 (K) "Surveying services" are services such as land surveying;

23 (L) "Geological consulting services" are services rendered for  
24 the oil, gas, and mining industry and other earth resource  
25 industries, and other services such as soil testing;

26 (M) "Real estate appraisal services" are services such as market  
27 appraisal and other real estate valuation; and

28 (N) "Financial services" are services such as banking, loan,  
29 security, investment management, investment advisory, mortgage  
30 servicing, contract collection, and finance leasing services, engaged  
31 in by financial businesses, or businesses similar to or in  
32 competition with financial businesses; and

33 (d) "Qualified employment position" means a permanent full-time  
34 position to provide international services. If an employee is either  
35 voluntarily or involuntarily separated from employment, the  
36 employment position is considered filled on a full-time basis if the  
37 employer is either training or actively recruiting a replacement  
38 employee.

39 (4) By ordinance, the legislative authority of a city, or  
40 legislative authorities of contiguous cities by ordinance of each

1 city's legislative authority, with population greater than eighty  
2 thousand, located in a county containing no community empowerment  
3 zones as designated under RCW 43.31C.020, may designate a contiguous  
4 group of census tracts within the city or cities as an eligible area  
5 under this section. Each of the census tracts must meet the  
6 unemployment and poverty criteria of RCW 43.31C.030. Upon making the  
7 designation, the city or cities shall transmit to the department of  
8 (~~revenue~~) taxation a certification letter and a map, each  
9 explicitly describing the boundaries of the census tract. This  
10 designation must be made by December 31, 1998.

11 (5) No application is necessary for the tax credit. The person  
12 must keep records necessary for the department to verify eligibility  
13 under this section. This information includes:

14 (a) Employment records for the previous six years;

15 (b) Information relating to description of international service  
16 activity engaged in at the eligible location by the person; and

17 (c) Information relating to customers of international service  
18 activity engaged in at that location by the person.

19 (6) If at any time the department finds that a person is not  
20 eligible for tax credit under this section, the amount of taxes for  
21 which a credit has been used shall be immediately due. The department  
22 shall assess interest, but not penalties, on the credited taxes for  
23 which the person is not eligible. The interest shall be assessed at  
24 the rate provided for delinquent excise taxes under chapter 82.32  
25 RCW, shall be assessed retroactively to the date the tax credit was  
26 taken, and shall accrue until the taxes for which a credit has been  
27 used are repaid.

28 (7) The employment security department shall provide to the  
29 department of (~~revenue~~) taxation such information needed by the  
30 department of (~~revenue~~) taxation to verify eligibility under this  
31 section.

32 **Sec. 212.** RCW 82.04.447 and 2001 c 214 s 9 are each amended to  
33 read as follows:

34 (1) Unless the context clearly requires otherwise, the  
35 definitions in this subsection apply throughout this section.

36 (a) "Direct service industrial customer" means a person who is an  
37 industrial customer that contracts for the purchase of power from the  
38 Bonneville Power Administration for direct consumption as of May 8,  
39 2001. "Direct service industrial customer" includes a person who is a

1 subsidiary that is more than fifty percent owned by a direct service  
2 industrial customer and who receives power from the Bonneville Power  
3 Administration pursuant to the parent's contract for power.

4 (b) "Facility" means a gas turbine electrical generation facility  
5 that does not exist on May 8, 2001, and is owned by a direct service  
6 industrial customer for the purpose of producing electricity to be  
7 consumed by the direct service industrial customer.

8 (c) "Average annual employment" means the total employment in  
9 this state for a calendar year at the direct service industrial  
10 customer's location where electricity from the facility will be  
11 consumed.

12 (2) Effective July 1, 2001, a credit is allowed against the tax  
13 due under this chapter to a direct service industrial customer who  
14 purchases natural or manufactured gas from a gas distribution  
15 business subject to the public utility tax under chapter 82.16 RCW.  
16 The credit is equal to the value of natural or manufactured gas  
17 purchased from a gas distribution business and used to generate  
18 electricity at the facility multiplied by the rate in effect for the  
19 public utility tax on gas distribution businesses under RCW  
20 82.16.020. This credit may be used each reporting period for sixty  
21 months following the first month natural or manufactured gas was  
22 purchased from a gas distribution business by a direct service  
23 industrial customer who constructs a facility.

24 (3) Application for credit shall be made by the direct service  
25 industrial consumer before the first purchase of natural or  
26 manufactured gas. The application shall be in a form and manner  
27 prescribed by the department and shall include but is not limited to  
28 information regarding the location of the facility, the projected  
29 date of first purchase of natural or manufactured gas to generate  
30 electricity at the facility, the date construction is projected to  
31 begin or did begin, the applicant's average annual employment in the  
32 state for the six calendar years immediately preceding the year in  
33 which the application is made, and affirm the applicant's status as a  
34 direct service industrial customer. The department shall rule on the  
35 application within thirty days of receipt.

36 (4) Credit under this section is limited to the amount of tax  
37 imposed under this chapter. Refunds shall not be given in place of  
38 credits and credits may not be carried over to subsequent calendar  
39 years.



1 (5) All or part of the credit shall be disallowed and must be  
 2 paid if the average of the direct service industrial customer's  
 3 average annual employment for the five calendar years subsequent to  
 4 the calendar year containing the first month of purchase of natural  
 5 or manufactured gas to generate electricity at a facility is less  
 6 than the six-year average annual employment stated on the application  
 7 for credit under this section. The direct service industrial customer  
 8 will certify to the department by June 1st of the sixth calendar year  
 9 following the calendar year in which the month of first purchase of  
 10 gas occurs the average annual employment for each of the five prior  
 11 calendar years. All or part of the credit that shall be disallowed  
 12 and must be paid is commensurate with the decrease in the five-year  
 13 average of average annual employment as follows:

| 14 | <u>Decrease in Average Annual</u> |                               |
|----|-----------------------------------|-------------------------------|
| 15 | <u>Employment Over</u>            |                               |
| 16 | <u>Five-Year Period</u>           | <u>% of Credit to be Paid</u> |
| 17 | Less than 10%                     | 10%                           |
| 18 | 10% or more but less than 25%     | 25%                           |
| 19 | 25% or more but less than 50%     | 50%                           |
| 20 | 50% or more but less than 75%     | 75%                           |
| 21 | 75% or more                       | 100%                          |

22 (6) (a) The direct service industrial customer shall begin paying  
 23 the credit that is disallowed and is to be paid in the sixth calendar  
 24 year following the calendar year in which the month following the  
 25 month of first purchase of natural or manufactured gas to generate  
 26 electricity at the facility occurs. The first payment will be due on  
 27 or before December 31st with subsequent annual payments due on or  
 28 before December 31st of the following four years according to the  
 29 following schedule:

| 30 | <u>Payment Year</u> | <u>% of Credit to be Paid</u> |
|----|---------------------|-------------------------------|
| 31 | 1                   | 10%                           |
| 32 | 2                   | 15%                           |
| 33 | 3                   | 20%                           |
| 34 | 4                   | 25%                           |
| 35 | 5                   | 30%                           |

1 (b) The department may authorize an accelerated payment schedule  
2 upon request of the taxpayer.

3 (c) Interest shall not be charged on the credit that is  
4 disallowed for the sixty-month period the credit may be taken,  
5 although all other penalties and interest applicable to delinquent  
6 excise taxes may be assessed and imposed. The debt for credit that is  
7 disallowed and must be paid will not be extinguished by insolvency or  
8 other failure of the direct service industrial customer. Transfer of  
9 ownership of the facility does not affect eligibility for this  
10 credit. However, the credit is available to the successor only if the  
11 eligibility conditions of this section are met.

12 (7) The employment security department shall make, and certify to  
13 the department of (~~revenue~~) taxation, all determinations of  
14 employment under this section as requested by the department.

15 (8) A person claiming this credit shall supply to the department  
16 quarterly reports containing information necessary to document the  
17 total volume of natural or manufactured gas purchased in the quarter,  
18 the value of that total volume, and the percentage of the total  
19 volume used to generate electricity at the facility.

20 **Sec. 213.** RCW 82.04.450 and 1983 1st ex.s. c 55 s 3 are each  
21 amended to read as follows:

22 (1) The value of products, including by-products, extracted or  
23 manufactured shall be determined by the gross proceeds derived from  
24 the sale thereof whether such sale is at wholesale or at retail, to  
25 which shall be added all subsidies and bonuses received from the  
26 purchaser or from any other person with respect to the extraction,  
27 manufacture, or sale of such products or by-products by the seller,  
28 except:

29 (a) Where such products, including by-products, are extracted or  
30 manufactured for commercial or industrial use;

31 (b) Where such products, including by-products, are shipped,  
32 transported or transferred out of the state, or to another person,  
33 without prior sale or are sold under circumstances such that the  
34 gross proceeds from the sale are not indicative of the true value of  
35 the subject matter of the sale.

36 (2) In the above cases the value shall correspond as nearly as  
37 possible to the gross proceeds from sales in this state of similar  
38 products of like quality and character, and in similar quantities by

1 other taxpayers, plus the amount of subsidies or bonuses ordinarily  
2 payable by the purchaser or by any third person with respect to the  
3 extraction, manufacture, or sale of such products: PROVIDED, That the  
4 value of a product manufactured or produced for purposes of serving  
5 as a prototype for the development of a new or improved product shall  
6 correspond: (a) To the retail selling price of such new or improved  
7 product when first offered for sale; or (b) to the value of materials  
8 incorporated into the prototype in cases in which the new or improved  
9 product is not offered for sale. The department of (~~revenue~~)  
10 taxation shall prescribe uniform and equitable rules for the purpose  
11 of ascertaining such values.

12 **Sec. 214.** RCW 82.08.0201 and 1992 c 194 s 10 are each amended to  
13 read as follows:

14 Before January 1, 1994, and January 1 of each odd-numbered year  
15 thereafter:

16 The department of licensing, with the assistance of the  
17 department of (~~revenue~~) taxation, shall provide the office of  
18 financial management and the fiscal committees of the legislature  
19 with an updated estimate of the amount of revenue attributable to the  
20 taxes imposed in RCW 82.08.020(2), and the amount of revenue not  
21 collected as a result of RCW 82.44.023.

22 **Sec. 215.** RCW 82.08.0266 and 2013 c 23 s 316 are each amended to  
23 read as follows:

24 The tax levied by RCW 82.08.020 shall not apply to sales to  
25 nonresidents of this state for use outside of this state of  
26 watercraft requiring coast guard registration or registration by the  
27 state of principal use according to the federal boating act of 1958,  
28 even though delivery be made within this state, but only when (1) the  
29 watercraft will not be used within this state for more than forty-  
30 five days and (2) an appropriate exemption certificate supported by  
31 identification ascertaining residence as required by the department  
32 of (~~revenue~~) taxation and signed by the purchaser or his or her  
33 agent establishing the fact that the purchaser is a nonresident and  
34 that the watercraft is for use outside of this state, a copy of which  
35 shall be retained by the dealer.

36 **Sec. 216.** RCW 82.08.02665 and 1999 c 358 s 6 are each amended to  
37 read as follows:

1 The tax levied by RCW 82.08.020 does not apply to sales of  
2 vessels to residents of foreign countries for use outside of this  
3 state, even though delivery is made within this state, but only if  
4 (1) the vessel will not be used within this state for more than  
5 forty-five days and (2) an appropriate exemption certificate  
6 supported by identification as required by the department of  
7 (~~revenue~~) taxation and signed by the purchaser or the purchaser's  
8 agent establishes the fact that the purchaser is a resident of a  
9 foreign country and that the vessel is for use outside of this state.  
10 A copy of the exemption certificate is to be retained by the dealer.

11 As used in this section, "vessel" means every watercraft used or  
12 capable of being used as a means of transportation on the water,  
13 other than a seaplane.

14 **Sec. 217.** RCW 82.08.0268 and 1998 c 167 s 1 are each amended to  
15 read as follows:

16 The tax levied by RCW 82.08.020 shall not apply to sales to  
17 nonresidents of this state for use outside of this state of:

18 (1) Machinery and implements for use in conducting a farming  
19 activity;

20 (2) Parts for machinery and implements for use in conducting a  
21 farming activity; and

22 (3) Labor and services for the repair of machinery, implements,  
23 and parts for use in conducting a farming activity,  
24 when such machinery, implements, and parts will be transported  
25 immediately outside the state. As proof of exemption, an affidavit or  
26 certification in such form as the department of (~~revenue~~) taxation  
27 shall require shall be retained as a business record of the seller.

28 **Sec. 218.** RCW 82.08.0273 and 2014 c 140 s 17 are each amended to  
29 read as follows:

30 (1) The tax levied by RCW 82.08.020 does not apply to sales to  
31 nonresidents of this state of tangible personal property, digital  
32 goods, and digital codes, when:

33 (a) The property is for use outside this state;

34 (b) The purchaser is a bona fide resident of a province or  
35 territory of Canada or a state, territory, or possession of the  
36 United States, other than the state of Washington; and

37 (i) Such state, possession, territory, or province does not  
38 impose, or have imposed on its behalf, a generally applicable retail

1 sales tax, use tax, value added tax, gross receipts tax on retailing  
2 activities, or similar generally applicable tax, of three percent or  
3 more; or

4 (ii) If imposing a tax described in (b)(i) of this subsection,  
5 provides an exemption for sales to Washington residents by reason of  
6 their residence; and

7 (c) The purchaser agrees, when requested, to grant the department  
8 of (~~revenue~~) taxation access to such records and other forms of  
9 verification at his or her place of residence to assure that such  
10 purchases are not first used substantially in the state of  
11 Washington.

12 (2) Notwithstanding anything to the contrary in this chapter, if  
13 parts or other tangible personal property are installed by the seller  
14 during the course of repairing, cleaning, altering, or improving  
15 motor vehicles, trailers, or campers and the seller makes a separate  
16 charge for the tangible personal property, the tax levied by RCW  
17 82.08.020 does not apply to the separately stated charge to a  
18 nonresident purchaser for the tangible personal property but only if  
19 the separately stated charge does not exceed either the seller's  
20 current publicly stated retail price for the tangible personal  
21 property or, if no publicly stated retail price is available, the  
22 seller's cost for the tangible personal property. However, the  
23 exemption provided by this section does not apply if tangible  
24 personal property is installed by the seller during the course of  
25 repairing, cleaning, altering, or improving motor vehicles, trailers,  
26 or campers and the seller makes a single nonitemized charge for  
27 providing the tangible personal property and service. All of the  
28 requirements in subsections (1) and (3) through (6) of this section  
29 apply to this subsection.

30 (3)(a) Any person claiming exemption from retail sales tax under  
31 the provisions of this section must display proof of his or her  
32 current nonresident status as provided in this section.

33 (b) Acceptable proof of a nonresident person's status includes  
34 one piece of identification such as a valid driver's license from the  
35 jurisdiction in which the out-of-state residency is claimed or a  
36 valid identification card which has a photograph of the holder and is  
37 issued by the out-of-state jurisdiction. Identification under this  
38 subsection (3)(b) must show the holder's residential address and have  
39 as one of its legal purposes the establishment of residency in that  
40 out-of-state jurisdiction.

1 (c) In lieu of furnishing proof of a person's nonresident status  
2 under (b) of this subsection (3), a person claiming exemption from  
3 retail sales tax under the provisions of this section may provide the  
4 seller with an exemption certificate in compliance with subsection  
5 (4)(b) of this section.

6 (4)(a) Nothing in this section requires the vendor to make tax  
7 exempt retail sales to nonresidents. A vendor may choose to make  
8 sales to nonresidents, collect the sales tax, and remit the amount of  
9 sales tax collected to the state as otherwise provided by law. If the  
10 vendor chooses to make a sale to a nonresident without collecting the  
11 sales tax, the vendor must examine the purchaser's proof of  
12 nonresidence, determine whether the proof is acceptable under  
13 subsection (3)(b) of this section, and maintain records for each  
14 nontaxable sale which must show the type of proof accepted, including  
15 any identification numbers where appropriate, and the expiration  
16 date, if any.

17 (b) In lieu of using the method provided in (a) of this  
18 subsection to document an exempt sale to a nonresident, a seller may  
19 accept from the purchaser a properly completed uniform exemption  
20 certificate approved by the streamlined sales and use tax agreement  
21 governing board or any other exemption certificate as may be  
22 authorized by the department and properly completed by the purchaser.  
23 A nonresident purchaser who uses an exemption certificate authorized  
24 in this subsection (4)(b) must include the purchaser's driver's  
25 license number or other state-issued identification number and the  
26 state of issuance.

27 (c) In lieu of using the methods provided in (a) and (b) of this  
28 subsection to document an exempt sale to a nonresident, a seller may  
29 capture the relevant data elements as allowed under the streamlined  
30 sales and use tax agreement.

31 (5)(a) Any person making fraudulent statements, which includes  
32 the offer of fraudulent identification or fraudulently procured  
33 identification to a vendor, in order to purchase goods without paying  
34 retail sales tax is guilty of perjury under chapter 9A.72 RCW.

35 (b) Any person making tax exempt purchases under this section by  
36 displaying proof of identification not his or her own, or counterfeit  
37 identification, with intent to violate the provisions of this  
38 section, is guilty of a misdemeanor and, in addition, is liable for  
39 the tax and subject to a penalty equal to the greater of one hundred  
40 dollars or the tax due on such purchases.

1 (6) (a) Any vendor who makes sales without collecting the tax and  
2 who fails to maintain records of sales to nonresidents as provided in  
3 this section is personally liable for the amount of tax due.

4 (b) Any vendor who makes sales without collecting the retail  
5 sales tax under this section and who has actual knowledge that the  
6 purchaser's proof of identification establishing out-of-state  
7 residency is fraudulent is guilty of a misdemeanor and, in addition,  
8 is liable for the tax and subject to a penalty equal to the greater  
9 of one thousand dollars or the tax due on such sales. In addition,  
10 both the purchaser and the vendor are liable for any penalties and  
11 interest assessable under chapter 82.32 RCW.

12 (7) The exemption in this section does not apply to sales of  
13 marijuana, useable marijuana, or marijuana-infused products.

14 **Sec. 219.** RCW 82.08.060 and 1975 1st ex.s. c 278 s 47 are each  
15 amended to read as follows:

16 The department of (~~revenue~~) taxation shall have power to adopt  
17 rules and regulations prescribing methods and schedules for the  
18 collection of the tax required to be collected by the seller from the  
19 buyer under this chapter. The methods and schedules prescribed shall  
20 be adopted so as to eliminate the collection of fractions of one cent  
21 and so as to provide that the aggregate collections of all taxes by  
22 the seller shall, insofar as practicable, equal the amount of tax  
23 imposed by this chapter. Such schedules may provide that no tax need  
24 be collected from the buyer upon sales below a stated sum and may be  
25 amended from time to time to accomplish the purposes set forth  
26 herein.

27 **Sec. 220.** RCW 82.08.080 and 2004 c 153 s 409 are each amended to  
28 read as follows:

29 (1) The department of (~~revenue~~) taxation may authorize a seller  
30 to pay the tax levied under this chapter upon sales made under  
31 conditions of business such as to render impracticable the collection  
32 of the tax as a separate item and waive collection of the tax from  
33 the customer. Where sales are made by a vending machine that results  
34 in delivery of the merchandise in single purchases of smaller value  
35 than the minimum sale upon which a one cent tax may be collected from  
36 the purchaser, according to the schedule provided by the department  
37 under authority of RCW 82.08.060, and where the design of the sales  
38 device is such that multiple sales of items are not possible or

1 cannot be detected so as practically to assess a tax, in such a case  
2 the selling price for the purposes of the tax imposed under RCW  
3 82.08.020 shall be sixty percent of the gross receipts of the vending  
4 machine through which such sales are made.

5 (2) No such authority shall be granted except upon application to  
6 the department and unless the department, after hearing, finds that  
7 the conditions of the applicant's business are such as to render  
8 impracticable the collection of the tax in the manner otherwise  
9 provided. The department, by rule, may provide that the applicant,  
10 under this section, furnish a proper bond sufficient to secure the  
11 payment of the tax.

12 (3) "Vending machine" means a machine or other mechanical device  
13 that accepts payment and:

14 (a) Dispenses tangible personal property;

15 (b) Provides facilities for installing, repairing, cleaning,  
16 altering, imprinting, or improving tangible personal property; or

17 (c) Provides a service to the buyer.

18 **Sec. 221.** RCW 82.08.090 and 1975 1st ex.s. c 278 s 49 are each  
19 amended to read as follows:

20 In the case of installment sales and leases of personal property,  
21 the department of (~~revenue~~) taxation, by regulation, may provide  
22 for the collection of taxes upon the installments of the purchase  
23 price, or amount of rental, as of the time the same fall due.

24 **Sec. 222.** RCW 82.08.100 and 2013 c 23 s 318 are each amended to  
25 read as follows:

26 The department of (~~revenue~~) taxation, by general regulation,  
27 shall provide that a taxpayer whose regular books of account are kept  
28 on a cash receipts basis may file returns based upon his or her cash  
29 receipts for each reporting period and pay the tax herein provided  
30 upon such basis in lieu of reporting and paying the tax on all sales  
31 made during such period. A taxpayer filing returns on a cash receipts  
32 basis is not required to pay such tax on debt subject to credit or  
33 refund under RCW 82.08.037.

34 **Sec. 223.** RCW 82.08.120 and 1985 c 38 s 4 are each amended to  
35 read as follows:

36 Whoever, excepting as expressly authorized by this chapter,  
37 refunds, remits, or rebates to a buyer, either directly or indirectly



1 and by whatever means, all or any part of the tax levied by this  
2 chapter shall be guilty of a misdemeanor. The violation of this  
3 section by any person holding a license granted by the state or any  
4 political subdivision thereof shall be sufficient grounds for the  
5 cancellation of the license of such person upon written notification  
6 by the department of (~~revenue~~) taxation to the proper officer of  
7 the department granting the license that such person has violated the  
8 provisions of this section. Before any license shall be canceled  
9 hereunder, the licensee shall be entitled to a hearing before the  
10 department granting the license under such regulations as the  
11 department may prescribe.

12 **Sec. 224.** RCW 82.08.160 and 2015 3rd sp.s. c 4 s 975 are each  
13 amended to read as follows:

14 (1) On or before the twenty-fifth day of each month, all taxes  
15 collected under RCW 82.08.150 during the preceding month must be  
16 remitted to the state department of (~~revenue~~) taxation, to be  
17 deposited with the state treasurer. Except as provided in subsections  
18 (2), (3), (4), and (5) of this section, upon receipt of such moneys  
19 the state treasurer must credit sixty-five percent of the sums  
20 collected and remitted under RCW 82.08.150 (1) and (2) and one  
21 hundred percent of the sums collected and remitted under RCW  
22 82.08.150 (3) and (4) to the state general fund and thirty-five  
23 percent of the sums collected and remitted under RCW 82.08.150 (1)  
24 and (2) to a fund which is hereby created to be known as the "liquor  
25 excise tax fund."

26 (2) During the 2012 fiscal year, 66.19 percent of the sums  
27 collected and remitted under RCW 82.08.150 (1) and (2) must be  
28 deposited in the state general fund and the remainder collected and  
29 remitted under RCW 82.08.150 (1) and (2) must be deposited in the  
30 liquor excise tax fund.

31 (3) During fiscal year 2013, all funds collected under RCW  
32 82.08.150 (1), (2), (3), and (4) must be deposited into the state  
33 general fund.

34 (4) During the 2013-2015 fiscal biennium, seventy-seven and  
35 one-half percent of the sums collected and remitted under RCW  
36 82.08.150 (1) and (2) must be deposited in the state general fund,  
37 and the remainder collected and remitted under RCW 82.08.150 (1) and  
38 (2) must be deposited in the liquor excise tax fund. The amendments

1 in this section are curative, clarifying, and remedial and apply  
2 retroactively to July 1, 2013.

3 (5) During the 2015-2017 fiscal biennium, the liquor excise tax  
4 fund may be appropriated for the local government fiscal note program  
5 in the department of commerce. It is the intent of the legislature to  
6 continue these policies in the 2017-2019 fiscal biennium.

7 **Sec. 225.** RCW 82.08.811 and 1997 c 368 s 4 are each amended to  
8 read as follows:

9 (1) For the purposes of this section:

10 (a) "Air pollution control facilities" means any treatment works,  
11 control devices and disposal systems, machinery, equipment,  
12 structure, property, property improvements, and accessories, that are  
13 installed or acquired for the primary purpose of reducing,  
14 controlling, or disposing of industrial waste that, if released to  
15 the outdoor atmosphere, could cause air pollution, or that are  
16 required to meet regulatory requirements applicable to their  
17 construction, installation, or operation; and

18 (b) "Generation facility" means a coal-fired thermal electric  
19 generation facility placed in operation after December 3, 1969, and  
20 before July 1, 1975.

21 (2) Beginning January 1, 1999, the tax levied by RCW 82.08.020  
22 does not apply to sales of coal used to generate electric power at a  
23 generation facility operated by a business if the following  
24 conditions are met:

25 (a) The owners must make an application to the department of  
26 (~~revenue~~) taxation for a tax exemption;

27 (b) The owners must make a demonstration to the department of  
28 ecology that the owners have made reasonable initial progress to  
29 install air pollution control facilities to meet applicable  
30 regulatory requirements established under state or federal law,  
31 including the Washington clean air act, chapter 70.94 RCW;

32 (c) Continued progress must be made on the development of air  
33 pollution control facilities to meet the requirements of the permit;  
34 and

35 (d) The generation facility must emit no more than ten thousand  
36 tons of sulfur dioxide during a previous consecutive twelve-month  
37 period.

38 (3) During a consecutive twelve-month period, if the generation  
39 facility is found to be in violation of excessive sulfur dioxide

1 emissions from a regional air pollution control authority or the  
2 department of ecology, the department of ecology shall notify the  
3 department of (~~revenue~~) taxation and the owners of the generation  
4 facility shall lose their tax exemption under this section. The  
5 owners of a generation facility may reapply for the tax exemption  
6 when they have once again met the conditions of subsection (2)(d) of  
7 this section.

8 (4) RCW 82.32.393 applies to this section.

9 **Sec. 226.** RCW 82.08.820 and 2014 c 140 s 23 are each amended to  
10 read as follows:

11 (1) Wholesalers or third-party warehouse owners who own or operate  
12 warehouses or grain elevators and retailers who own or operate  
13 distribution centers, and who have paid the tax levied by RCW  
14 82.08.020 on:

15 (a) Material-handling and racking equipment, and labor and  
16 services rendered in respect to installing, repairing, cleaning,  
17 altering, or improving the equipment; or

18 (b) Construction of a warehouse or grain elevator, including  
19 materials, and including service and labor costs,  
20 are eligible for an exemption in the form of a remittance. The amount  
21 of the remittance is computed under subsection (3) of this section  
22 and is based on the state share of sales tax.

23 (2) For purposes of this section and RCW 82.12.820:

24 (a) "Agricultural products" has the meaning given in RCW  
25 82.04.213;

26 (b) "Construction" means the actual construction of a warehouse  
27 or grain elevator that did not exist before the construction began.  
28 "Construction" includes expansion if the expansion adds at least two  
29 hundred thousand square feet of additional space to an existing  
30 warehouse or additional storage capacity of at least one million  
31 bushels to an existing grain elevator. "Construction" does not  
32 include renovation, remodeling, or repair;

33 (c) "Department" means the department of (~~revenue~~) taxation;

34 (d) "Distribution center" means a warehouse that is used  
35 exclusively by a retailer solely for the storage and distribution of  
36 finished goods to retail outlets of the retailer. "Distribution  
37 center" does not include a warehouse at which retail sales occur;

1 (e) "Finished goods" means tangible personal property intended  
2 for sale by a retailer or wholesaler. "Finished goods" does not  
3 include:

4 (i) Agricultural products stored by wholesalers, third-party  
5 warehouses, or retailers if the storage takes place on the land of  
6 the person who produced the agricultural product;

7 (ii) Logs, minerals, petroleum, gas, or other extracted products  
8 stored as raw materials or in bulk; or

9 (iii) Marijuana, useable marijuana, or marijuana-infused  
10 products;

11 (f) "Grain elevator" means a structure used for storage and  
12 handling of grain in bulk;

13 (g) "Material-handling equipment and racking equipment" means  
14 equipment in a warehouse or grain elevator that is primarily used to  
15 handle, store, organize, convey, package, or repackage finished  
16 goods. The term includes tangible personal property with a useful  
17 life of one year or more that becomes an ingredient or component of  
18 the equipment, including repair and replacement parts. The term does  
19 not include equipment in offices, lunchrooms, restrooms, and other  
20 like space, within a warehouse or grain elevator, or equipment used  
21 for nonwarehousing purposes. "Material-handling equipment" includes  
22 but is not limited to: Conveyers, carousels, lifts, positioners,  
23 pick-up-and-place units, cranes, hoists, mechanical arms, and robots;  
24 mechanized systems, including containers that are an integral part of  
25 the system, whose purpose is to lift or move tangible personal  
26 property; and automated handling, storage, and retrieval systems,  
27 including computers that control them, whose purpose is to lift or  
28 move tangible personal property; and forklifts and other off-the-road  
29 vehicles that are used to lift or move tangible personal property and  
30 that cannot be operated legally on roads and streets. "Racking  
31 equipment" includes, but is not limited to, conveying systems,  
32 chutes, shelves, racks, bins, drawers, pallets, and other containers  
33 and storage devices that form a necessary part of the storage system;

34 (h) "Person" has the meaning given in RCW 82.04.030;

35 (i) "Retailer" means a person who makes "sales at retail" as  
36 defined in chapter 82.04 RCW of tangible personal property;

37 (j) "Square footage" means the product of the two horizontal  
38 dimensions of each floor of a specific warehouse. The entire  
39 footprint of the warehouse must be measured in calculating the square  
40 footage, including space that juts out from the building profile such

1 as loading docks. "Square footage" does not mean the aggregate of the  
2 square footage of more than one warehouse at a location or the  
3 aggregate of the square footage of warehouses at more than one  
4 location;

5 (k) "Third-party warehouser" means a person taxable under RCW  
6 82.04.280(1)(d);

7 (l) "Warehouse" means an enclosed building or structure in which  
8 finished goods are stored. A warehouse building or structure may have  
9 more than one storage room and more than one floor. Office space,  
10 lunchrooms, restrooms, and other space within the warehouse and  
11 necessary for the operation of the warehouse are considered part of  
12 the warehouse as are loading docks and other such space attached to  
13 the building and used for handling of finished goods. Landscaping and  
14 parking lots are not considered part of the warehouse. A storage yard  
15 is not a warehouse, nor is a building in which manufacturing takes  
16 place; and

17 (m) "Wholesaler" means a person who makes "sales at wholesale" as  
18 defined in chapter 82.04 RCW of tangible personal property, but  
19 "wholesaler" does not include a person who makes sales exempt under  
20 RCW 82.04.330.

21 (3)(a) A person claiming an exemption from state tax in the form  
22 of a remittance under this section must pay the tax imposed by RCW  
23 82.08.020. The buyer may then apply to the department for remittance  
24 of all or part of the tax paid under RCW 82.08.020. For grain  
25 elevators with bushel capacity of one million but less than two  
26 million, the remittance is equal to fifty percent of the amount of  
27 tax paid. For warehouses with square footage of two hundred thousand  
28 or more and for grain elevators with bushel capacity of two million  
29 or more, the remittance is equal to one hundred percent of the amount  
30 of tax paid for qualifying construction, materials, service, and  
31 labor, and fifty percent of the amount of tax paid for qualifying  
32 material-handling equipment and racking equipment, and labor and  
33 services rendered in respect to installing, repairing, cleaning,  
34 altering, or improving the equipment.

35 (b) The department must determine eligibility under this section  
36 based on information provided by the buyer and through audit and  
37 other administrative records. The buyer must on a quarterly basis  
38 submit an information sheet, in a form and manner as required by the  
39 department by rule, specifying the amount of exempted tax claimed and  
40 the qualifying purchases or acquisitions for which the exemption is

1 claimed. The buyer must retain, in adequate detail to enable the  
2 department to determine whether the equipment or construction meets  
3 the criteria under this section: Invoices; proof of tax paid;  
4 documents describing the material-handling equipment and racking  
5 equipment; location and size of warehouses and grain elevators; and  
6 construction invoices and documents.

7 (c) The department must on a quarterly basis remit exempted  
8 amounts to qualifying persons who submitted applications during the  
9 previous quarter.

10 (4) Warehouses, grain elevators, and material-handling equipment  
11 and racking equipment for which an exemption, credit, or deferral has  
12 been or is being received under chapter 82.60, 82.62, or 82.63 RCW or  
13 RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance  
14 under this section. Warehouses and grain elevators upon which  
15 construction was initiated before May 20, 1997, are not eligible for  
16 a remittance under this section.

17 (5) The lessor or owner of a warehouse or grain elevator is not  
18 eligible for a remittance under this section unless the underlying  
19 ownership of the warehouse or grain elevator and the material-  
20 handling equipment and racking equipment vests exclusively in the  
21 same person, or unless the lessor by written contract agrees to pass  
22 the economic benefit of the remittance to the lessee in the form of  
23 reduced rent payments.

24 **Sec. 227.** RCW 82.08.890 and 2014 c 97 s 602 are each amended to  
25 read as follows:

26 (1) The tax levied by RCW 82.08.020 does not apply to sales to  
27 eligible persons of:

28 (a) Qualifying livestock nutrient management equipment;

29 (b) Labor and services rendered in respect to installing,  
30 repairing, cleaning, altering, or improving qualifying livestock  
31 nutrient management equipment; and

32 (c)(i) Labor and services rendered in respect to repairing,  
33 cleaning, altering, or improving of qualifying livestock nutrient  
34 management facilities, or to tangible personal property that becomes  
35 an ingredient or component of qualifying livestock nutrient  
36 management facilities in the course of repairing, cleaning, altering,  
37 or improving of such facilities.

38 (ii) The exemption provided in this subsection (1)(c) does not  
39 apply to the sale of or charge made for: (A) Labor and services

1 rendered in respect to the constructing of new, or replacing  
2 previously existing, qualifying livestock nutrient management  
3 facilities; or (B) tangible personal property that becomes an  
4 ingredient or component of qualifying livestock nutrient management  
5 facilities during the course of constructing new, or replacing  
6 previously existing, qualifying livestock nutrient management  
7 facilities.

8 (2) The exemption provided in subsection (1) of this section  
9 applies to sales made after the livestock nutrient management plan  
10 is: (a) Certified under chapter 90.64 RCW; (b) approved as part of  
11 the permit issued under chapter 90.48 RCW; or (c) approved as  
12 required under subsection (4)(c)(iii) of this section.

13 (3)(a) The department of agriculture must provide a list of  
14 eligible persons, as defined in subsection (4)(c)(i) and (ii) of this  
15 section, to the department of (~~revenue~~) taxation upon request.  
16 Conservation districts must maintain lists of eligible persons as  
17 defined in subsection (4)(c)(iii) of this section to allow the  
18 department of (~~revenue~~) taxation to verify eligibility.

19 (b) A purchaser claiming an exemption under this section must  
20 keep records necessary for the department to verify eligibility under  
21 this section. Sellers making tax-exempt sales under this section must  
22 obtain an exemption certificate from the purchaser in a form and  
23 manner prescribed by the department. In lieu of an exemption  
24 certificate, a seller may capture the relevant data elements as  
25 allowed under the streamlined sales and use tax agreement. The seller  
26 must retain a copy of the certificate or the data elements for the  
27 seller's files.

28 (4) The definitions in this subsection apply to this section and  
29 RCW 82.12.890 unless the context clearly requires otherwise:

30 (a) "Animal feeding operation" means a lot or facility, other  
31 than an aquatic animal production facility, where the following  
32 conditions are met:

33 (i) Animals, other than aquatic animals, have been, are, or will  
34 be stabled or confined and fed or maintained for a total of forty-  
35 five days or more in any twelve-month period; and

36 (ii) Crops, vegetation, forage growth, or postharvest residues  
37 are not sustained in the normal growing season over any portion of  
38 the lot or facility.

39 (b) "Conservation district" means a subdivision of state  
40 government organized under chapter 89.08 RCW.

1 (c) "Eligible person" means a person: (i) Licensed to produce  
2 milk under chapter 15.36 RCW who has a certified dairy nutrient  
3 management plan, as required by chapter 90.64 RCW; (ii) who owns an  
4 animal feeding operation and has a permit issued under chapter 90.48  
5 RCW; or (iii) who owns an animal feeding operation and has a nutrient  
6 management plan approved by a conservation district as meeting  
7 natural resource conservation service field office technical guide  
8 standards and who qualifies for the exemption provided under RCW  
9 82.08.855.

10 (d) "Handling and treatment of livestock manure" means the  
11 activities of collecting, storing, moving, or transporting livestock  
12 manure, separating livestock manure solids from liquids, or applying  
13 livestock manure to the agricultural lands of an eligible person  
14 other than through the use of pivot or linear type traveling  
15 irrigation systems.

16 (e) "Permit" means either a state waste discharge permit or a  
17 national pollutant discharge elimination system permit, or both.

18 (f) "Qualifying livestock nutrient management equipment" means  
19 the following tangible personal property for exclusive use in the  
20 handling and treatment of livestock manure, including repair and  
21 replacement parts for such equipment: (i) Aerators; (ii) agitators;  
22 (iii) augers; (iv) conveyers; (v) gutter cleaners; (vi) hard-hose  
23 reel traveler irrigation systems; (vii) lagoon and pond liners and  
24 floating covers; (viii) loaders; (ix) manure composting devices; (x)  
25 manure spreaders; (xi) manure tank wagons; (xii) manure vacuum tanks;  
26 (xiii) poultry house cleaners; (xiv) poultry house flame sterilizers;  
27 (xv) poultry house washers; (xvi) poultry litter saver machines;  
28 (xvii) pipes; (xviii) pumps; (xix) scrapers; (xx) separators; (xxi)  
29 slurry injectors and hoses; and (xxii) wheelbarrows, shovels, and  
30 pitchforks.

31 (g) "Qualifying livestock nutrient management facilities" means  
32 the following structures and facilities for exclusive use in the  
33 handling and treatment of livestock manure: (i) Flush systems; (ii)  
34 lagoons; (iii) liquid livestock manure storage structures, such as  
35 concrete tanks or glass-lined steel tanks; and (iv) structures used  
36 solely for the dry storage of manure, including roofed stacking  
37 facilities.

38 (5) The exemption under this section does not apply to sales made  
39 from July 1, 2010, through June 30, 2013.



1       **Sec. 228.** RCW 82.12.010 and 2017 c 323 s 519 are each amended to  
2 read as follows:

3       For the purposes of this chapter:

4       (1) The meaning ascribed to words and phrases in chapters 82.04  
5 and 82.08 RCW, insofar as applicable, has full force and effect with  
6 respect to taxes imposed under the provisions of this chapter.  
7 "Consumer," in addition to the meaning ascribed to it in chapters  
8 82.04 and 82.08 RCW insofar as applicable, also means any person who  
9 distributes or displays, or causes to be distributed or displayed,  
10 any article of tangible personal property, except newspapers, the  
11 primary purpose of which is to promote the sale of products or  
12 services. With respect to property distributed to persons within this  
13 state by a consumer as defined in this subsection (1), the use of the  
14 property is deemed to be by such consumer.

15       (2) "Extended warranty" has the same meaning as in RCW  
16 82.04.050(7).

17       (3) "Purchase price" means the same as sales price as defined in  
18 RCW 82.08.010.

19       (4) (a) (i) Except as provided in (a) (ii) of this subsection (4),  
20 "retailer" means every seller as defined in RCW 82.08.010 and every  
21 person engaged in the business of selling tangible personal property  
22 at retail and every person required to collect from purchasers the  
23 tax imposed under this chapter.

24       (ii) "Retailer" does not include a professional employer  
25 organization when a covered employee coemployed with the client under  
26 the terms of a professional employer agreement engages in activities  
27 that constitute a sale of tangible personal property, extended  
28 warranty, digital good, digital code, or a sale of any digital  
29 automated service or service defined as a retail sale in RCW  
30 82.04.050 (2) (a) or (g) or (6) (c) that is subject to the tax imposed  
31 by this chapter. In such cases, the client, and not the professional  
32 employer organization, is deemed to be the retailer and is  
33 responsible for collecting and remitting the tax imposed by this  
34 chapter.

35       (b) For the purposes of (a) of this subsection, the terms  
36 "client," "covered employee," "professional employer agreement," and  
37 "professional employer organization" have the same meanings as in RCW  
38 82.04.540.

1 (5) "Taxpayer" and "purchaser" include all persons included  
2 within the meaning of the word "buyer" and the word "consumer" as  
3 defined in chapters 82.04 and 82.08 RCW.

4 (6) "Use," "used," "using," or "put to use" have their ordinary  
5 meaning, and mean:

6 (a) With respect to tangible personal property, except for  
7 natural gas and manufactured gas, the first act within this state by  
8 which the taxpayer takes or assumes dominion or control over the  
9 article of tangible personal property (as a consumer), and include  
10 installation, storage, withdrawal from storage, distribution, or any  
11 other act preparatory to subsequent actual use or consumption within  
12 this state;

13 (b) With respect to a service defined in RCW 82.04.050(2)(a), the  
14 first act within this state after the service has been performed by  
15 which the taxpayer takes or assumes dominion or control over the  
16 article of tangible personal property upon which the service was  
17 performed (as a consumer), and includes installation, storage,  
18 withdrawal from storage, distribution, or any other act preparatory  
19 to subsequent actual use or consumption of the article within this  
20 state;

21 (c) With respect to an extended warranty, the first act within  
22 this state after the extended warranty has been acquired by which the  
23 taxpayer takes or assumes dominion or control over the article of  
24 tangible personal property to which the extended warranty applies,  
25 and includes installation, storage, withdrawal from storage,  
26 distribution, or any other act preparatory to subsequent actual use  
27 or consumption of the article within this state;

28 (d) With respect to a digital good or digital code, the first act  
29 within this state by which the taxpayer, as a consumer, views,  
30 accesses, downloads, possesses, stores, opens, manipulates, or  
31 otherwise uses or enjoys the digital good or digital code;

32 (e) With respect to a digital automated service, the first act  
33 within this state by which the taxpayer, as a consumer, uses, enjoys,  
34 or otherwise receives the benefit of the service;

35 (f) With respect to a service defined as a retail sale in RCW  
36 82.04.050(6)(c), the first act within this state by which the  
37 taxpayer, as a consumer, accesses the prewritten computer software;

38 (g) With respect to a service defined as a retail sale in RCW  
39 82.04.050(2)(g), the first act within this state after the service  
40 has been performed by which the taxpayer, as a consumer, views,

1 accesses, downloads, possesses, stores, opens, manipulates, or  
2 otherwise uses or enjoys the digital good upon which the service was  
3 performed; and

4 (h) With respect to natural gas or manufactured gas, the use of  
5 which is taxable under RCW 82.12.022, including gas that is also  
6 taxable under the authority of RCW 82.14.230, the first act within  
7 this state by which the taxpayer consumes the gas by burning the gas  
8 or storing the gas in the taxpayer's own facilities for later  
9 consumption by the taxpayer.

10 (7) (a) "Value of the article used" is the purchase price for the  
11 article of tangible personal property, the use of which is taxable  
12 under this chapter. The term also includes, in addition to the  
13 purchase price, the amount of any tariff or duty paid with respect to  
14 the importation of the article used. In case the article used is  
15 acquired by lease or by gift or is extracted, produced, or  
16 manufactured by the person using the same or is sold under conditions  
17 wherein the purchase price does not represent the true value thereof,  
18 the value of the article used is determined as nearly as possible  
19 according to the retail selling price at place of use of similar  
20 products of like quality and character under such rules as the  
21 department may prescribe.

22 (b) In case the articles used are acquired by bailment, the value  
23 of the use of the articles so used must be in an amount representing  
24 a reasonable rental for the use of the articles so bailed, determined  
25 as nearly as possible according to the value of such use at the  
26 places of use of similar products of like quality and character under  
27 such rules as the department of (~~revenue~~) taxation may prescribe.  
28 In case any such articles of tangible personal property are used in  
29 respect to the construction, repairing, decorating, or improving of,  
30 and which become or are to become an ingredient or component of, new  
31 or existing buildings or other structures under, upon, or above real  
32 property of or for the United States, any instrumentality thereof, or  
33 a county or city housing authority created pursuant to chapter 35.82  
34 RCW, including the installing or attaching of any such articles  
35 therein or thereto, whether or not such personal property becomes a  
36 part of the realty by virtue of installation, then the value of the  
37 use of such articles so used is determined according to the retail  
38 selling price of such articles, or in the absence of such a selling  
39 price, as nearly as possible according to the retail selling price at  
40 place of use of similar products of like quality and character or, in

1 the absence of either of these selling price measures, such value may  
2 be determined upon a cost basis, in any event under such rules as the  
3 department of (~~revenue~~) taxation may prescribe.

4 (c) In the case of articles owned by a user engaged in business  
5 outside the state which are brought into the state for no more than  
6 one hundred eighty days in any period of three hundred sixty-five  
7 consecutive days and which are temporarily used for business purposes  
8 by the person in this state, the value of the article used must be an  
9 amount representing a reasonable rental for the use of the articles,  
10 unless the person has paid tax under this chapter or chapter 82.08  
11 RCW upon the full value of the article used, as defined in (a) of  
12 this subsection.

13 (d) In the case of articles manufactured or produced by the user  
14 and used in the manufacture or production of products sold or to be  
15 sold to the department of defense of the United States, the value of  
16 the articles used is determined according to the value of the  
17 ingredients of such articles.

18 (e) In the case of an article manufactured or produced for  
19 purposes of serving as a prototype for the development of a new or  
20 improved product, the value of the article used is determined by: (i)  
21 The retail selling price of such new or improved product when first  
22 offered for sale; or (ii) the value of materials incorporated into  
23 the prototype in cases in which the new or improved product is not  
24 offered for sale.

25 (f) In the case of an article purchased with a direct pay permit  
26 under RCW 82.32.087, the value of the article used is determined by  
27 the purchase price of such article if, but for the use of the direct  
28 pay permit, the transaction would have been subject to sales tax.

29 (8) "Value of the digital good or digital code used" means the  
30 purchase price for the digital good or digital code, the use of which  
31 is taxable under this chapter. If the digital good or digital code is  
32 acquired other than by purchase, the value of the digital good or  
33 digital code must be determined as nearly as possible according to  
34 the retail selling price at place of use of similar digital goods or  
35 digital codes of like quality and character under rules the  
36 department may prescribe.

37 (9) "Value of the extended warranty used" means the purchase  
38 price for the extended warranty, the use of which is taxable under  
39 this chapter. If the extended warranty is received by gift or under  
40 conditions wherein the purchase price does not represent the true

1 value of the extended warranty, the value of the extended warranty  
2 used is determined as nearly as possible according to the retail  
3 selling price at place of use of similar extended warranties of like  
4 quality and character under rules the department may prescribe.

5 (10) "Value of the service used" means the purchase price for the  
6 digital automated service or other service, the use of which is  
7 taxable under this chapter. If the service is received by gift or  
8 under conditions wherein the purchase price does not represent the  
9 true value thereof, the value of the service used is determined as  
10 nearly as possible according to the retail selling price at place of  
11 use of similar services of like quality and character under rules the  
12 department may prescribe.

13 **Sec. 229.** RCW 82.12.024 and 2001 c 214 s 10 are each amended to  
14 read as follows:

15 (1) Unless the context clearly requires otherwise, the  
16 definitions in this subsection apply throughout this section.

17 (a) "Direct service industrial customer" means a person who is an  
18 industrial customer that contracts for the purchase of power from the  
19 Bonneville Power Administration for direct consumption as of May 8,  
20 2001. "Direct service industrial customer" includes a person who is a  
21 subsidiary that is more than fifty percent owned by a direct service  
22 industrial customer and who receives power from the Bonneville Power  
23 Administration pursuant to the parent's contract for power.

24 (b) "Facility" means a gas turbine electrical generation facility  
25 that does not exist on May 8, 2001, and is owned by a direct service  
26 industrial customer for the purpose of producing electricity to be  
27 consumed by the direct service industrial customer.

28 (c) "Average annual employment" means the total employment in  
29 this state for a calendar year at the direct service industrial  
30 customer's location where electricity from the facility will be  
31 consumed.

32 (2) Effective July 1, 2001, the tax levied in RCW 82.12.022 on  
33 the first sixty months' use of natural or manufactured gas by a  
34 direct service industrial customer that owns a facility shall be  
35 deferred. This deferral is limited to the tax on natural or  
36 manufactured gas used or consumed to generate electricity at the  
37 facility.

38 (3) Application for deferral shall be made by the direct service  
39 industrial customer before the first use of natural or manufactured

1 gas. The application shall be in a form and manner prescribed by the  
2 department and shall include but is not limited to information  
3 regarding the location of the facility, the projected date of first  
4 use of natural or manufactured gas to generate electricity at the  
5 facility, the date construction is projected to begin or did begin,  
6 the applicant's average annual employment in the state for the six  
7 calendar years immediately preceding the year in which the  
8 application is made, and shall affirm the applicant's status as a  
9 direct service industrial customer. The department shall rule on the  
10 application within thirty days of receipt.

11 (4) (a) The direct service industrial customer shall begin paying  
12 the deferred tax in the sixth calendar year following the calendar  
13 year in which the month of first use of natural or manufactured gas  
14 to generate electricity at the facility occurs. The first payment  
15 will be due on or before December 31st with subsequent annual  
16 payments due on or before December 31st of the following four years  
17 according to the following schedule:

|    | <u>Payment Year</u> | <u>% of Deferred Tax to be Paid</u> |
|----|---------------------|-------------------------------------|
| 18 |                     |                                     |
| 19 | 1                   | 10%                                 |
| 20 | 2                   | 15%                                 |
| 21 | 3                   | 20%                                 |
| 22 | 4                   | 25%                                 |
| 23 | 5                   | 30%                                 |

24 (b) The department may authorize an accelerated payment schedule  
25 upon request of the taxpayer.

26 (c) Interest shall not be charged on the tax deferred under this  
27 section for the period of deferral, although all other penalties and  
28 interest applicable to delinquent excise taxes may be assessed and  
29 imposed. The debt for deferred tax will not be extinguished by  
30 insolvency or other failure of the direct service industrial  
31 customer. Transfer of ownership of the facility does not affect  
32 deferral eligibility. However, the deferral is available to the  
33 successor only if the eligibility conditions of this section are met.

34 (5) (a) If the average of the direct service industrial customer's  
35 average annual employment for the five calendar years subsequent to  
36 the calendar year containing the first month of use of natural or  
37 manufactured gas to generate electricity at a facility is equal to or

1 exceeds the six-year average annual employment stated on the  
2 application for deferral under this section, the tax deferred need  
3 not be paid. The direct service industrial customer shall certify to  
4 the department by June 1st of the sixth calendar year following the  
5 calendar year in which the month of first use of gas occurs the  
6 average annual employment for each of the five prior calendar years.

7 (b) If the five-year average calculated in (a) of this subsection  
8 is less than the average annual employment stated on the application  
9 for deferral under this section, the tax deferred under this section  
10 shall be paid in the amount as follows:

| <u>Decrease in Average Annual</u> |                       |
|-----------------------------------|-----------------------|
| <u>Employment Over</u>            | <u>% of Deferred</u>  |
| <u>Five-Year Period</u>           | <u>Tax to be Paid</u> |
| Less than 10%                     | 10%                   |
| 10% or more but less than 25%     | 25%                   |
| 25% or more but less than 50%     | 50%                   |
| 50% or more but less than 75%     | 75%                   |
| 75% or more                       | 100%                  |

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19 (c) Tax paid under this subsection shall be paid according to the  
20 schedule in subsection (4) (a) of this section and under the terms and  
21 conditions of subsection (4) (b) and (c) of this section.

22 (6) The employment security department shall make, and certify to  
23 the department of (~~revenue~~) taxation, all determinations of  
24 employment under this section as requested by the department.

25 (7) A person claiming this deferral shall supply to the  
26 department quarterly reports containing information necessary to  
27 document the total volume of natural or manufactured gas purchased in  
28 the quarter, the value of that total volume, and the percentage of  
29 the total volume used to generate electricity at the facility.

30 **Sec. 230.** RCW 82.12.0256 and 2013 c 225 s 646 are each amended  
31 to read as follows:

32 The provisions of this chapter do not apply in respect to the use  
33 of:

34 (1) Special fuel purchased in this state upon which a refund is  
35 obtained as provided in RCW 82.38.180(1) (b); and

36 (2) Motor vehicle and special fuel if:

1 (a) The fuel is used for the purpose of public transportation and  
2 the purchaser is entitled to a refund or an exemption under RCW  
3 82.38.080(1) (f) and (g) or 82.38.180(3) (b); or

4 (b) The fuel is purchased by a private, nonprofit transportation  
5 provider certified under chapter 81.66 RCW and the purchaser is  
6 entitled to a refund or an exemption under RCW 82.38.080(1) (d) or  
7 82.38.180(3) (a); or

8 (c) The fuel is purchased by a public transportation benefit area  
9 created under chapter 36.57A RCW or a county-owned ferry or county  
10 ferry district created under chapter 36.54 RCW for use in passenger-  
11 only ferry vessels; or

12 (d) The fuel is taxable under chapter 82.38 RCW. However, the use  
13 of motor vehicle and special fuel upon which a refund of the  
14 applicable fuel tax is obtained is not exempt under this subsection  
15 (2)(d) and the director of licensing must deduct from the amount of  
16 such tax to be refunded the amount of tax due under this chapter and  
17 remit the same each month to the department of (~~revenue~~) taxation;  
18 or

19 (e) The fuel is purchased by a county-owned ferry for use in  
20 ferry vessels after June 30, 2013; or

21 (f) The fuel is purchased by the Washington state ferry system  
22 for use in a state-owned ferry after June 30, 2013.

23 **Sec. 231.** RCW 82.12.045 and 2010 c 161 s 904 are each amended to  
24 read as follows:

25 (1) In the collection of the use tax on vehicles, the department  
26 of (~~revenue~~) taxation may designate the county auditors of the  
27 several counties of the state as its collecting agents. Upon such  
28 designation, it shall be the duty of each county auditor to collect  
29 the tax at the time an applicant applies for transfer of certificate  
30 of title to the vehicle, except when the applicant:

31 (a) Exhibits a dealer's report of sale showing that the retail  
32 sales tax has been collected by the dealer;

33 (b) Presents a written statement signed by the department of  
34 (~~revenue~~) taxation, or its duly authorized agent showing that no  
35 use tax is legally due; or

36 (c) Presents satisfactory evidence showing that the retail sales  
37 tax or the use tax has been paid by the applicant on the vehicle in  
38 question.



1 (2) As used in this section, "vehicle" has the same meaning as in  
2 RCW 46.04.670.

3 (3) It shall be the duty of every applicant for registration and  
4 transfer of certificate of title who is subject to payment of tax  
5 under this section to declare upon the application the value of the  
6 vehicle for which application is made, which shall consist of the  
7 consideration paid or contracted to be paid therefor.

8 (4) Each county auditor who acts as agent of the department of  
9 (~~revenue~~) taxation shall at the time of remitting vehicle license  
10 fee receipts on vehicles subject to the provisions of this section  
11 pay over and account to the state treasurer for all use tax revenue  
12 collected under this section, after first deducting as a collection  
13 fee the sum of two dollars for each motor vehicle upon which the tax  
14 has been collected. All revenue received by the state treasurer under  
15 this section shall be credited to the general fund. The auditor's  
16 collection fee shall be deposited in the county current expense fund.  
17 A duplicate of the county auditor's transmittal report to the state  
18 treasurer shall be forwarded forthwith to the department of  
19 (~~revenue~~) taxation.

20 (5) Any applicant who has paid use tax to a county auditor under  
21 this section may apply to the department of (~~revenue~~) taxation for  
22 refund thereof if he or she has reason to believe that such tax was  
23 not legally due and owing. No refund shall be allowed unless  
24 application therefor is received by the department of (~~revenue~~)  
25 taxation within the statutory period for assessment of taxes,  
26 penalties, or interest prescribed by RCW 82.32.050(4). Upon receipt  
27 of an application for refund the department of (~~revenue~~) taxation  
28 shall consider the same and issue its order either granting or  
29 denying it and if refund is denied the taxpayer shall have the right  
30 of appeal as provided in RCW 82.32.170, 82.32.180, and 82.32.190.

31 (6) The provisions of this section shall be construed as  
32 cumulative of other methods prescribed in chapters 82.04 through  
33 82.32 RCW, inclusive, for the collection of the tax imposed by this  
34 chapter. The department of (~~revenue~~) taxation shall have power to  
35 promulgate such rules as may be necessary to administer the  
36 provisions of this section. Any duties required by this section to be  
37 performed by the county auditor may be performed by the director of  
38 licensing but no collection fee shall be deductible by said director  
39 in remitting use tax revenue to the state treasurer.

1 (7) The use tax revenue collected on the rate provided in RCW  
2 82.08.020(3) shall be deposited in the multimodal transportation  
3 account under RCW 47.66.070.

4 **Sec. 232.** RCW 82.12.070 and 2013 c 23 s 319 are each amended to  
5 read as follows:

6 The department of (~~revenue~~) taxation, by general regulation,  
7 shall provide that a taxpayer whose regular books of account are kept  
8 on a cash receipts basis may file returns based upon his or her cash  
9 receipts for each reporting period and pay the tax herein provided  
10 upon such basis in lieu of reporting and paying the tax on all sales  
11 made during such period. A taxpayer filing returns on a cash receipts  
12 basis is not required to pay such tax on debt subject to credit or  
13 refund under RCW 82.12.037.

14 **Sec. 233.** RCW 82.12.811 and 1997 c 368 s 6 are each amended to  
15 read as follows:

16 (1) For the purposes of this section:

17 (a) "Air pollution control facilities" means any treatment works,  
18 control devices and disposal systems, machinery, equipment,  
19 structure, property, property improvements, and accessories, that are  
20 installed or acquired for the primary purpose of reducing,  
21 controlling, or disposing of industrial waste that, if released to  
22 the outdoor atmosphere, could cause air pollution, or that are  
23 required to meet regulatory requirements applicable to their  
24 construction, installation, or operation; and

25 (b) "Generation facility" means a coal-fired thermal electric  
26 generation facility placed in operation after December 3, 1969, and  
27 before July 1, 1975.

28 (2) Beginning January 1, 1999, the provisions of this chapter do  
29 not apply in respect to the use of coal to generate electric power at  
30 a generation facility operated by a business if the following  
31 conditions are met:

32 (a) The owners must make an application to the department of  
33 (~~revenue~~) taxation for a tax exemption;

34 (b) The owners must make a demonstration to the department of  
35 ecology that the owners have made reasonable initial progress to  
36 install air pollution control facilities to meet applicable  
37 regulatory requirements established under state or federal law,  
38 including the Washington clean air act, chapter 70.94 RCW;

1 (c) Continued progress must be made on the development of air  
2 pollution control facilities to meet the requirements of the permit;  
3 and

4 (d) The generation facility must emit no more than ten thousand  
5 tons of sulfur dioxide during a previous consecutive twelve-month  
6 period.

7 (3) During a consecutive twelve-month period, if the generation  
8 facility is found to be in violation of excessive sulfur dioxide  
9 emissions from a regional air pollution control authority or the  
10 department of ecology, the department of ecology shall notify the  
11 department of (~~revenue~~) taxation and the owners of the generation  
12 facility shall lose their tax exemption under this section. The  
13 owners of a generation facility may reapply for the tax exemption  
14 when they have once again met the conditions of subsection (2)(d) of  
15 this section.

16 (4) RCW 82.32.393 applies to this section.

17 **Sec. 234.** RCW 82.14.048 and 2012 c 4 s 6 are each amended to  
18 read as follows:

19 (1) The following definitions apply throughout this section  
20 unless the context clearly requires otherwise.

21 (a) "Distressed public facilities district" means a public  
22 facilities district that has defaulted on bond anticipation notes or  
23 bonds in excess of forty million dollars on or before April 1, 2012;  
24 and

25 (b) "Anchor jurisdiction" means a city that has entered into an  
26 agreement to form a public facilities district under RCW  
27 35.57.010(1)(c) that constitutes a distressed public facilities  
28 district under this chapter and in which the largest asset of such  
29 public facilities district is located.

30 (2)(a) The governing board of a public facilities district under  
31 chapter 36.100 or 35.57 RCW may submit an authorizing proposition to  
32 the voters of the district, and if the proposition is approved by a  
33 majority of persons voting, impose a sales and use tax in accordance  
34 with the terms of this chapter.

35 (b) In addition to the tax authorized pursuant to (a) of this  
36 subsection and in addition to any other authority conferred by law,  
37 the legislative authority of an anchor jurisdiction may impose a  
38 sales and use tax within the geographical boundaries of the anchor  
39 jurisdiction in accordance with the terms of this chapter without

1 submitting an authorizing proposition to the voters of the anchor  
2 jurisdiction or the distressed public facilities district.

3 (3) The tax authorized in this section is in addition to any  
4 other taxes authorized by law and must be collected from those  
5 persons who are taxable by the state under chapters 82.08 and 82.12  
6 RCW upon the occurrence of any taxable event within the public  
7 facilities district. The rate of tax may not exceed two-tenths of one  
8 percent of the selling price in the case of a sales tax, or value of  
9 the article used, in the case of a use tax. A public facilities  
10 district formed under RCW 35.57.010(1)(e) may not impose the tax  
11 authorized under this section at a rate that exceeds two-tenths of  
12 one percent minus the rate of the highest tax authorized by this  
13 section that is imposed by any other public facilities district  
14 within its boundaries. An anchor jurisdiction may impose the tax  
15 authorized by subsection (2)(b) of this section at a rate not to  
16 exceed two-tenths of one percent, regardless of whether any other  
17 public facilities district (including a distressed public facilities  
18 district) within its boundaries imposes the tax authorized by this  
19 section or the rate of such tax imposed by the public facilities  
20 district. If a public facilities district formed under RCW  
21 35.57.010(1)(e) has imposed a tax under this section and issued or  
22 incurred obligations pledging that tax, so long as those obligations  
23 are outstanding no other public facilities district within its  
24 boundaries may thereafter impose a tax under this section at a rate  
25 that would reduce the rate of the tax that was pledged to the  
26 repayment of those obligations. A public facilities district that  
27 imposes a tax under this section is responsible for the payment of  
28 any costs incurred for the purpose of administering the provisions of  
29 this section, RCW 35.57.010(1)(e), and 35.57.020(1)(b), including any  
30 administrative costs associated with the imposition of the tax under  
31 this section incurred by either the department of (~~revenue~~)  
32 taxation or local government, or both.

33 (4)(a) Moneys received by a public facilities district from any  
34 tax imposed by the public facilities district under the authority of  
35 this section must be used for the purpose of providing funds for the  
36 costs associated with the financing, refinancing, design,  
37 acquisition, construction, equipping, operating, maintaining,  
38 remodeling, repairing, and reequipping of its public facilities.

39 (b) Moneys received by an anchor jurisdiction from any tax  
40 imposed by the anchor jurisdiction under the authority of this

1 section must be used for the purpose of providing funds for the costs  
2 associated with the financing, refinancing, design, acquisition,  
3 construction, equipping, operating, maintaining, remodeling,  
4 repairing, and reequipping of the public facilities of the distressed  
5 public facilities district, and for all litigation, investigation,  
6 and related costs and expenses incurred by the anchor jurisdiction  
7 toward resolving matters related to the defaults of the distressed  
8 public facilities district. To the extent the distressed public  
9 facilities district owes money to an anchor jurisdiction, the anchor  
10 jurisdiction may apply money from the sales tax imposed under this  
11 section to any such obligations. Any sales tax imposed by an anchor  
12 jurisdiction under this section must terminate no later than thirty  
13 years after it is first imposed.

14 **Sec. 235.** RCW 82.14.0485 and 1995 3rd sp.s. c 1 s 101 are each  
15 amended to read as follows:

16 (1) The legislative authority of a county with a population of  
17 one million or more may impose a sales and use tax in accordance with  
18 the terms of this chapter. The tax is in addition to other taxes  
19 authorized by law and shall be collected from those persons who are  
20 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
21 occurrence of any taxable event within the county. The rate of tax  
22 shall not exceed 0.017 percent of the selling price in the case of a  
23 sales tax or value of the article used in the case of a use tax.

24 (2) The tax imposed under subsection (1) of this section shall be  
25 deducted from the amount of tax otherwise required to be collected or  
26 paid over to the department of (~~revenue~~) taxation under chapter  
27 82.08 or 82.12 RCW. The department of (~~revenue~~) taxation shall  
28 perform the collection of such taxes on behalf of the county at no  
29 cost to the county.

30 (3) Moneys collected under this section shall only be used for  
31 the purpose of paying the principal and interest payments on bonds  
32 issued by a county to construct a baseball stadium.

33 (4) No tax may be collected under this section before January 1,  
34 1996, and no tax may be collected under this section unless the taxes  
35 under RCW 82.14.360 are being collected. The tax imposed in this  
36 section shall expire when the bonds issued for the construction of  
37 the baseball stadium are retired, but not more than twenty years  
38 after the tax is first collected.

1 (5) As used in this section, "baseball stadium" means a baseball  
2 stadium with natural turf and a retractable roof or canopy, together  
3 with associated parking facilities, constructed in the largest city  
4 in a county with a population of one million or more.

5 **Sec. 236.** RCW 82.14.0494 and 1997 c 220 s 204 are each amended  
6 to read as follows:

7 (1) The legislative authority of a county that has created a  
8 public stadium authority to develop a stadium and exhibition center  
9 under RCW 36.102.050 may impose a sales and use tax in accordance  
10 with this chapter. The tax is in addition to other taxes authorized  
11 by law and shall be collected from those persons who are taxable by  
12 the state under chapters 82.08 and 82.12 RCW upon the occurrence of  
13 any taxable event within the county. The rate of tax shall be 0.016  
14 percent of the selling price in the case of a sales tax or value of  
15 the article used in the case of a use tax.

16 (2) The tax imposed under subsection (1) of this section shall be  
17 deducted from the amount of tax otherwise required to be collected or  
18 paid over to the department of (~~revenue~~) taxation under chapter  
19 82.08 or 82.12 RCW. The department of (~~revenue~~) taxation shall  
20 perform the collection of such taxes on behalf of the county at no  
21 cost to the county.

22 (3) Before the issuance of bonds in RCW 43.99N.020, all revenues  
23 collected on behalf of the county under this section shall be  
24 transferred to the public stadium authority. After bonds are issued  
25 under RCW 43.99N.020, all revenues collected on behalf of the county  
26 under this section shall be deposited in the stadium and exhibition  
27 center account under RCW 43.99N.060.

28 (4) The definitions in RCW 36.102.010 apply to this section.

29 (5) This section expires on the earliest of the following dates:

30 (a) December 31, 1999, if the conditions for issuance of bonds  
31 under RCW 43.99N.020 have not been met before that date;

32 (b) The date on which all bonds issued under RCW 43.99N.020 have  
33 been retired; or

34 (c) Twenty-three years after the date the tax under this section  
35 is first imposed.

36 **Sec. 237.** RCW 82.14.050 and 2016 c 191 s 4 are each amended to  
37 read as follows:

1 (1) The counties, cities, and transportation authorities under  
2 RCW 82.14.045, public facilities districts under chapters 36.100 and  
3 35.57 RCW, public transportation benefit areas under RCW 82.14.440,  
4 regional transportation investment districts, and transportation  
5 benefit districts under chapter 36.73 RCW must contract, prior to the  
6 effective date of a resolution or ordinance imposing a sales and use  
7 tax, the administration and collection to the state department of  
8 (~~revenue~~) taxation, which must deduct a percentage amount, as  
9 provided by contract, not to exceed two percent of the taxes  
10 collected for administration and collection expenses incurred by the  
11 department. The remainder of any portion of any tax authorized by  
12 this chapter that is collected by the department of (~~revenue~~)  
13 taxation must be deposited by the state department of (~~revenue~~)  
14 taxation in the local sales and use tax account hereby created in the  
15 state treasury. Beginning January 1, 2013, the department of  
16 (~~revenue~~) taxation must make deposits in the local sales and use  
17 tax account on a monthly basis on the last business day of the month  
18 in which distributions required in (a) of this subsection are due.  
19 Moneys in the local sales and use tax account may be withdrawn only  
20 for:

21 (a) Distribution to counties, cities, transportation authorities,  
22 public facilities districts, public transportation benefit areas,  
23 regional transportation investment districts, and transportation  
24 benefit districts imposing a sales and use tax; and

25 (b) Making refunds of taxes imposed under the authority of this  
26 chapter and RCW 81.104.170 and exempted under RCW 82.08.962,  
27 82.12.962, 82.08.02565, 82.12.02565, 82.08.025661, or 82.12.025661.

28 (2) All administrative provisions in chapters 82.03, 82.08,  
29 82.12, and 82.32 RCW, as they now exist or may hereafter be amended,  
30 insofar as they are applicable to state sales and use taxes, are  
31 applicable to taxes imposed pursuant to this chapter.

32 (3) Counties, cities, transportation authorities, public  
33 facilities districts, and regional transportation investment  
34 districts may not conduct independent sales or use tax audits of  
35 sellers registered under the streamlined sales tax agreement.

36 (4) Except as provided in RCW 43.08.190 and subsection (5) of  
37 this section, all earnings of investments of balances in the local  
38 sales and use tax account must be credited to the local sales and use  
39 tax account and distributed to the counties, cities, transportation  
40 authorities, public facilities districts, public transportation

1 benefit areas, regional transportation investment districts, and  
2 transportation benefit districts monthly.

3 (5) Beginning January 1, 2013, the state treasurer must determine  
4 the amount of earnings on investments that would have been credited  
5 to the local sales and use tax account if the collections had been  
6 deposited in the account over the prior month. When distributions are  
7 made under subsection (1)(a) of this section, the state treasurer  
8 must transfer this amount from the state general fund to the local  
9 sales and use tax account and must distribute such sums to the  
10 counties, cities, transportation authorities, public facilities  
11 districts, public transportation benefit areas, regional  
12 transportation investment districts, and transportation benefit  
13 districts.

14 **Sec. 238.** RCW 82.14.070 and 2003 c 168 s 202 are each amended to  
15 read as follows:

16 It is the intent of this chapter that any local sales and use tax  
17 adopted pursuant to this chapter be identical to the state sales and  
18 use tax, unless otherwise prohibited by federal law, and with other  
19 local sales and use taxes adopted pursuant to this chapter. It is  
20 further the intent of this chapter that the local sales and use tax  
21 shall be imposed upon an individual taxable event simultaneously with  
22 the imposition of the state sales or use tax upon the same taxable  
23 event. The rule making powers of the state department of (~~revenue~~)  
24 taxation contained in RCW 82.08.060 and 82.32.300 shall be applicable  
25 to this chapter. The department shall, as soon as practicable, and  
26 with the assistance of the appropriate associations of county  
27 prosecutors and city attorneys, draft a model resolution and  
28 ordinance.

29 **Sec. 239.** RCW 82.14.370 and 2012 c 225 s 4 are each amended to  
30 read as follows:

31 (1) The legislative authority of a rural county may impose a  
32 sales and use tax in accordance with the terms of this chapter. The  
33 tax is in addition to other taxes authorized by law and must be  
34 collected from those persons who are taxable by the state under  
35 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
36 within the county. The rate of tax may not exceed 0.09 percent of the  
37 selling price in the case of a sales tax or value of the article used  
38 in the case of a use tax, except that for rural counties with



1 population densities between sixty and one hundred persons per square  
2 mile, the rate shall not exceed 0.04 percent before January 1, 2000.

3 (2) The tax imposed under subsection (1) of this section must be  
4 deducted from the amount of tax otherwise required to be collected or  
5 paid over to the department of (~~revenue~~) taxation under chapter  
6 82.08 or 82.12 RCW. The department of (~~revenue~~) taxation must  
7 perform the collection of such taxes on behalf of the county at no  
8 cost to the county.

9 (3)(a) Moneys collected under this section may only be used to  
10 finance public facilities serving economic development purposes in  
11 rural counties and finance personnel in economic development offices.  
12 The public facility must be listed as an item in the officially  
13 adopted county overall economic development plan, or the economic  
14 development section of the county's comprehensive plan, or the  
15 comprehensive plan of a city or town located within the county for  
16 those counties planning under RCW 36.70A.040. For those counties that  
17 do not have an adopted overall economic development plan and do not  
18 plan under the growth management act, the public facility must be  
19 listed in the county's capital facilities plan or the capital  
20 facilities plan of a city or town located within the county.

21 (b) In implementing this section, the county must consult with  
22 cities, towns, and port districts located within the county and the  
23 associate development organization serving the county to ensure that  
24 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
25 requirements of (a) of this subsection. Each county collecting money  
26 under this section must report, as follows, to the office of the  
27 state auditor, within one hundred fifty days after the close of each  
28 fiscal year: (i) A list of new projects begun during the fiscal year,  
29 showing that the county has used the funds for those projects  
30 consistent with the goals of chapter 130, Laws of 2004 and the  
31 requirements of (a) of this subsection; and (ii) expenditures during  
32 the fiscal year on projects begun in a previous year. Any projects  
33 financed prior to June 10, 2004, from the proceeds of obligations to  
34 which the tax imposed under subsection (1) of this section has been  
35 pledged may not be deemed to be new projects under this subsection.  
36 No new projects funded with money collected under this section may be  
37 for justice system facilities.

38 (c) The definitions in this section apply throughout this  
39 section.

1 (i) "Public facilities" means bridges, roads, domestic and  
2 industrial water facilities, sanitary sewer facilities, earth  
3 stabilization, storm sewer facilities, railroads, electrical  
4 facilities, natural gas facilities, research, testing, training, and  
5 incubation facilities in innovation partnership zones designated  
6 under RCW 43.330.270, buildings, structures, telecommunications  
7 infrastructure, transportation infrastructure, or commercial  
8 infrastructure, and port facilities in the state of Washington.

9 (ii) "Economic development purposes" means those purposes which  
10 facilitate the creation or retention of businesses and jobs in a  
11 county.

12 (iii) "Economic development office" means an office of a county,  
13 port districts, or an associate development organization as defined  
14 in RCW 43.330.010, which promotes economic development purposes  
15 within the county.

16 (4) No tax may be collected under this section before July 1,  
17 1998.

18 (a) Except as provided in (b) of this subsection, no tax may be  
19 collected under this section by a county more than twenty-five years  
20 after the date that a tax is first imposed under this section.

21 (b) For counties imposing the tax at the rate of 0.09 percent  
22 before August 1, 2009, the tax expires on the date that is twenty-  
23 five years after the date that the 0.09 percent tax rate was first  
24 imposed by that county.

25 (5) For purposes of this section, "rural county" means a county  
26 with a population density of less than one hundred persons per square  
27 mile or a county smaller than two hundred twenty-five square miles as  
28 determined by the office of financial management and published each  
29 year by the department for the period July 1st to June 30th.

30 **Sec. 240.** RCW 82.14.390 and 2017 c 164 s 1 are each amended to  
31 read as follows:

32 (1) Except as provided in subsection (7) of this section, the  
33 governing body of a public facilities district (a) created before  
34 July 31, 2002, under chapter 35.57 or 36.100 RCW that commenced  
35 construction of at least one new regional center, or improvement or  
36 rehabilitation of an existing new regional center, before January 1,  
37 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a  
38 county or counties in which there are no other public facilities  
39 districts on June 7, 2006, and in which the total population in the

1 public facilities district is greater than ninety thousand that  
2 commenced construction of a new regional center before February 1,  
3 2007; (c) created under the authority of RCW 35.57.010(1)(d); or (d)  
4 created before September 1, 2007, under chapter 35.57 or 36.100 RCW,  
5 in a county or counties in which there are no other public facilities  
6 districts on July 22, 2007, and in which the total population in the  
7 public facilities district is greater than seventy thousand, that  
8 commenced construction of a new regional center before January 1,  
9 2009, or before January 1, 2011, in the case of a new regional center  
10 in a county designated by the president as a disaster area in  
11 December 2007, may impose a sales and use tax in accordance with the  
12 terms of this chapter. The tax is in addition to other taxes  
13 authorized by law and must be collected from those persons who are  
14 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
15 occurrence of any taxable event within the public facilities  
16 district. The rate of tax may not exceed 0.033 percent of the selling  
17 price in the case of a sales tax or value of the article used in the  
18 case of a use tax.

19 (2)(a) The governing body of a public facilities district  
20 imposing a sales and use tax under the authority of this section may  
21 increase the rate of tax up to 0.037 percent if, within three fiscal  
22 years of July 1, 2008, the department determines that, as a result of  
23 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
24 82.14.020, a public facilities district's sales and use tax  
25 collections for fiscal years after July 1, 2008, have been reduced by  
26 a net loss of at least 0.50 percent from the fiscal year before July  
27 1, 2008. The fiscal year in which this section becomes effective is  
28 the first fiscal year after July 1, 2008.

29 (b) The department must determine sales and use tax collection  
30 net losses under this section as provided in RCW 82.14.500 (2) and  
31 (3). The department must provide written notice of its determinations  
32 to public facilities districts. Determinations by the department of a  
33 public facilities district's sales and use tax collection net losses  
34 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
35 amendments to RCW 82.14.020 are final and not appealable.

36 (c) A public facilities district may increase its rate of tax  
37 after it has received written notice from the department as provided  
38 in (b) of this subsection. The increase in the rate of tax must be  
39 made in 0.001 percent increments and must be the least amount  
40 necessary to mitigate the net loss in sales and use tax collections

1 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
2 amendments to RCW 82.14.020. The increase in the rate of tax is  
3 subject to RCW 82.14.055.

4 (3) The tax imposed under subsection (1) of this section must be  
5 deducted from the amount of tax otherwise required to be collected or  
6 paid over to the department of (~~revenue~~) taxation under chapter  
7 82.08 or 82.12 RCW. The department of (~~revenue~~) taxation must  
8 perform the collection of such taxes on behalf of the county at no  
9 cost to the public facilities district. During the 2011-2013 fiscal  
10 biennium, distributions by the state to a public facilities district  
11 based on the additional rate authorized in subsection (2) of this  
12 section must be reduced by 3.4 percent.

13 (4) No tax may be collected under this section before August 1,  
14 2000. The tax imposed in this section expires when bonds issued to  
15 finance or refinance the construction, improvement, rehabilitation,  
16 or expansion of the regional center and related parking facilities  
17 are retired, but not more than forty years after the tax is first  
18 collected.

19 (5) Moneys collected under this section may only be used for the  
20 purposes set forth in RCW 35.57.020 and must be matched with an  
21 amount from other public or private sources equal to thirty-three  
22 percent of the amount collected under this section; however, amounts  
23 generated from nonvoter approved taxes authorized under chapter 35.57  
24 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW do  
25 not constitute a public or private source. For the purpose of this  
26 section, public or private sources includes, but is not limited to  
27 cash or in-kind contributions used in all phases of the development  
28 or improvement of the regional center, land that is donated and used  
29 for the siting of the regional center, cash or in-kind contributions  
30 from public or private foundations, or amounts attributed to private  
31 sector partners as part of a public and private partnership agreement  
32 negotiated by the public facilities district.

33 (6) The combined total tax levied under this section may not be  
34 greater than 0.037 percent. If both a public facilities district  
35 created under chapter 35.57 RCW and a public facilities district  
36 created under chapter 36.100 RCW impose a tax under this section, the  
37 tax imposed by a public facilities district created under chapter  
38 35.57 RCW must be credited against the tax imposed by a public  
39 facilities district created under chapter 36.100 RCW.

1 (7) A public facilities district created under chapter 36.100 RCW  
2 is not eligible to impose the tax under this section if the  
3 legislative authority of the county where the public facilities  
4 district is located has imposed a sales and use tax under RCW  
5 82.14.0485 or 82.14.0494.

6 **Sec. 241.** RCW 82.14.400 and 2000 c 240 s 1 are each amended to  
7 read as follows:

8 (1) Upon the joint request of a metropolitan park district, a  
9 city with a population of more than one hundred fifty thousand, and a  
10 county legislative authority in a county with a national park and a  
11 population of more than five hundred thousand and less than one  
12 million five hundred thousand, the county shall submit an authorizing  
13 proposition to the county voters, fixing and imposing a sales and use  
14 tax in accordance with this chapter for the purposes designated in  
15 subsection (4) of this section and identified in the joint request.  
16 Such proposition must be placed on a ballot for a special or general  
17 election to be held no later than one year after the date of the  
18 joint request.

19 (2) The proposition is approved if it receives the votes of a  
20 majority of those voting on the proposition.

21 (3) The tax authorized in this section is in addition to any  
22 other taxes authorized by law and shall be collected from those  
23 persons who are taxable by the state under chapters 82.08 and 82.12  
24 RCW upon the occurrence of any taxable event within the county. The  
25 rate of tax shall equal no more than one-tenth of one percent of the  
26 selling price in the case of a sales tax, or value of the article  
27 used, in the case of a use tax.

28 (4) Moneys received from any tax imposed under this section shall  
29 be used solely for the purpose of providing funds for:

30 (a) Costs associated with financing, design, acquisition,  
31 construction, equipping, operating, maintaining, remodeling,  
32 repairing, reequipping, or improvement of zoo, aquarium, and wildlife  
33 preservation and display facilities that are currently accredited by  
34 the American zoo and aquarium association; or

35 (b) Those costs associated with (a) of this subsection and costs  
36 related to parks located within a county described in subsection (1)  
37 of this section.

38 (5) The department of (~~revenue~~) taxation shall perform the  
39 collection of such taxes on behalf of the county at no cost to the

1 county. In lieu of the charge for the administration and collection  
2 of local sales and use taxes under RCW 82.14.050 from which the  
3 county is exempt under this subsection (5), a percentage of the tax  
4 revenues authorized by this section equal to one-half of the maximum  
5 percentage provided in RCW 82.14.050 shall be transferred annually to  
6 the department of (~~community, trade, and economic development~~)  
7 commerce, or its successor agency, from the funds allocated under  
8 subsection (6)(b) of this section for a period of twelve years from  
9 the first date of distribution of funds under subsection (6)(b) of  
10 this section. The department of (~~community, trade, and economic  
11 development~~) commerce, or its successor agency, shall use funds  
12 transferred to it pursuant to this subsection (5) to provide,  
13 operate, and maintain community-based housing under chapter 43.185  
14 RCW for persons who are mentally ill.

15 (6) If the joint request and the authorizing proposition include  
16 provisions for funding those costs included within subsection (4)(b)  
17 of this section, the tax revenues authorized by this section shall be  
18 allocated annually as follows:

19 (a) Fifty percent to the zoo and aquarium advisory authority; and  
20 (b) Fifty percent to be distributed on a per capita basis as set  
21 out in the most recent population figures for unincorporated and  
22 incorporated areas only within that county, as determined by the  
23 office of financial management, solely for parks, as follows: To any  
24 metropolitan park district, to cities and towns not contained within  
25 a metropolitan park district, and the remainder to the county. Moneys  
26 received under this subsection (6)(b) by a county may not be used to  
27 replace or supplant existing per capita funding.

28 (7) Funds shall be distributed annually by the county treasurer  
29 to the county, and cities and towns located within the county, in the  
30 manner set out in subsection (6)(b) of this section.

31 (8) Prior to expenditure of any funds received by the county  
32 under subsection (6)(b) of this section, the county shall establish a  
33 process which considers needs throughout the unincorporated areas of  
34 the county in consultation with community advisory councils  
35 established by ordinance.

36 (9) By December 31, 2005, and thereafter, the county or any city  
37 with a population greater than eighty thousand must provide at least  
38 one dollar match for every two dollars received under this section.

39 (10) Properties subject to a memorandum of agreement between the  
40 federal bureau of land management, the advisory council on historic

1 preservation, and the Washington state historic preservation officer  
2 have priority for funding from money received under subsection (6)(b)  
3 of this section for implementation of the stipulations in the  
4 memorandum of agreement.

5 (a) At least one hundred thousand dollars of the first four years  
6 of allocations under subsection (6)(b) of this section, to be matched  
7 by the county or city with one dollar for every two dollars received,  
8 shall be used to implement the stipulations of the memorandum of  
9 agreement and for other historical, archaeological, architectural,  
10 and cultural preservation and improvements related to the properties.

11 (b) The amount in (a) of this subsection shall come equally from  
12 the allocations to the county and to the city in which the properties  
13 are located, unless otherwise agreed to by the county and the city.

14 (c) The amount in (a) of this subsection shall not be construed  
15 to displace or be offered in lieu of any lease payment from a county  
16 or city to the state for the properties in question.

17 **Sec. 242.** RCW 82.14.415 and 2016 c 5 s 1 are each amended to  
18 read as follows:

19 (1) The legislative authority of any city that is located in a  
20 county with a population greater than six hundred thousand that  
21 annexes an area consistent with its comprehensive plan required by  
22 chapter 36.70A RCW may impose a sales and use tax in accordance with  
23 the terms of this chapter. The tax is in addition to other taxes  
24 authorized by law and is collected from those persons who are taxable  
25 by the state under chapters 82.08 and 82.12 RCW upon the occurrence  
26 of any taxable event within the city. The tax may only be imposed by  
27 a city if:

28 (a) The city has commenced annexation of an area having a  
29 population of at least ten thousand people, or four thousand in the  
30 case of a city described under subsection (3)(a)(i) of this section,  
31 prior to January 1, 2015; and

32 (b) The city legislative authority determines by resolution or  
33 ordinance that the projected cost to provide municipal services to  
34 the annexation area exceeds the projected general revenue that the  
35 city would otherwise receive from the annexation area on an annual  
36 basis.

37 (2) The tax authorized under this section is a credit against the  
38 state tax under chapter 82.08 or 82.12 RCW. The department of  
39 (~~revenue~~) taxation must perform the collection of such taxes on

1 behalf of the city at no cost to the city and must remit the tax to  
2 the city as provided in RCW 82.14.060.

3 (3) (a) Except as provided in (b) of this subsection, the maximum  
4 rate of tax any city may impose under this section is:

5 (i) 0.1 percent for each annexed area in which the population is  
6 greater than ten thousand and less than twenty thousand. The ten  
7 thousand population threshold in this subsection (3) (a) (i) is four  
8 thousand for a city with a population between one hundred fifteen  
9 thousand and one hundred forty thousand and located within a county  
10 with a population over one million five hundred thousand; and

11 (ii) 0.2 percent for an annexed area in which the population is  
12 greater than twenty thousand.

13 (b) Beginning July 1, 2011, the maximum rate of tax imposed under  
14 this section is 0.85 percent for an annexed area in which the  
15 population is greater than sixteen thousand if the annexed area was,  
16 prior to November 1, 2008, officially designated as a potential  
17 annexation area by more than one city, one of which has a population  
18 greater than four hundred thousand.

19 (4) (a) Except as provided in (b) of this subsection, the maximum  
20 cumulative rate of tax a city may impose under subsection (3) (a) of  
21 this section is 0.2 percent for the total number of annexed areas the  
22 city may annex.

23 (b) The maximum cumulative rate of tax a city may impose under  
24 subsection (3) (a) of this section is 0.3 percent, beginning July 1,  
25 2011, if the city commenced annexation of an area, prior to January  
26 1, 2010, that would have otherwise allowed the city to increase the  
27 rate of tax imposed under this section absent the rate limit imposed  
28 in (a) of this subsection.

29 (c) The maximum cumulative rate of tax a city may impose under  
30 subsection (3) (b) of this section is 0.85 percent for the single  
31 annexed area the city may annex and the amount of tax distributed to  
32 a city under subsection (3) (b) of this section may not exceed seven  
33 million seven hundred twenty-five thousand dollars per fiscal year.

34 (5) (a) Except as provided in (b) of this subsection, the tax  
35 imposed by this section may only be imposed at the beginning of a  
36 fiscal year and may continue for no more than ten years from the date  
37 that each increment of the tax is first imposed. Tax rate increases  
38 due to additional annexed areas are effective on July 1st of the  
39 fiscal year following the fiscal year in which the annexation



1 occurred, provided that notice is given to the department as set  
2 forth in subsection (9) of this section.

3 (b) The tax imposed under subsection (3)(b) of this section may  
4 only be imposed at the beginning of a fiscal year and may continue  
5 for no more than six years from the date that each increment of the  
6 tax is first imposed.

7 (6) All revenue collected under this section may be used solely  
8 to provide, maintain, and operate municipal services for the  
9 annexation area.

10 (7) The revenues from the tax authorized in this section may not  
11 exceed that which the city deems necessary to generate revenue equal  
12 to the difference between the city's cost to provide, maintain, and  
13 operate municipal services for the annexation area and the general  
14 revenues that the cities would otherwise expect to receive from the  
15 annexation during a year. If the revenues from the tax authorized in  
16 this section and the revenues from the annexation area exceed the  
17 costs to the city to provide, maintain, and operate municipal  
18 services for the annexation area during a given year, the city must  
19 notify the department and the tax distributions authorized in this  
20 section must be suspended for the remainder of the year.

21 (8) No tax may be imposed under this section before July 1, 2007.  
22 Before imposing a tax under this section, the legislative authority  
23 of a city must adopt an ordinance that includes the following:

24 (a) A certification that the amount needed to provide municipal  
25 services to the annexed area reflects the city's true and actual  
26 costs;

27 (b) The rate of tax under this section that is imposed within the  
28 city; and

29 (c) The threshold amount for the first fiscal year following the  
30 annexation and passage of the ordinance.

31 (9) The tax must cease to be distributed to the city for the  
32 remainder of the fiscal year once the threshold amount has been  
33 reached. No later than March 1st of each year, the city must provide  
34 the department with a certification of the city's true and actual  
35 costs to provide municipal services to the annexed area, a new  
36 threshold amount for the next fiscal year, and notice of any  
37 applicable tax rate changes. Distributions of tax under this section  
38 must begin again on July 1st of the next fiscal year and continue  
39 until the new threshold amount has been reached or June 30th,  
40 whichever is sooner. Any revenue generated by the tax in excess of

1 the threshold amount belongs to the state of Washington. Any amount  
2 resulting from the threshold amount less the total fiscal year  
3 distributions, as of June 30th, may not be carried forward to the  
4 next fiscal year.

5 (10) The tax must cease to be distributed to a city imposing the  
6 tax under subsection (3)(b) of this section for the remainder of the  
7 fiscal year, if the total distributions to the city imposing the tax  
8 exceed seven million seven hundred twenty-five thousand dollars for  
9 the fiscal year. A city may not impose tax under subsection (3)(b) of  
10 this section unless the annexation is approved by a vote of the  
11 people residing within the annexed area. A city may not impose tax  
12 under subsection (3)(b) of this section if it provides sewer service  
13 in the annexed area.

14 (11) The resident population of the annexation area must be  
15 determined in accordance with chapter 35.13 or 35A.14 RCW.

16 (12) The following definitions apply throughout this section  
17 unless the context clearly requires otherwise:

18 (a) "Annexation area" means an area that has been annexed to a  
19 city under chapter 35.13 or 35A.14 RCW. "Annexation area" includes  
20 all territory described in the city resolution.

21 (b) "Commenced annexation" means the initiation of annexation  
22 proceedings has taken place under the direct petition method or the  
23 election method under chapter 35.13 or 35A.14 RCW.

24 (c) "Department" means the department of (~~revenue~~) taxation.

25 (d) "Municipal services" means those services customarily  
26 provided to the public by city government.

27 (e) "Fiscal year" means the year beginning July 1st and ending  
28 the following June 30th.

29 (f) "Potential annexation area" means one or more geographic  
30 areas that a city has officially designated for potential future  
31 annexation, as part of its comprehensive plan adoption process under  
32 the state growth management act, chapter 36.70A RCW.

33 (g) "Threshold amount" means the maximum amount of tax  
34 distributions as determined by the city in accordance with subsection  
35 (7) of this section that the department must distribute to the city  
36 generated from the tax imposed under this section in a fiscal year.

37 **Sec. 243.** RCW 82.14.430 and 2014 c 140 s 24 are each amended to  
38 read as follows:

1 (1) If approved by the majority of the voters within its  
2 boundaries voting on the ballot proposition, a regional  
3 transportation investment district may impose a sales and use tax of  
4 up to 0.1 percent of the selling price or value of the article used  
5 in the case of a use tax. The tax authorized by this section is in  
6 addition to the tax authorized by RCW 82.14.030 and must be collected  
7 from those persons who are taxable by the state under chapters 82.08  
8 and 82.12 RCW upon the occurrence of any taxable event within the  
9 taxing district. Motor vehicles are exempt from the sales and use tax  
10 imposed under this subsection.

11 (2) If approved by the majority of the voters within its  
12 boundaries voting on the ballot proposition, a regional  
13 transportation investment district may impose a tax on the use of a  
14 motor vehicle within a regional transportation investment district.  
15 The tax applies to those persons who reside within the regional  
16 transportation investment district. The rate of the tax may not  
17 exceed 0.1 percent of the value of the motor vehicle. The tax  
18 authorized by this subsection is in addition to the tax authorized  
19 under RCW 82.14.030 and must be imposed and collected at the time a  
20 taxable event under RCW 82.08.020(1) or 82.12.020 takes place. All  
21 revenue received under this subsection must be deposited in the local  
22 sales and use tax account and distributed to the regional  
23 transportation investment district according to RCW 82.14.050. The  
24 following provisions apply to the use tax in this subsection:

25 (a) Where persons are taxable under chapter 82.08 RCW, the seller  
26 must collect the use tax from the buyer using the collection  
27 provisions of RCW 82.08.050.

28 (b) Where persons are taxable under chapter 82.12 RCW, the use  
29 tax must be collected using the provisions of RCW 82.12.045.

30 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320,  
31 but does not include:

32 (i) Farm tractors or farm vehicles as defined in RCW 46.04.180  
33 and 46.04.181, unless the farm tractor or farm vehicle is for use in  
34 the production of marijuana;

35 (ii) Off-road vehicles as defined in RCW 46.04.365;

36 (iii) Nonhighway vehicles as defined in RCW 46.09.310; and

37 (iv) Snowmobiles as defined in RCW 46.04.546.

38 (d) "Person" has the meaning given in RCW 82.04.030.

39 (e) The value of a motor vehicle must be determined under RCW  
40 82.12.010.

1 (f) Except as specifically stated in this subsection (2),  
2 chapters 82.12 and 82.32 RCW apply to the use tax. The use tax is a  
3 local tax imposed under the authority of chapter 82.14 RCW, and  
4 chapter 82.14 RCW applies fully to the use tax.

5 (3) In addition to fulfilling the notice requirements under RCW  
6 82.14.055(1), and unless waived by the department, a regional  
7 transportation investment district must provide the department of  
8 (~~revenue~~) taxation with digital mapping and legal descriptions of  
9 areas in which the tax will be collected.

10 **Sec. 244.** RCW 82.14A.020 and 1972 ex.s. c 134 s 3 are each  
11 amended to read as follows:

12 For purposes of RCW 82.14A.010, the state department of  
13 (~~revenue~~) taxation is hereby authorized and directed to promulgate,  
14 pursuant to the provisions of chapter 34.05 RCW, rules establishing  
15 uniform methods of division of gross income of the business of a  
16 single taxpayer between those cities, towns and unincorporated areas  
17 in which such taxpayer has a place of business.

18 **Sec. 245.** RCW 82.16.0495 and 2001 c 214 s 11 are each amended to  
19 read as follows:

20 (1) Unless the context clearly requires otherwise, the  
21 definitions in this subsection apply throughout this section.

22 (a) "Direct service industrial customer" means a person who is an  
23 industrial customer that contracts for the purchase of power from the  
24 Bonneville Power Administration for direct consumption as of May 8,  
25 2001. "Direct service industrial customer" includes a person who is a  
26 subsidiary that is more than fifty percent owned by a direct service  
27 industrial customer and who receives power from the Bonneville Power  
28 Administration pursuant to the parent's contract for power.

29 (b) "Facility" means a gas turbine electrical generation facility  
30 that does not exist on May 8, 2001.

31 (c) "Average annual employment" means the total employment in  
32 this state for a calendar year at the direct service industrial  
33 customer's location where electricity from the facility will be  
34 consumed.

35 (2) Effective July 1, 2001, a credit is allowed against the tax  
36 due under this chapter on sales of electricity made from a facility  
37 to a direct service industrial customer if the contract for sale of

1 electricity to a direct service industrial customer contains the  
2 following terms:

3 (a) Sales of electricity from the facility to the direct service  
4 industrial customer will be made for ten consecutive years or more;

5 (b) The price charged for the electricity will be reduced by an  
6 amount equal to the tax credit; and

7 (c) Disallowance of all or part of the credit under subsection  
8 (5) of this section is a breach of contract and the damages to be  
9 paid by the direct service industrial customer to the facility are  
10 the amount of tax credit disallowed.

11 (3) The credit is equal to the gross proceeds from the sale of  
12 the electricity to a direct service industrial customer multiplied by  
13 the rate in effect at the time of the sale for the public utility tax  
14 on light and power businesses under RCW 82.16.020. The credit may be  
15 used each reporting period for sixty months following the first month  
16 electricity is sold from a facility to a direct service industrial  
17 customer. Credit under this section is limited to the amount of tax  
18 imposed under this chapter. Refunds shall not be given in place of  
19 credits and credits may not be carried over to subsequent calendar  
20 years.

21 (4) Application for credit shall be made before the first sale of  
22 electricity from a facility to a direct service industrial customer.  
23 The application shall be in a form and manner prescribed by the  
24 department and shall include but is not limited to information  
25 regarding the location of the facility, identification of the direct  
26 service industrial customer who will receive electricity from the  
27 facility, the projected date of the first sale of electricity to a  
28 direct service industrial customer, the date construction is  
29 projected to begin or did begin, and the average annual employment in  
30 the state of the direct service industrial customer who will receive  
31 electricity from the facility for the six calendar years immediately  
32 preceding the year in which the application is made. A copy of the  
33 contract for sale of electricity must be attached to the application.  
34 The department shall rule on the application within thirty days of  
35 receipt.

36 (5) All or part of the credit shall be disallowed and must be  
37 paid if the average of the direct service industrial customer's  
38 average annual employment for the five calendar years subsequent to  
39 the calendar year containing the first month of sale of electricity  
40 from a facility to a direct service industrial customer is less than

1 the six-year average annual employment stated on the application for  
 2 credit under this section. The direct service industrial customer  
 3 shall certify to the department and to the facility by June 1st of  
 4 the sixth calendar year following the calendar year in which the  
 5 month of first sale occurs the average annual employment for each of  
 6 the five prior calendar years. All or part of the credit that shall  
 7 be disallowed and must be paid is commensurate with the decrease in  
 8 the five-year average of average annual employment as follows:

| <u>Decrease in Average Annual</u> |                               |
|-----------------------------------|-------------------------------|
| <u>Employment Over</u>            |                               |
| <u>Five-Year Period</u>           | <u>% of Credit to be Paid</u> |
| Less than 10%                     | 10%                           |
| 10% or more but less than 25%     | 25%                           |
| 25% or more but less than 50%     | 50%                           |
| 50% or more but less than 75%     | 75%                           |
| 75% or more                       | 100%                          |

17 (6) (a) Payments on credit that is disallowed shall begin in the  
 18 sixth calendar year following the calendar year in which the month  
 19 following the first month of sale of electricity from a facility to a  
 20 direct service industrial customer occurs. The first payment will be  
 21 due on or before December 31st with subsequent annual payments due on  
 22 or before December 31st of the following four years according to the  
 23 schedule in this subsection.

| <u>Payment Year</u> | <u>% of Credit to be Paid</u> |
|---------------------|-------------------------------|
| 1                   | 10%                           |
| 2                   | 15%                           |
| 3                   | 20%                           |
| 4                   | 25%                           |
| 5                   | 30%                           |

30 (b) The department may authorize an accelerated payment schedule  
 31 upon request of the taxpayer.

32 (c) Interest shall not be charged on the credit that is  
 33 disallowed for the sixty-month period the credit may be taken,  
 34 although all other penalties and interest applicable to delinquent  
 35 excise taxes may be assessed and imposed. The debt for credit that is

1 disallowed and must be paid will not be extinguished by insolvency or  
2 other failure of the taxpayer. Transfer of ownership of the facility  
3 does not affect eligibility for this credit. However, the credit is  
4 available to the successor only if the eligibility conditions of this  
5 section are met.

6 (7) The employment security department shall make, and certify to  
7 the department of (~~revenue~~) taxation, all determinations of  
8 employment under this section as requested by the department.

9 **Sec. 246.** RCW 82.16.0497 and 2006 c 213 s 1 are each amended to  
10 read as follows:

11 (1) Unless the context clearly requires otherwise, the  
12 definitions in this subsection apply throughout this section.

13 (a) "Base credit" means the maximum amount of credit against the  
14 tax imposed by this chapter that each light and power business or gas  
15 distribution business may take each fiscal year as calculated by the  
16 department. The base credit is equal to the proportionate share that  
17 the total grants received by each light and power business or gas  
18 distribution business in the prior fiscal year bears to the total  
19 grants received by all light and power businesses and gas  
20 distribution businesses in the prior fiscal year multiplied by five  
21 million five hundred thousand dollars for fiscal year 2007, and two  
22 million five hundred thousand dollars for all other fiscal years  
23 before and after fiscal year 2007.

24 (b) "Billing discount" means a reduction in the amount charged  
25 for providing service to qualifying persons in Washington made by a  
26 light and power business or a gas distribution business. Billing  
27 discount does not include grants received by the light and power  
28 business or a gas distribution business.

29 (c) "Grant" means funds provided to a light and power business or  
30 gas distribution business by the department of (~~community, trade,  
31 and economic development~~) commerce or by a qualifying organization.

32 (d) "Low-income home energy assistance program" means energy  
33 assistance programs for low-income households as defined on December  
34 31, 2000, in the low-income home energy assistance act of 1981 as  
35 amended August 1, 1999, 42 U.S.C. Sec. 8623 et seq.

36 (e) "Qualifying person" means a Washington resident who applies  
37 for assistance and qualifies for a grant regardless of whether that  
38 person receives a grant.

1 (f) "Qualifying contribution" means money given by a light and  
2 power business or a gas distribution business to a qualifying  
3 organization, exclusive of money received in the prior fiscal year  
4 from its customers for the purpose of assisting other customers.

5 (g) "Qualifying organization" means an entity that has a  
6 contractual agreement with the department of (~~community, trade, and~~  
7 ~~economic development~~) commerce to administer in a specified service  
8 area low-income home energy assistance funds received from the  
9 federal government and such other funds that may be received by the  
10 entity.

11 (2) Subject to the limitations in this section, a light and power  
12 business or a gas distribution business may take a credit each fiscal  
13 year against the tax imposed under this chapter.

14 (a)(i) A credit may be taken for qualifying contributions if the  
15 dollar amount of qualifying contributions for the fiscal year in  
16 which the tax credit is taken is greater than one hundred twenty-five  
17 percent of the dollar amount of qualifying contributions given in  
18 fiscal year 2000.

19 (ii) If no qualifying contributions were given in fiscal year  
20 2000, a credit shall be allowed for the first fiscal year that  
21 qualifying contributions are given. Thereafter, credit shall be  
22 allowed if the qualifying contributions given exceed one hundred  
23 twenty-five percent of qualifying contributions given in the first  
24 fiscal year.

25 (iii) The amount of credit shall be fifty percent of the dollar  
26 amount of qualifying contributions given in the fiscal year in which  
27 the tax credit is taken.

28 (b)(i) A credit may be taken for billing discounts if the dollar  
29 amount of billing discounts for the fiscal year in which the tax  
30 credit is taken is greater than one hundred twenty-five percent of  
31 the dollar amount of billing discounts given in fiscal year 2000.

32 (ii) If no billing discounts were given in fiscal year 2000, a  
33 credit shall be allowed in the first fiscal year that billing  
34 discounts are given. Thereafter, credit shall be allowed if the  
35 dollar amount of billing discounts given exceeds one hundred twenty-  
36 five percent of billing discounts given in the first fiscal year.

37 (iii) The amount of credit shall be fifty percent of the dollar  
38 amount of the billing discounts given in the fiscal year in which the  
39 tax credit is taken.



1 (c) The total amount of credit that may be taken for qualifying  
2 contributions and billing discounts in a fiscal year is limited to  
3 the base credit for the same fiscal year.

4 (3) (a) (i) Except as provided in (a) (ii) of this subsection, the  
5 total amount of credit, statewide, that may be taken in any fiscal  
6 year shall not exceed two million five hundred thousand dollars.

7 (ii) The total amount of credit, statewide, that may be taken in  
8 fiscal year 2007 shall not exceed five million five hundred thousand  
9 dollars.

10 (b) By May 1st of each year starting in 2002, the department of  
11 (~~community, trade, and economic development~~) commerce shall notify  
12 the department of (~~revenue~~) taxation in writing of the grants  
13 received in the current fiscal year by each light and power business  
14 and gas distribution business.

15 (4) (a) Not later than June 1st of each year beginning in 2002,  
16 the department shall publish the base credit for each light and power  
17 business and gas distribution business for the next fiscal year.

18 (b) Not later than July 1st of each year beginning in 2002,  
19 application for credit must be made to the department including but  
20 not limited to the following information: Billing discounts given by  
21 the applicant in fiscal year 2000; qualifying contributions given by  
22 the applicant in the prior fiscal year; the amount of money received  
23 in the prior fiscal year from customers for the purpose of assisting  
24 other customers; the base credit for the next fiscal year for the  
25 applicant; the qualifying contributions anticipated to be given in  
26 the next fiscal year; and billing discounts anticipated to be given  
27 in the next fiscal year. No credit under this section will be allowed  
28 to a light and power business or gas distribution business that does  
29 not file the application by July 1st.

30 (c) Not later than August 1st of each year beginning in 2002, the  
31 department shall notify each applicant of the amount of credit that  
32 may be taken in that fiscal year.

33 (d) The balance of base credits not used by other light and power  
34 businesses and gas distribution businesses shall be ratably  
35 distributed to applicants under the formula in subsection (1) (a) of  
36 this section. The total amount of credit that may be taken by an  
37 applicant is the base credit plus any ratable portion of unused base  
38 credit.

39 (5) The credit taken under this section is limited to the amount  
40 of tax imposed under this chapter for the fiscal year. The credit

1 must be claimed in the fiscal year in which the billing reduction is  
2 made. Any unused credit expires. Refunds shall not be given in place  
3 of credits.

4 (6) No credit may be taken for billing discounts made before July  
5 1, 2001. Within two weeks of May 8, 2001, the department of  
6 (~~community, trade, and economic development~~) commerce shall notify  
7 the department of (~~revenue~~) taxation in writing of the grants  
8 received in fiscal year 2001 by each light and power business and gas  
9 distribution business. Within four weeks of May 8, 2001, the  
10 department of (~~revenue~~) taxation shall publish the base credit for  
11 each light and power business and gas distribution business for  
12 fiscal year 2002. Within eight weeks of May 8, 2001, application to  
13 the department must be made showing the information required in  
14 subsection (4)(b) of this section. Within twelve weeks of May 8,  
15 2001, the department shall notify each applicant of the amount of  
16 credit that may be taken in fiscal year 2002.

17 **Sec. 247.** RCW 82.16.055 and 1980 c 149 s 3 are each amended to  
18 read as follows:

19 (1) In computing tax under this chapter there shall be deducted  
20 from the gross income:

21 (a) An amount equal to the cost of production at the plant for  
22 consumption within the state of Washington of:

23 (i) Electrical energy produced or generated from cogeneration as  
24 defined in RCW 82.35.020; and

25 (ii) Electrical energy or gas produced or generated from  
26 renewable energy resources such as solar energy, wind energy,  
27 hydroelectric energy, geothermal energy, wood, wood wastes, municipal  
28 wastes, agricultural products and wastes, and end-use waste heat; and

29 (b) Those amounts expended to improve consumers' efficiency of  
30 energy end use or to otherwise reduce the use of electrical energy or  
31 gas by the consumer.

32 (2) This section applies only to new facilities for the  
33 production or generation of energy from cogeneration or renewable  
34 energy resources or measures to improve the efficiency of energy end  
35 use on which construction or installation is begun after June 12,  
36 1980, and before January 1, 1990.

37 (3) Deductions under subsection (1)(a) of this section shall be  
38 allowed for a period not to exceed thirty years after the project is  
39 placed in operation.

1 (4) Measures or projects encouraged under this section shall at  
2 the time they are placed in service be reasonably expected to save,  
3 produce, or generate energy at a total incremental system cost per  
4 unit of energy delivered to end use which is less than or equal to  
5 the incremental system cost per unit of energy delivered to end use  
6 from similarly available conventional energy resources which utilize  
7 nuclear energy or fossil fuels and which the gas or electric utility  
8 could acquire to meet energy demand in the same time period.

9 (5) The department of (~~revenue~~) taxation, after consultation  
10 with the utilities and transportation commission in the case of  
11 investor-owned utilities and the governing bodies of locally  
12 regulated utilities, shall determine the eligibility of individual  
13 projects and measures for deductions under this section.

14 **Sec. 248.** RCW 82.16.120 and 2017 3rd sp.s. c 36 s 3 are each  
15 amended to read as follows:

16 (1)(a) Any individual, business, local governmental entity, not  
17 in the light and power business or in the gas distribution business,  
18 or a participant in a community solar project may apply to the light  
19 and power business serving the situs of the system, each fiscal year  
20 beginning on July 1, 2005, and ending June 30, 2017, for an  
21 investment cost recovery incentive for each kilowatt-hour from a  
22 customer-generated electricity renewable energy system.

23 (b) In the case of a community solar project as defined in RCW  
24 82.16.110(2)(a)(i), the administrator must apply for the investment  
25 cost recovery incentive on behalf of each of the other owners.

26 (c) In the case of a community solar project as defined in RCW  
27 82.16.110(2)(a)(iii), the company owning the community solar project  
28 must apply for the investment cost recovery incentive on behalf of  
29 each member of the company.

30 (2)(a) Before submitting for the first time the application for  
31 the incentive allowed under subsection (4) of this section, the  
32 applicant must submit to the department of (~~revenue~~) taxation and  
33 to the climate and rural energy development center at the Washington  
34 State University, established under RCW 28B.30.642, a certification  
35 in a form and manner prescribed by the department that includes, but  
36 is not limited to, the information described in (c) of this  
37 subsection.

38 (b) The department may not accept certifications submitted to the  
39 department under (a) of this subsection after September 30, 2017.

1 (c) The certification must include:  
2 (i) The name and address of the applicant and location of the  
3 renewable energy system.  
4 (A) If the applicant is an administrator of a community solar  
5 project as defined in RCW 82.16.110(2)(a)(i), the certification must  
6 also include the name and address of each of the owners of the  
7 community solar project.  
8 (B) If the applicant is a company that owns a community solar  
9 project as defined in RCW 82.16.110(2)(a)(iii), the certification  
10 must also include the name and address of each member of the company;  
11 (ii) The applicant's tax registration number;  
12 (iii) That the electricity produced by the applicant meets the  
13 definition of "customer-generated electricity" and that the renewable  
14 energy system produces electricity with:  
15 (A) Any solar inverters and solar modules manufactured in  
16 Washington state;  
17 (B) A wind generator powered by blades manufactured in Washington  
18 state;  
19 (C) A solar inverter manufactured in Washington state;  
20 (D) A solar module manufactured in Washington state;  
21 (E) A stirling converter manufactured in Washington state; or  
22 (F) Solar or wind equipment manufactured outside of Washington  
23 state;  
24 (iv) That the electricity can be transformed or transmitted for  
25 entry into or operation in parallel with electricity transmission and  
26 distribution systems; and  
27 (v) The date that the renewable energy system received its final  
28 electrical inspection from the applicable local jurisdiction.  
29 (d) Within thirty days of receipt of the certification the  
30 department of (~~revenue~~) taxation must notify the applicant by mail,  
31 or electronically as provided in RCW 82.32.135, whether the renewable  
32 energy system qualifies for an incentive under this section. The  
33 department may consult with the climate and rural energy development  
34 center to determine eligibility for the incentive. System  
35 certifications and the information contained therein are not  
36 confidential tax information under RCW 82.32.330 and are subject to  
37 disclosure.  
38 (3)(a) By August 1st of each year through August 1, 2017, the  
39 application for the incentive must be made to the light and power  
40 business serving the situs of the system by certification in a form

1 and manner prescribed by the department that includes, but is not  
2 limited to, the following information:

3 (i) The name and address of the applicant and location of the  
4 renewable energy system.

5 (A) If the applicant is an administrator of a community solar  
6 project as defined in RCW 82.16.110(2)(a)(i), the application must  
7 also include the name and address of each of the owners of the  
8 community solar project.

9 (B) If the applicant is a company that owns a community solar  
10 project as defined in RCW 82.16.110(2)(a)(iii), the application must  
11 also include the name and address of each member of the company;

12 (ii) The applicant's tax registration number;

13 (iii) The date of the notification from the department of  
14 (~~revenue~~) taxation stating that the renewable energy system is  
15 eligible for the incentives under this section; and

16 (iv) A statement of the amount of kilowatt-hours generated by the  
17 renewable energy system in the prior fiscal year.

18 (b) Within sixty days of receipt of the incentive certification  
19 the light and power business serving the situs of the system must  
20 notify the applicant in writing whether the incentive payment will be  
21 authorized or denied. The business may consult with the climate and  
22 rural energy development center to determine eligibility for the  
23 incentive payment. Incentive certifications and the information  
24 contained therein are not confidential tax information under RCW  
25 82.32.330 and are subject to disclosure.

26 (c)(i) Persons, administrators of community solar projects, and  
27 companies receiving incentive payments must keep and preserve, for a  
28 period of five years, suitable records as may be necessary to  
29 determine the amount of incentive applied for and received. Such  
30 records must be open for examination at any time upon notice by the  
31 light and power business that made the payment or by the department.  
32 If upon examination of any records or from other information obtained  
33 by the business or department it appears that an incentive has been  
34 paid in an amount that exceeds the correct amount of incentive  
35 payable, the business may assess against the person for the amount  
36 found to have been paid in excess of the correct amount of incentive  
37 payable and must add thereto interest on the amount. Interest is  
38 assessed in the manner that the department assesses interest upon  
39 delinquent tax under RCW 82.32.050.

1 (ii) If it appears that the amount of incentive paid is less than  
2 the correct amount of incentive payable the business may authorize  
3 additional payment.

4 (4) Except for community solar projects, the investment cost  
5 recovery incentive may be paid fifteen cents per economic development  
6 kilowatt-hour unless requests exceed the amount authorized for credit  
7 to the participating light and power business. For community solar  
8 projects, the investment cost recovery incentive may be paid thirty  
9 cents per economic development kilowatt-hour unless requests exceed  
10 the amount authorized for credit to the participating light and power  
11 business. For the purposes of this section, the rate paid for the  
12 investment cost recovery incentive may be multiplied by the following  
13 factors:

14 (a) For customer-generated electricity produced using solar  
15 modules manufactured in Washington state or a solar stirling  
16 converter manufactured in Washington state, two and four-tenths;

17 (b) For customer-generated electricity produced using a solar or  
18 a wind generator equipped with an inverter manufactured in Washington  
19 state, one and two-tenths;

20 (c) For customer-generated electricity produced using an  
21 anaerobic digester, or by other solar equipment or using a wind  
22 generator equipped with blades manufactured in Washington state, one;  
23 and

24 (d) For all other customer-generated electricity produced by  
25 wind, eight-tenths.

26 (5)(a) No individual, household, business, or local governmental  
27 entity is eligible for incentives provided under subsection (4) of  
28 this section for more than five thousand dollars per year.

29 (b) Except as provided in (c) through (e) of this subsection (5),  
30 each applicant in a community solar project is eligible for up to  
31 five thousand dollars per year.

32 (c) Where the applicant is an administrator of a community solar  
33 project as defined in RCW 82.16.110(2)(a)(i), each owner is eligible  
34 for an incentive but only in proportion to the ownership share of the  
35 project, up to five thousand dollars per year.

36 (d) Where the applicant is a company owning a community solar  
37 project that has applied for an investment cost recovery incentive on  
38 behalf of its members, each member of the company is eligible for an  
39 incentive that would otherwise belong to the company but only in  
40 proportion to each ownership share of the company, up to five

1 thousand dollars per year. The company itself is not eligible for  
2 incentives under this section.

3 (e) In the case of a utility-owned community solar project, each  
4 ratepayer that contributes to the project is eligible for an  
5 incentive in proportion to the contribution, up to five thousand  
6 dollars per year.

7 (6) The climate and rural energy development center at Washington  
8 State University energy program may establish guidelines and  
9 standards for technologies that are identified as Washington  
10 manufactured and therefore most beneficial to the state's  
11 environment.

12 (7) The environmental attributes of the renewable energy system  
13 belong to the applicant, and do not transfer to the state or the  
14 light and power business upon receipt of the investment cost recovery  
15 incentive.

16 (8) No incentive may be paid under this section for kilowatt-  
17 hours generated before July 1, 2005, or after June 30, 2017, except  
18 as provided in subsections (10) through (12) of this section.

19 (9) Beginning October 1, 2017, program management, technical  
20 review, and tracking responsibilities of the department under this  
21 section are transferred to the Washington State University extension  
22 energy program. At the earliest date practicable and no later than  
23 September 30, 2017, the department must transfer all records  
24 necessary for the administration of the remaining incentive payments  
25 due under this section to the Washington State University extension  
26 energy program.

27 (10) Participants in the renewable energy investment cost  
28 recovery program under this section will continue to receive payments  
29 for electricity produced through June 30, 2020, at the same rates  
30 their utility paid to participants for electricity produced between  
31 July 1, 2015, and June 30, 2016.

32 (11) In order to continue to receive the incentive payment  
33 allowed under subsection (4) of this section, a person or community  
34 solar project administrator who has, by September 30, 2017, submitted  
35 a complete certification to the department under subsection (2) of  
36 this section must apply to the Washington State University extension  
37 energy program by April 30, 2018, for a certification authorizing the  
38 utility serving the situs of the renewable energy system to annually  
39 remit the incentive payment allowed under subsection (4) of this

1 section for each kilowatt-hour generated by the renewable energy  
2 system through June 30, 2020.

3 (12)(a) The Washington State University extension energy program  
4 must establish an application process and form by which to collect  
5 the system operation data described in RCW 82.16.165(7)(a)(iii) from  
6 each person or community solar project administrator applying for a  
7 certification under subsection (11) of this section. The Washington  
8 State University extension energy program must notify any applicant  
9 that providing this data is a condition of certification and that any  
10 certification issued pursuant to this section is void as of June 30,  
11 2018, if the applicant has failed to provide the data by that date.

12 (b) Beginning July 1, 2018, the Washington State University  
13 extension energy program must, in a form and manner that is  
14 consistent with the roles and processes established under RCW  
15 82.16.165 (19) and (20), calculate for the year and provide to the  
16 utility the amount of the incentive payment due to each participant  
17 under subsection (11) of this section.

18 **Sec. 249.** RCW 82.16.165 and 2017 3rd sp.s. c 36 s 6 are each  
19 amended to read as follows:

20 (1) Beginning July 1, 2017, the following persons may submit a  
21 one-time application to the Washington State University extension  
22 energy program to receive a certification authorizing the utility  
23 serving the situs of a renewable energy system in the state of  
24 Washington to remit an annual production incentive for each kilowatt-  
25 hour of alternating current electricity generated by the renewable  
26 energy system:

27 (a) The utility's customer who is the customer-owner of a  
28 residential-scale or commercial-scale renewable energy system;

29 (b) An administrator of a community solar project meeting the  
30 eligibility requirements outlined in RCW 82.16.170 and applies for  
31 certification on behalf of each of the project participants; or

32 (c) A utility or a business under contract with a utility that  
33 administers a shared commercial solar project that meets the  
34 eligibility requirements in RCW 82.16.175 and applies for  
35 certification on behalf of each of the project participants.

36 (2) No person, business, or household is eligible to receive  
37 incentive payments provided under subsection (1) of this section of  
38 more than five thousand dollars per year for residential systems or  
39 community solar projects, twenty-five thousand dollars per year for



1 commercial-scale systems, or thirty-five thousand dollars per year  
2 for shared commercial solar projects.

3 (3) (a) No new certification may be issued under this section to  
4 an applicant who submits a request for or receives an annual  
5 incentive payment for a renewable energy system that was certified  
6 under RCW 82.16.120, or for a renewable energy system served by a  
7 utility that has elected not to participate in the incentive program,  
8 as provided in subsection (4) of this section.

9 (b) The Washington State University extension energy program may  
10 issue a new certification for an additional system installed at a  
11 situs with a previously certified system so long as the new system  
12 meets the requirements of this section and its production can be  
13 measured separately from the previously certified system.

14 (c) The Washington State University extension energy program may  
15 issue a recertification for a residential-scale or commercial-scale  
16 system if a customer makes investments resulting in an expansion of  
17 the system's nameplate capacity. Such recertification expires on the  
18 same day as the original certification for the residential-scale or  
19 commercial-scale system and applies to the entire system the  
20 incentive rates and program rules in effect as of the date of the  
21 recertification.

22 (4) A utility's participation in the incentive program provided  
23 in this section is voluntary.

24 (a) A utility electing to participate in the incentive program  
25 must notify the Washington State University extension energy program  
26 of such election in writing.

27 (b) The utility may terminate its voluntary participation in the  
28 production incentive program by providing notice in writing to the  
29 Washington State University extension energy program to cease issuing  
30 new certifications for renewable energy systems that would be served  
31 by that utility.

32 (c) Such notice of termination of participation is effective  
33 after fifteen days, at which point the Washington State University  
34 extension energy program may not accept new applications for  
35 certification of renewable energy systems that would be served by  
36 that utility.

37 (d) Upon receiving a utility's notice of termination of  
38 participation in the incentive program, the Washington State  
39 University extension energy program must report on its web site that

1 customers of that utility are no longer eligible to receive new  
2 certifications under the program.

3 (e) A utility's termination of participation does not affect the  
4 utility's obligation to continue to make annual incentive payments  
5 for electricity generated by systems that were certified prior to the  
6 effective date of the notice. The Washington State University  
7 extension energy program must continue to process and issue  
8 certifications for renewable energy systems that were received by the  
9 Washington State University extension energy program before the  
10 effective date of the notice of termination.

11 (f) A utility that has terminated participation in the program  
12 may resume participation upon filing notice with the Washington State  
13 University extension energy program.

14 (5)(a) The Washington State University extension energy program  
15 may certify a renewable energy system that is connected to equipment  
16 capable of measuring the electricity production of the system and  
17 interconnecting with the utility's system in a manner that allows the  
18 utility, or the customer at the utility's option, to measure and  
19 report to the Washington State University extension energy program  
20 the total amount of electricity produced by the renewable energy  
21 system.

22 (b) The Washington State University extension energy program must  
23 establish a reporting and fee-for-service system to accept  
24 electricity production data from the utility or the customer that is  
25 not reported electronically and with the reporting entity selected at  
26 the utility's option as described in subsection (19) of this section.  
27 The fee-for-service agreement must allow for electronic reporting or  
28 reporting by mail, may be specific to individual utilities, and must  
29 recover only the program's costs of obtaining the electricity  
30 production data and incorporating it into an electronic format. A  
31 statement of the amount due for the fee-for-service must be provided  
32 to the utility by the Washington State University extension energy  
33 program with the report provided to the utility pursuant to  
34 subsection (20)(a) of this section. The utility may determine how to  
35 assess and remit the fee, and the utility may be allowed a credit for  
36 fees paid under this subsection (5) against taxes due, as provided in  
37 RCW 82.16.130(1).

38 (6) The Washington State University extension energy program may  
39 issue a certification authorizing annual incentive payments up to the  
40 following annual dollar limits:

1 (a) For community solar projects, five thousand dollars per  
2 project participant;

3 (b) For residential-scale systems, five thousand dollars;

4 (c) For commercial-scale systems, twenty-five thousand dollars;  
5 and

6 (d) For shared commercial solar projects, up to thirty-five  
7 thousand dollars a year per participant, as determined by the terms  
8 of subsection (15) of this section.

9 (7) (a) To obtain certification under this section, a person must  
10 submit to the Washington State University extension energy program an  
11 application, including:

12 (i) A signed statement that the applicant has not previously  
13 received a notice of eligibility from the department under RCW  
14 82.16.120 entitling the applicant to receive annual incentive  
15 payments for electricity generated by the renewable energy system at  
16 the same meter location;

17 (ii) A signed statement of the total price, including applicable  
18 sales tax, paid by the applicant for the renewable energy system;

19 (iii) System operation data including global positioning system  
20 coordinates, tilt, estimated shading, and azimuth;

21 (iv) Any other information the Washington State University  
22 extension energy program deems necessary in determining eligibility  
23 and incentive levels, administering the program, tracking progress  
24 toward achieving the limits on program participation established in  
25 RCW 82.16.130, or facilitating the review of the performance of the  
26 tax preferences by the joint legislative audit and review committee,  
27 as described in RCW 82.16.155; and

28 (v) (A) Except as provided in (a) (v) (B) of this subsection (7),  
29 the date that the renewable energy system received its final  
30 electrical inspection from the applicable local jurisdiction, as well  
31 as a copy of the permit or, if the permit is available online, the  
32 permit number;

33 (B) The Washington State University extension energy program may  
34 waive the requirement in (a) (v) (A) of this subsection (7), accepting  
35 an application and granting provisional certification prior to proof  
36 of final electrical inspection. Provisional certification expires one  
37 hundred eighty days after issuance, unless the applicant submits  
38 proof of the final electrical inspection from the applicable local  
39 jurisdiction or the Washington State University extension energy

1 program extends the certification, for a term or terms of thirty  
2 days, due to extenuating circumstances; and

3 (b) (i) Prior to obtaining certification under this subsection, a  
4 community solar project or shared commercial solar project must apply  
5 for precertification against the remaining funds available for  
6 incentive payments under subsection (13) (d) of this section in order  
7 to be guaranteed an incentive payment under this section;

8 (ii) A project applicant of a community solar project or shared  
9 commercial solar project must complete an application for  
10 certification with the Washington State University extension energy  
11 program within less than one year to retain the precertification  
12 status described in this subsection; and

13 (iii) The Washington State University extension energy program  
14 may design a reservation or precertification system for an applicant  
15 of a residential-scale or commercial-scale renewable energy system.

16 (8) No incentive payments may be authorized or accrued until the  
17 final electrical inspection and executed interconnection agreement  
18 are submitted to the Washington State University extension energy  
19 program.

20 (9) Within thirty days of receipt of the application for  
21 certification, the Washington State University extension energy  
22 program must notify the applicant and, except when a utility is the  
23 applicant, the utility serving the situs of the renewable energy  
24 system, by mail or electronically, whether certification has been  
25 granted. The certification notice must state the rate to be paid per  
26 kilowatt-hour of electricity generated by the renewable energy  
27 system, as provided in subsection (12) of this section, subject to  
28 any applicable cap on total annual payment provided in subsection (6)  
29 of this section.

30 (10) Certification is valid for the program term and entitles the  
31 applicant or, in the case of a community solar project or shared  
32 commercial solar project, the participant, to receive incentive  
33 payments for electricity generated from the date the renewable energy  
34 system commences operation, or the date the system is certified,  
35 whichever date is later. For purposes of this subsection, the  
36 Washington State University extension energy program must define when  
37 a renewable energy system commences operation and provide notice of  
38 such date to the recipient and the utility serving the situs of the  
39 system. Certification may not be retroactively changed except to

1 correct later discovered errors that were made during the original  
2 application or certification process.

3 (11)(a) System certification follows the system if the following  
4 conditions are met using procedures established by the Washington  
5 State University extension energy program:

6 (i) The renewable energy system is transferred to a new owner who  
7 notifies the Washington State University extension energy program of  
8 the transfer; and

9 (ii) The new owner provides an executed interconnection agreement  
10 with the utility serving the premises.

11 (b) In the event that a community solar project participant  
12 terminates their participation in a community solar project, the  
13 system certification follows the system and participation may be  
14 transferred to a new participant. The administrator of a community  
15 solar project must provide notice to the Washington State University  
16 extension energy program of any changes or transfers in project  
17 participation.

18 (12) The Washington State University extension energy program  
19 must determine the total incentive rate for a new renewable energy  
20 system certification by adding to the base rate any applicable made-  
21 in-Washington bonus rate. A made-in-Washington bonus rate is provided  
22 for a renewable energy system or a community solar project with solar  
23 modules made in Washington or with a wind turbine or tower that is  
24 made in Washington. Both the base rates and bonus rate vary,  
25 depending on the fiscal year in which the system is certified and the  
26 type of renewable energy system being certified, as provided in the  
27 following table:

| 28 Fiscal year   | Base rate -       | Base rate -      | Base rate -     | Base rate - shared | Made in    |
|------------------|-------------------|------------------|-----------------|--------------------|------------|
| 29 of system     | residential-scale | commercial-scale | community solar | commercial solar   | Washington |
| 30 certification |                   |                  |                 |                    | bonus      |
| 31 2018          | \$0.16            | \$0.06           | \$0.16          | \$0.06             | \$0.05     |
| 32 2019          | \$0.14            | \$0.04           | \$0.14          | \$0.04             | \$0.04     |
| 33 2020          | \$0.12            | \$0.02           | \$0.12          | \$0.02             | \$0.03     |
| 34 2021          | \$0.10            | \$0.02           | \$0.10          | \$0.02             | \$0.02     |

35 (13) The Washington State University extension energy program  
36 must cease to issue new certifications:

37 (a) For community solar projects and shared commercial solar  
38 projects in any fiscal year for which the Washington State University

1 extension energy program estimates that fifty percent of the  
2 remaining funds for credit available to a utility for renewable  
3 energy systems certified under this section as of July 1, 2017, have  
4 been allocated to community solar projects and shared commercial  
5 solar projects combined;

6 (b) For commercial-scale systems in any fiscal year for which the  
7 Washington State University extension energy program estimates that  
8 twenty-five percent of the remaining funds for credit available to a  
9 utility for renewable energy systems certified under this section as  
10 of July 1, 2017, have been allocated to commercial-scale systems;

11 (c) For any renewable energy system served by a utility, if  
12 certification is likely to result in incentive payments by that  
13 utility, including payments made under RCW 82.16.120, exceeding the  
14 utility's available funds for credit under RCW 82.16.130; and

15 (d) For any renewable energy system, if certification is likely  
16 to result in total incentive payments under this section exceeding  
17 one hundred ten million dollars.

18 (14) If the Washington State University extension energy program  
19 ceases issuing new certifications during a fiscal year or biennium as  
20 provided in subsection (13) of this section, in the following fiscal  
21 year or biennium, or when additional funds are available for credit  
22 such that the thresholds described in subsection (13) of this section  
23 are no longer exceeded, the Washington State University extension  
24 energy program must resume issuing new certifications using a method  
25 of awarding certifications that results in equitable and orderly  
26 allocation of benefits to applicants.

27 (15) A customer who is a participant in a shared commercial solar  
28 project may not receive incentive payments associated with the  
29 project greater than the difference between the levelized cost of  
30 energy output of the system over its production life and the retail  
31 rate for the rate class to which the customer belongs. The levelized  
32 cost of the output of the energy must be determined by the utility  
33 that administers the shared commercial solar project and must be  
34 disclosed, along with an explanation of the limitations on incentive  
35 payments contained in this subsection (15), in the contractual  
36 agreement with the shared commercial solar project participants.

37 (16) In order to begin to receive annual incentive payments, a  
38 person who has been issued a certification for the incentive as  
39 provided in subsection (9) of this section must obtain an executed

1 interconnection agreement with the utility serving the situs of the  
2 renewable energy system.

3 (17) The Washington State University extension energy program  
4 must establish a list of equipment that is eligible for the bonus  
5 rates described in subsection (12) of this section. The Washington  
6 State University extension energy program must, in consultation with  
7 the department of commerce, develop technical specifications and  
8 guidelines to ensure consistent and predictable determination of  
9 eligibility. A solar module is made in Washington for purposes of  
10 receiving the bonus rate only if the lamination of the module takes  
11 place in Washington. A wind turbine is made in Washington only if it  
12 is powered by a turbine or built with a tower manufactured in  
13 Washington.

14 (18) The manufacturer of a renewable energy system component  
15 subject to a bonus rate under subsection (12) of this section may  
16 apply to the Washington State University extension energy program to  
17 receive a determination of eligibility for such bonus rates. The  
18 Washington State University extension energy program must publish a  
19 list of components that have been certified as eligible for such  
20 bonus rates. The Washington State University extension energy program  
21 may assess an equipment certification fee to recover its costs. The  
22 Washington State University extension energy program must deposit all  
23 revenue generated by this fee into the state general fund.

24 (19) Annually, the utility must report electronically to the  
25 Washington State University extension energy program the amount of  
26 gross kilowatt-hours generated by each renewable energy system since  
27 the prior annual report. For the purposes of this section, to report  
28 electronically means to submit statistical or factual information in  
29 alphanumeric form through a web site established by the Washington  
30 State University extension energy program or in a list, table,  
31 spreadsheet, or other nonnarrative format that can be digitally  
32 transmitted or processed. The utility may instead opt to report by  
33 mail or require program participants to report individually, but if  
34 the utility exercises one or more of these options it must negotiate  
35 with the Washington State University extension energy program the  
36 fee-for-service arrangement described in subsection (5)(b) of this  
37 section.

38 (20)(a) The Washington State University extension energy program  
39 must calculate for the year and provide to the utility the amount of  
40 the incentive payment due to each participant and the total amount of

1 credit against tax due available to the utility under RCW 82.16.130  
2 that has been allocated as annual incentive payments. Upon notice to  
3 the Washington State University extension energy program, a utility  
4 may opt to directly perform this calculation and provide its results  
5 to the Washington State University extension energy program.

6 (b) If the Washington State University extension energy program  
7 identifies an abnormal production claim, it must notify the utility,  
8 the department of (~~revenue~~) taxation, and the applicant, and must  
9 recommend withholding payment until the applicant has demonstrated  
10 that the production claim is accurate and valid. The utility is not  
11 liable to the customer for withholding payments pursuant to such  
12 recommendation unless and until the Washington State University  
13 extension energy program notifies the utility to resume incentive  
14 payments.

15 (21)(a) The utility must issue the incentive payment within  
16 ninety days of receipt of the information required under subsection  
17 (20)(a) of this section from the Washington State University  
18 extension energy program. The utility must resume the incentive  
19 payments withheld under subsection (20)(b) of this section within  
20 thirty days of receiving notice from the Washington State University  
21 extension energy program that the claim has been demonstrated  
22 accurate and valid and payment should be resumed.

23 (b) A utility is not liable for incentive payments to a customer-  
24 owner if the utility has disconnected the customer due to a violation  
25 of a customer service agreement, such as nonpayment of the customer's  
26 bill, or a violation of an interconnection agreement.

27 (22) Beginning January 1, 2018, the Washington State University  
28 extension energy program must post on its web site and update at  
29 least monthly a report, by utility, of:

30 (a) The number of certifications issued for renewable energy  
31 systems, including estimated system sizes, costs, and annual energy  
32 production and incentive yields for various system types; and

33 (b) An estimate of the amount of credit that has not yet been  
34 allocated for incentive payments under each utility's credit limit  
35 and remains available for new renewable energy system certifications.

36 (23) Persons receiving incentive payments under this section must  
37 keep and preserve, for a period of five years for the duration of the  
38 consumer contract, suitable records as may be necessary to determine  
39 the amount of incentive payments applied for and received. The  
40 Washington State University extension energy program may direct a



1 utility to cease issuing incentive payments if the records are not  
2 made available for examination upon request. A utility receiving such  
3 a directive is not liable to the applicant for any incentive payments  
4 or other damages for ceasing payments pursuant to the directive.

5 (24) The nonpower attributes of the renewable energy system  
6 belong to the utility customer who owns or hosts the system or, in  
7 the case of a community solar project or a shared commercial solar  
8 project, the participant, and can be kept, sold, or transferred at  
9 the utility customer's discretion unless, in the case of a utility-  
10 owned community solar or shared commercial solar project, a contract  
11 between the customer and the utility clearly specifies that the  
12 attributes will be retained by the utility.

13 (25) All lists, technical specifications, determinations, and  
14 guidelines developed under this section must be made publicly  
15 available online by the Washington State University extension energy  
16 program.

17 (26) No certification may be issued under this section after June  
18 30, 2021.

19 (27) The Washington State University extension energy program  
20 must collect a one-time fee for applications submitted under  
21 subsection (1) of this section of one hundred twenty-five dollars per  
22 applicant. The Washington State University extension energy program  
23 must deposit all revenue generated by this fee into the state general  
24 fund. The Washington State University extension energy program must  
25 administer and budget for the program established in RCW 82.16.120,  
26 this section, and RCW 82.16.170 in a manner that ensures its  
27 administrative costs through June 30, 2022, are completely met by the  
28 revenues from this fee. If the Washington State University extension  
29 energy program determines that the fee authorized in this subsection  
30 is insufficient to cover the administrative costs through June 30,  
31 2022, the Washington State University extension energy program must  
32 report to the legislature on costs incurred and fees collected and  
33 demonstrate why a different fee amount or funding mechanism should be  
34 authorized.

35 (28) The Washington State University extension energy program  
36 may, through a public process, develop any program requirements,  
37 policies, and processes necessary for the administration or  
38 implementation of this section, RCW 82.16.120, 82.16.155, and  
39 82.16.170. The department is authorized, in consultation with the  
40 Washington State University extension energy program, to adopt any

1 rules necessary for administration or implementation of the program  
2 established under this section and RCW 82.16.170.

3 (29) Applications, certifications, requests for incentive  
4 payments under this section, and the information contained therein  
5 are not deemed tax information under RCW 82.32.330 and are subject to  
6 disclosure.

7 (30)(a) By November 1, 2019, and in compliance with RCW  
8 43.01.036, the Washington State University extension energy program  
9 must submit a report to the legislature that includes the following:

10 (i) The number and types of renewable energy systems that have  
11 been certified under this section as of July 1, 2019, both statewide  
12 and per participating utility;

13 (ii) The number of utilities that are approaching or have reached  
14 the credit limit established under RCW 82.16.130(2) or the thresholds  
15 established under subsection (13) of this section;

16 (iii) The share of renewable energy systems by type that  
17 contribute to each utility's threshold under subsection (13) of this  
18 section;

19 (iv) An assessment of the deployment of community solar projects  
20 in the state, including but not limited to the following:

21 (A) An evaluation of whether or not community solar projects are  
22 being deployed in low-income and moderate-income communities, as  
23 those terms are defined in RCW 43.63A.510, including a description of  
24 any barriers to project deployment in these communities;

25 (B) A description of the share of community solar projects by  
26 administrator type that contribute to each utility's threshold under  
27 subsection (13)(a) of this section; and

28 (C) A description of any barriers to participation by nonprofits  
29 and local housing authorities in the incentive program established  
30 under this section and under RCW 82.16.170;

31 (v) The total dollar amount of incentive payments that have been  
32 made to participants in the incentive program established under this  
33 section to date; and

34 (vi) The total number of megawatts of solar photovoltaic capacity  
35 installed to date by participants in the incentive program  
36 established under this section.

37 (b) By December 31, 2019, the legislature must review the report  
38 submitted under (a) of this subsection and determine whether the  
39 credit limit established under RCW 82.16.130(2) should be increased  
40 to two percent of a light and power business' taxable power sales

1 generated in calendar year 2014 and due under RCW 82.16.020(1)(b) or  
2 two hundred fifty thousand dollars, whichever is greater, in order to  
3 achieve the legislative intent under section 1, chapter 36, Laws of  
4 2017 3rd sp. sess.

5 **Sec. 250.** RCW 82.18.060 and 1989 c 431 s 87 are each amended to  
6 read as follows:

7 To prevent pyramiding and multiple taxation of a single  
8 transaction, the solid waste collection taxes imposed in this chapter  
9 shall not apply to any solid waste collection business using the  
10 services of another solid waste collection business for the transfer,  
11 storage, processing, or disposal of the waste collected during the  
12 transaction.

13 To be eligible for this exemption, a person first must be  
14 certified by the department of (~~revenue~~) taxation as a solid waste  
15 collection business.

16 **Sec. 251.** RCW 82.18.080 and 1989 c 431 s 89 are each amended to  
17 read as follows:

18 The department of (~~revenue~~) taxation shall have the power to  
19 enforce the taxes imposed in this chapter through appropriate rules.

20 **Sec. 252.** RCW 82.19.010 and 2008 c 86 s 201 are each amended to  
21 read as follows:

22 (1) In addition to any other taxes, there is hereby levied and  
23 there shall be collected by the department of (~~revenue~~) taxation  
24 from every person for the privilege of engaging within this state in  
25 business as a manufacturer, as a wholesaler, or as a retailer, a  
26 litter tax equal to the value of products listed in RCW 82.19.020,  
27 including by-products, manufactured within this state, multiplied by  
28 fifteen one-thousandths of one percent in the case of manufacturers,  
29 and equal to the gross proceeds of sales of the products listed in  
30 RCW 82.19.020 that are sold within this state multiplied by fifteen  
31 one-thousandths of one percent in the case of wholesalers and  
32 retailers.

33 (2) The frequency and time of collection of the tax will coincide  
34 with the reporting periods by payers of their business and occupation  
35 tax.

1       **Sec. 253.** RCW 82.19.030 and 1992 c 175 s 5 are each amended to  
2 read as follows:

3       (1) The department of (~~revenue~~) taxation, by rule, may, if such  
4 is required, define those items subject to tax under RCW 82.19.020.  
5 In making any such definitions, the department of (~~revenue~~)  
6 taxation shall be guided by the following standards:

7       (a) It is the purpose of this chapter to accomplish effective  
8 control of litter within this state;

9       (b) It is the purpose of this chapter to allocate a portion of  
10 the cost of administration of this chapter to those industries  
11 manufacturing and/or selling products and the packages, wrappings, or  
12 containers thereof which are reasonably related to the litter problem  
13 within this state.

14       (2) Instead of requiring each business to separately account for  
15 taxable and nontaxable products under this chapter, the department  
16 may provide, by rule, that the tax imposed in this chapter be  
17 reported and paid based on a percentage of total sales for a  
18 particular type of business if the department determines that the  
19 percentage reasonably approximates the taxable activity of the  
20 particular type of business.

21       **Sec. 254.** RCW 82.21.050 and 1989 c 2 s 12 are each amended to  
22 read as follows:

23       (1) Credit shall be allowed in accordance with rules of the  
24 department of (~~revenue~~) taxation for taxes paid under this chapter  
25 with respect to fuel carried from this state in the fuel tank of any  
26 airplane, ship, truck, or other vehicle.

27       (2) Credit shall be allowed, in accordance with rules of the  
28 department, against the taxes imposed in this chapter for any  
29 hazardous substance tax paid to another state with respect to the  
30 same hazardous substance. The amount of the credit shall not exceed  
31 the tax liability arising under this chapter with respect to that  
32 hazardous substance. For the purpose of this subsection:

33       (a) "Hazardous substance tax" means a tax:

34       (i) Which is imposed on the act or privilege of possessing  
35 hazardous substances, and which is not generally imposed on other  
36 activities or privileges; and

37       (ii) Which is measured by the value of the hazardous substance,  
38 in terms of wholesale value or other terms, and in the determination

1 of which the deductions allowed would not constitute the tax an  
2 income tax or value added tax.

3 (b) "State" means (i) the state of Washington, (ii) a state of  
4 the United States other than Washington, or any political subdivision  
5 of such other state, (iii) the District of Columbia, and (iv) any  
6 foreign country or political subdivision thereof.

7 **Sec. 255.** RCW 82.23B.010 and 2018 c 262 s 102 are each amended  
8 to read as follows:

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

11 (1) "Barrel" means a unit of measurement of volume equal to  
12 forty-two United States gallons of crude oil or petroleum product.

13 (2) "Bulk oil terminal" means a facility of any kind, other than  
14 a waterborne vessel, that is used for transferring crude oil or  
15 petroleum products from a tank car or pipeline.

16 (3) "Crude oil" means any naturally occurring hydrocarbons coming  
17 from the earth that are liquid at twenty-five degrees Celsius and one  
18 atmosphere of pressure including, but not limited to, crude oil,  
19 bitumen and diluted bitumen, synthetic crude oil, and natural gas  
20 well condensate.

21 (4) "Department" means the department of (~~revenue~~) taxation.

22 (5) "Marine terminal" means a facility of any kind, other than a  
23 waterborne vessel, that is used for transferring crude oil or  
24 petroleum products to or from a waterborne vessel or barge.

25 (6) "Navigable waters" means those waters of the state and their  
26 adjoining shorelines that are subject to the ebb and flow of the  
27 tide, including the Columbia and Snake rivers.

28 (7) "Person" has the meaning provided in RCW 82.04.030.

29 (8) "Petroleum product" means any liquid hydrocarbons at  
30 atmospheric temperature and pressure that are the product of the  
31 fractionation, distillation, or other refining or processing of crude  
32 oil, and that are used as, useable as, or may be refined as a fuel or  
33 fuel blendstock, including but not limited to, gasoline, diesel fuel,  
34 aviation fuel, bunker fuel, and fuels containing a blend of alcohol  
35 and petroleum.

36 (9) "Pipeline" means an interstate or intrastate pipeline subject  
37 to regulation by the United States department of transportation under  
38 49 C.F.R. Part 195 in effect on April 1, 2018, through which oil  
39 moves in transportation, including line pipes, valves, and other

1 appurtenances connected to line pipes, pumping units, and fabricated  
2 assemblies associated with pumping units.

3 (10) "Tank car" means a rail car, the body of which consists of a  
4 tank for transporting liquids.

5 (11) "Taxpayer" means the person owning crude oil or petroleum  
6 products immediately after receipt of the same into the storage tanks  
7 of a marine or bulk oil terminal in this state and who is liable for  
8 the taxes imposed by this chapter.

9 (12) "Waterborne vessel or barge" means any ship, barge, or other  
10 watercraft capable of traveling on the navigable waters of this state  
11 and capable of transporting any crude oil or petroleum product in  
12 quantities of ten thousand gallons or more for purposes other than  
13 providing fuel for its motor or engine.

14 **Sec. 256.** RCW 82.24.030 and 2012 2nd sp.s. c 4 s 2 are each  
15 amended to read as follows:

16 (1) In order to enforce collection of the tax hereby levied, the  
17 department of (~~revenue~~) taxation must design and have printed  
18 stamps of such size and denominations as may be determined by the  
19 department. The stamps must be affixed on the smallest container or  
20 package that will be handled, sold, used, consumed, or distributed,  
21 to permit the department to readily ascertain by inspection, whether  
22 or not such tax has been paid or whether an exemption from the tax  
23 applies.

24 (2) Except as otherwise provided in this chapter, only a  
25 wholesaler may cause to be affixed on every package of cigarettes,  
26 stamps of an amount equaling the tax due thereon or stamps  
27 identifying the cigarettes as exempt before he or she sells, offers  
28 for sale, uses, consumes, handles, removes, or otherwise disturbs and  
29 distributes the same. However, where it is established to the  
30 satisfaction of the department that it is impractical to affix such  
31 stamps to the smallest container or package, the department may  
32 authorize the affixing of stamps of appropriate denomination to a  
33 large container or package.

34 (3) Except as otherwise provided in this chapter, only  
35 wholesalers may purchase or obtain cigarette stamps. Wholesalers may  
36 not sell or provide stamps to any other wholesaler or person.

37 (4) Each roll of stamps, or group of sheets, must have a separate  
38 serial number, which is legible at the point of sale. The department  
39 of (~~revenue~~) taxation must keep records of which wholesaler

1 purchases each roll or group of sheets. If the department of  
2 (~~revenue~~) taxation permits wholesalers to purchase partial rolls or  
3 sheets, in no case may stamps bearing the same serial number be sold  
4 to more than one wholesaler. The remainder of the roll or sheet, if  
5 any, must either be retained for later purchases by the same  
6 wholesaler or destroyed.

7 (5) Nothing in this section may be construed as limiting any  
8 otherwise lawful activity under a cigarette tax compact pursuant to  
9 chapter 43.06 RCW.

10 (6) In order to enforce collection of the tax in the case of  
11 roll-your-own cigarettes, a retailer must affix a stamp or stamps to  
12 each box or similar container provided by the retailer to the  
13 consumer. The box or similar container must be used by a consumer to  
14 transport roll-your-own cigarettes from the retailer's place of  
15 business. A retailer must provide cigarette tubes to a consumer in  
16 one or more twenty unit denominations. Stamps must be for an amount  
17 equaling the tax due under this chapter. Each cigarette tube or paper  
18 provided to the consumer is deemed a cigarette for purposes of  
19 imposing and collecting taxes under this chapter. Stamps for roll-  
20 your-own cigarettes must be issued and affixed in a manner determined  
21 by the department but as consistent as practicable with the stamping  
22 requirements for wholesalers.

23 **Sec. 257.** RCW 82.24.090 and 1995 c 278 s 6 are each amended to  
24 read as follows:

25 (1) Every wholesaler or retailer subject to the provisions of  
26 this chapter shall keep and preserve for a period of five years an  
27 accurate set of records. These records must show all transactions  
28 relating to the purchase and sale of any of the articles taxed under  
29 this chapter and show all physical inventories performed on those  
30 articles, all invoices, and a record of all stamps purchased. All  
31 such records and all stock of taxable articles on hand shall be open  
32 to inspection at all reasonable times by the department of  
33 (~~revenue~~) taxation or its duly authorized agent.

34 (2) All wholesalers shall within fifteen days after the first day  
35 of each month file with the department of (~~revenue~~) taxation a  
36 report of all drop shipment sales made by them to retailers within  
37 this state during the preceding month. The report shall show the name  
38 and address of the retailer to whom the cigarettes were sold, the  
39 kind and quantity, and the date of delivery thereof.

1       **Sec. 258.**   RCW 82.24.110 and 2012 2nd sp.s. c 4 s 6 are each  
2 amended to read as follows:

3       (1) Each of the following acts is a gross misdemeanor and  
4 punishable as such:

5       (a) To sell, except as a licensed wholesaler engaged in  
6 interstate commerce as to the article being taxed herein, without the  
7 stamp first being affixed;

8       (b) To sell in Washington as a wholesaler to a retailer who does  
9 not possess and is required to possess a current cigarette retailer's  
10 license;

11       (c) To use or have in possession knowingly or intentionally any  
12 forged or counterfeit stamps;

13       (d) For any person other than the department of (~~revenue~~)  
14 taxation or its duly authorized agent to sell any stamps not affixed  
15 to any of the articles taxed herein whether such stamps are genuine  
16 or counterfeit;

17       (e) For any person other than the department of (~~revenue~~)  
18 taxation, its duly authorized agent, or a licensed wholesaler who has  
19 lawfully purchased or obtained them to possess any stamps not affixed  
20 to any of the articles taxed herein whether such stamps are genuine  
21 or counterfeit;

22       (f) To violate any of the provisions of this chapter;

23       (g) To violate any lawful rule made and published by the  
24 department of (~~revenue~~) taxation or the board;

25       (h) To use any stamps more than once or any individual stamped  
26 box or similar container used to transport roll-your-own cigarettes  
27 more than once;

28       (i) To refuse to allow the department of (~~revenue~~) taxation or  
29 its duly authorized agent, on demand, to make full inspection of any  
30 place of business where any of the articles herein taxed are sold or  
31 otherwise hinder or prevent such inspection;

32       (j) Except as otherwise provided in this chapter, for any  
33 retailer to have in possession in any place of business any of the  
34 articles herein taxed, unless the same have the proper stamps  
35 attached;

36       (k) For any person to make, use, or present or exhibit to the  
37 department of (~~revenue~~) taxation or its duly authorized agent, any  
38 invoice for any of the articles herein taxed which bears an untrue  
39 date or falsely states the nature or quantity of the goods therein  
40 invoiced;



1 (l) For any wholesaler or retailer or his or her agents or  
2 employees to fail to produce on demand of the department of  
3 (~~revenue~~) taxation all invoices of all the articles herein taxed or  
4 stamps bought by him or her or received in his or her place of  
5 business within five years prior to such demand unless he or she can  
6 show by satisfactory proof that the nonproduction of the invoices was  
7 due to causes beyond his or her control;

8 (m) For any person to receive in this state any shipment of any  
9 of the articles taxed herein, when the same are not stamped, for the  
10 purpose of avoiding payment of tax. It is presumed that persons other  
11 than dealers who purchase or receive shipments of unstamped  
12 cigarettes do so to avoid payment of the tax imposed herein;

13 (n) For any person to possess or transport in this state a  
14 quantity of ten thousand cigarettes or less unless the proper stamps  
15 required by this chapter have been affixed or unless: (i) Notice of  
16 the possession or transportation has been given as required by RCW  
17 82.24.250; (ii) the person transporting the cigarettes has in actual  
18 possession invoices or delivery tickets which show the true name and  
19 address of the consignor or seller, the true name and address of the  
20 consignee or purchaser, and the quantity and brands of the cigarettes  
21 so transported; and (iii) the cigarettes are consigned to or  
22 purchased by any person in this state who is authorized by this  
23 chapter to possess unstamped cigarettes in this state;

24 (o) For any person to possess or receive in this state a quantity  
25 of ten thousand cigarettes or less unless the proper stamps required  
26 by this chapter have been affixed or unless the person is authorized  
27 by this chapter to possess unstamped cigarettes in this state and is  
28 in compliance with the requirements of this chapter;

29 (p) To possess, sell, distribute, purchase, receive, ship, or  
30 transport within this state any container or package of cigarettes  
31 that does not comply with this chapter; and

32 (q) For a retailer to provide consumers with access to a  
33 commercial cigarette-making machine without providing a box or  
34 similar container that has a properly affixed stamp or stamps.

35 (2) It is unlawful for any person knowingly or intentionally to  
36 possess or to:

37 (a) Transport in this state a quantity in excess of ten thousand  
38 cigarettes unless the proper stamps required by this chapter are  
39 affixed thereto or unless: (i) Proper notice as required by RCW  
40 82.24.250 has been given; (ii) the person transporting the cigarettes

1 actually possesses invoices or delivery tickets showing the true name  
2 and address of the consignor or seller, the true name and address of  
3 the consignee or purchaser, and the quantity and brands of the  
4 cigarettes so transported; and (iii) the cigarettes are consigned to  
5 or purchased by a person in this state who is authorized by this  
6 chapter to possess unstamped cigarettes in this state; or

7 (b) Receive in this state a quantity in excess of ten thousand  
8 cigarettes unless the proper stamps required by this chapter are  
9 affixed thereto or unless the person is authorized by this chapter to  
10 possess unstamped cigarettes in this state and is in compliance with  
11 this chapter.

12 (3) Violation of subsection (2) of this section is punished as a  
13 class C felony under Title 9A RCW.

14 (4) All agents, employees, and others who aid, abet, or otherwise  
15 participate in any way in the violation of the provisions of this  
16 chapter or in any of the offenses described in this chapter are  
17 guilty and punishable as principals, to the same extent as any  
18 wholesaler or retailer or any other person violating this chapter.

19 (5) For purposes of this section, "person authorized by this  
20 chapter to possess unstamped cigarettes in this state" has the same  
21 meaning as in RCW 82.24.250.

22 **Sec. 259.** RCW 82.24.120 and 2012 2nd sp.s. c 4 s 7 are each  
23 amended to read as follows:

24 (1) If any person, subject to the provisions of this chapter or  
25 any rules adopted by the department of (~~revenue~~) taxation under  
26 authority of this section, is found to have failed to affix the  
27 stamps required, or to have them affixed as provided in this section,  
28 or to pay any tax due under this section, or to have violated any of  
29 the provisions of this chapter or rules adopted by the department of  
30 (~~revenue~~) taxation in the administration of this chapter, there  
31 must be assessed and collected from such person, in addition to any  
32 tax that may be found due, a remedial penalty equal to the greater of  
33 ten dollars per package of unstamped cigarettes or ten dollars per  
34 twenty roll-your-own cigarettes, or two hundred fifty dollars, plus  
35 interest on the amount of the tax at the rate as computed under RCW  
36 82.32.050(2) from the date the tax became due until the date of  
37 payment, and upon notice mailed to the last known address of the  
38 person or provided electronically as provided in RCW 82.32.135. The  
39 amount is due and payable in thirty days from the date of the notice.

1 If the amount remains unpaid, the department or its duly authorized  
2 agent may make immediate demand upon such person for the payment of  
3 all such taxes, penalties, and interest.

4 (2) The department, for good reason shown, may waive or cancel  
5 all or any part of penalties imposed, but the taxpayer must pay all  
6 taxes due and interest thereon, at the rate as computed under RCW  
7 82.32.050(2) from the date the tax became due until the date of  
8 payment.

9 (3) The keeping of any unstamped articles coming within the  
10 provisions of this chapter is prima facie evidence of intent to  
11 violate the provisions of this chapter.

12 (4) This section does not apply to taxes or tax increases due  
13 under RCW 82.24.280.

14 **Sec. 260.** RCW 82.24.180 and 2012 2nd sp.s. c 4 s 9 are each  
15 amended to read as follows:

16 (1) The department of (~~revenue~~) taxation may return any  
17 property seized under the provisions of this chapter when it is shown  
18 that there was no intention to violate the provisions thereof.

19 (2) When any property is returned under this section, the  
20 department may return such goods to the parties from whom they were  
21 seized if and when such parties affix the proper amount of stamps  
22 thereto, and pay to the department as penalty an amount equal to the  
23 greater of ten dollars per package of unstamped cigarettes or ten  
24 dollars per twenty roll-your-own cigarettes, or two hundred fifty  
25 dollars, and interest on the amount of the tax at the rate as  
26 computed under RCW 82.32.050(2) from the date the tax became due  
27 until the date of payment, and in such cases, no advertisement shall  
28 be made or notices posted in connection with said seizure.

29 **Sec. 261.** RCW 82.24.190 and 1997 c 420 s 6 are each amended to  
30 read as follows:

31 When the department of (~~revenue~~) taxation or the board has good  
32 reason to believe that any of the articles taxed herein are being  
33 kept, sold, offered for sale, or given away in violation of the  
34 provisions of this chapter or regulations issued under authority  
35 hereof, it may make affidavit of such fact, describing the place or  
36 thing to be searched, before any judge of any court in this state,  
37 and such judge shall issue a search warrant directed to the sheriff,  
38 any deputy, police officer, or duly authorized agent of the

1 department of ((~~revenue~~)) taxation commanding him or her diligently  
2 to search any building, room in a building, place or vehicle as may  
3 be designated in the affidavit and search warrant, and to seize such  
4 tobacco so possessed and to hold the same until disposed of by law,  
5 and to arrest the person in possession or control thereof. If upon  
6 the return of such warrant, it shall appear that any of the articles  
7 taxed herein, unlawfully possessed, were seized, the same shall be  
8 sold as provided in this chapter.

9 **Sec. 262.** RCW 82.24.210 and 2013 c 23 s 320 are each amended to  
10 read as follows:

11 The department of ((~~revenue~~)) taxation may promulgate rules and  
12 regulations providing for the refund to dealers for the cost of  
13 stamps affixed to articles taxed herein, which by reason of damage  
14 become unfit for sale and are destroyed by the dealer or returned to  
15 the manufacturer or jobber. In the case of any articles to which  
16 stamps have been affixed, and which articles have been sold and  
17 shipped to a regular dealer in such articles in another state, the  
18 seller in this state shall be entitled to a refund of the actual  
19 amount of the stamps so affixed, less the affixing discount, upon  
20 condition that the seller in this state makes affidavit that the  
21 articles were sold and shipped outside of the state and that he or  
22 she has received from the purchaser outside the state a written  
23 acknowledgment that he or she has received such articles with the  
24 amount of stamps affixed thereto, together with the name and address  
25 of such purchaser. The department of ((~~revenue~~)) taxation may redeem  
26 any unused stamps purchased from it at the face value thereof less  
27 the affixing discount. A distributor or wholesaler that has lawfully  
28 affixed stamps to cigarettes, and subsequently is unable to sell  
29 those cigarettes lawfully because the cigarettes are removed from the  
30 directory created pursuant to RCW 70.158.030(2), may apply to the  
31 department for a refund of the cost of the stamps.

32 **Sec. 263.** RCW 82.24.520 and 2013 c 144 s 51 are each amended to  
33 read as follows:

34 A fee of six hundred fifty dollars must accompany each  
35 wholesaler's license application or license renewal application. If a  
36 wholesaler sells or intends to sell cigarettes at two or more places  
37 of business, whether established or temporary, a separate license  
38 with a license fee of one hundred fifteen dollars is required for

1 each additional place of business. Each license, or certificate  
2 thereof, and such other evidence of license as the department of  
3 (~~revenue~~) taxation requires, must be exhibited in the place of  
4 business for which it is issued and in such manner as is prescribed  
5 for the display of a business license issued under chapter 19.02 RCW.  
6 The board must require each licensed wholesaler to file with the  
7 department of (~~revenue~~) taxation a bond in an amount not less than  
8 one thousand dollars to guarantee the proper performance of the  
9 duties and the discharge of the liabilities under this chapter. The  
10 bond must be executed by such licensed wholesaler as principal, and  
11 by a corporation approved by the department of (~~revenue~~) taxation  
12 and authorized to engage in business as a surety company in this  
13 state, as surety. The bond must run concurrently with the  
14 wholesaler's license.

15 **Sec. 264.** RCW 82.24.560 and 1993 c 507 s 18 are each amended to  
16 read as follows:

17 Except as specified in RCW 70.155.120, all fees and penalties  
18 received or collected by the department of (~~revenue~~) taxation  
19 pursuant to this chapter shall be paid to the state treasurer, to be  
20 credited to the general fund.

21 **Sec. 265.** RCW 82.26.010 and 2010 1st sp.s. c 22 s 4 are each  
22 reenacted and amended to read as follows:

23 The definitions in this section apply throughout this chapter  
24 unless the context clearly requires otherwise.

25 (1) "Actual price" means the total amount of consideration for  
26 which tobacco products are sold, valued in money, whether received in  
27 money or otherwise, including any charges by the seller necessary to  
28 complete the sale such as charges for delivery, freight,  
29 transportation, or handling.

30 (2) "Affiliated" means related in any way by virtue of any form  
31 or amount of common ownership, control, operation, or management.

32 (3) "Board" means the state liquor (~~control~~) and cannabis  
33 board.

34 (4) "Business" means any trade, occupation, activity, or  
35 enterprise engaged in for the purpose of selling or distributing  
36 tobacco products in this state.

37 (5) "Cigar" means a roll for smoking that is of any size or shape  
38 and that is made wholly or in part of tobacco, irrespective of

1 whether the tobacco is pure or flavored, adulterated or mixed with  
2 any other ingredient, if the roll has a wrapper made wholly or in  
3 greater part of tobacco. "Cigar" does not include a cigarette.

4 (6) "Cigarette" has the same meaning as in RCW 82.24.010.

5 (7) "Department" means the department of (~~revenue~~) taxation.

6 (8) "Distributor" means (a) any person engaged in the business of  
7 selling tobacco products in this state who brings, or causes to be  
8 brought, into this state from without the state any tobacco products  
9 for sale, (b) any person who makes, manufactures, fabricates, or  
10 stores tobacco products in this state for sale in this state, (c) any  
11 person engaged in the business of selling tobacco products without  
12 this state who ships or transports tobacco products to retailers in  
13 this state, to be sold by those retailers, (d) any person engaged in  
14 the business of selling tobacco products in this state who handles  
15 for sale any tobacco products that are within this state but upon  
16 which tax has not been imposed.

17 (9) "Indian country" means the same as defined in chapter 82.24  
18 RCW.

19 (10) "Little cigar" means a cigar that has a cellulose acetate  
20 integrated filter.

21 (11) "Manufacturer" means a person who manufactures and sells  
22 tobacco products.

23 (12) "Manufacturer's representative" means a person hired by a  
24 manufacturer to sell or distribute the manufacturer's tobacco  
25 products, and includes employees and independent contractors.

26 (13) "Moist snuff" means tobacco that is finely cut, ground, or  
27 powdered; is not for smoking; and is intended to be placed in the  
28 oral, but not the nasal, cavity.

29 (14) "Person" means any individual, receiver, administrator,  
30 executor, assignee, trustee in bankruptcy, trust, estate, firm,  
31 copartnership, joint venture, club, company, joint stock company,  
32 business trust, municipal corporation, the state and its departments  
33 and institutions, political subdivision of the state of Washington,  
34 corporation, limited liability company, association, society, any  
35 group of individuals acting as a unit, whether mutual, cooperative,  
36 fraternal, nonprofit, or otherwise. The term excludes any person  
37 immune from state taxation, including the United States or its  
38 instrumentalities, and federally recognized Indian tribes and  
39 enrolled tribal members, conducting business within Indian country.

1 (15) "Place of business" means any place where tobacco products  
2 are sold or where tobacco products are manufactured, stored, or kept  
3 for the purpose of sale, including any vessel, vehicle, airplane,  
4 train, or vending machine.

5 (16) "Retail outlet" means each place of business from which  
6 tobacco products are sold to consumers.

7 (17) "Retailer" means any person engaged in the business of  
8 selling tobacco products to ultimate consumers.

9 (18)(a) "Sale" means any transfer, exchange, or barter, in any  
10 manner or by any means whatsoever, for a consideration, and includes  
11 and means all sales made by any person.

12 (b) The term "sale" includes a gift by a person engaged in the  
13 business of selling tobacco products, for advertising, promoting, or  
14 as a means of evading the provisions of this chapter.

15 (19)(a) "Taxable sales price" means:

16 (i) In the case of a taxpayer that is not affiliated with the  
17 manufacturer, distributor, or other person from whom the taxpayer  
18 purchased tobacco products, the actual price for which the taxpayer  
19 purchased the tobacco products;

20 (ii) In the case of a taxpayer that purchases tobacco products  
21 from an affiliated manufacturer, affiliated distributor, or other  
22 affiliated person, and that sells those tobacco products to  
23 unaffiliated distributors, unaffiliated retailers, or ultimate  
24 consumers, the actual price for which that taxpayer sells those  
25 tobacco products to unaffiliated distributors, unaffiliated  
26 retailers, or ultimate consumers;

27 (iii) In the case of a taxpayer that sells tobacco products only  
28 to affiliated distributors or affiliated retailers, the price,  
29 determined as nearly as possible according to the actual price, that  
30 other distributors sell similar tobacco products of like quality and  
31 character to unaffiliated distributors, unaffiliated retailers, or  
32 ultimate consumers;

33 (iv) In the case of a taxpayer that is a manufacturer selling  
34 tobacco products directly to ultimate consumers, the actual price for  
35 which the taxpayer sells those tobacco products to ultimate  
36 consumers;

37 (v) In the case of a taxpayer that has acquired tobacco products  
38 under a sale as defined in subsection (18)(b) of this section, the  
39 price, determined as nearly as possible according to the actual  
40 price, that the taxpayer or other distributors sell the same tobacco

1 products or similar tobacco products of like quality and character to  
2 unaffiliated distributors, unaffiliated retailers, or ultimate  
3 consumers; or

4 (vi) In any case where (a)(i) through (v) of this subsection do  
5 not apply, the price, determined as nearly as possible according to  
6 the actual price, that the taxpayer or other distributors sell the  
7 same tobacco products or similar tobacco products of like quality and  
8 character to unaffiliated distributors, unaffiliated retailers, or  
9 ultimate consumers.

10 (b) For purposes of (a)(i) and (ii) of this subsection only,  
11 "person" includes both persons as defined in subsection (14) of this  
12 section and any person immune from state taxation, including the  
13 United States or its instrumentalities, and federally recognized  
14 Indian tribes and enrolled tribal members, conducting business within  
15 Indian country.

16 (c) The department may adopt rules regarding the determination of  
17 taxable sales price under this subsection.

18 (20) "Taxpayer" means a person liable for the tax imposed by this  
19 chapter.

20 (21) "Tobacco products" means cigars, cheroots, stogies,  
21 periques, granulated, plug cut, crimp cut, ready rubbed, and other  
22 smoking tobacco, snuff, snuff flour, cavendish, plug and twist  
23 tobacco, fine-cut and other chewing tobaccos, shorts, refuse scraps,  
24 clippings, cuttings and sweepings of tobacco, and other kinds and  
25 forms of tobacco, prepared in such manner as to be suitable for  
26 chewing or smoking in a pipe or otherwise, or both for chewing and  
27 smoking, and any other product, regardless of form, that contains  
28 tobacco and is intended for human consumption or placement in the  
29 oral or nasal cavity or absorption into the human body by any other  
30 means, but does not include cigarettes as defined in RCW 82.24.010.

31 (22) "Unaffiliated distributor" means a distributor that is not  
32 affiliated with the manufacturer, distributor, or other person from  
33 whom the distributor has purchased tobacco products.

34 (23) "Unaffiliated retailer" means a retailer that is not  
35 affiliated with the manufacturer, distributor, or other person from  
36 whom the retailer has purchased tobacco products.

37 **Sec. 266.** RCW 82.26.090 and 1975 1st ex.s. c 278 s 75 are each  
38 amended to read as follows:



1 Records of all deliveries or shipments of tobacco products from  
2 any public warehouse of first destination in this state shall be kept  
3 by the warehouse and be available to the department of ((~~revenue~~))  
4 taxation for inspection. They shall show the name and address of the  
5 consignee, the date, the quantity of tobacco products delivered, and  
6 such other information as the department may require. These records  
7 shall be preserved for five years from the date of delivery of the  
8 tobacco products.

9 **Sec. 267.** RCW 82.27.060 and 2006 c 256 s 3 are each amended to  
10 read as follows:

11 The taxes levied by this chapter shall be due for payment monthly  
12 and remittance therefor shall be made within twenty-five days after  
13 the end of the month in which the taxable activity occurs. The  
14 taxpayer on or before the due date shall make out a signed return,  
15 setting out such information as the department of ((~~revenue~~))  
16 taxation may require, including the gross measure of the tax, any  
17 deductions, credits, or exemptions claimed, and the amount of tax due  
18 for the preceding monthly period, which amount shall be transmitted  
19 to the department along with the return.

20 The department may relieve any taxpayer from the obligation of  
21 filing a monthly return and may require the return to cover other  
22 periods, but in no event may periodic returns be filed for a period  
23 greater than one year. In such cases tax payments are due on or  
24 before the last day of the month next succeeding the end of the  
25 period covered by the return.

26 **Sec. 268.** RCW 82.27.070 and 2017 3rd sp.s. c 8 s 54 are each  
27 amended to read as follows:

28 All taxes collected by the department of ((~~revenue~~)) taxation  
29 under this chapter shall be deposited in the state general fund  
30 except for the following:

31 (1) The excise tax on anadromous game fish is deposited in the  
32 state wildlife account.

33 (2) The excise tax on ocean waters, Columbia river, Willapa Bay,  
34 and Grays Harbor chinook, coho, and chum salmon is deposited as  
35 follows:

36 (a) The equivalent of five and twenty-five one-hundredths percent  
37 shall be deposited in the state general fund.

1 (b) The equivalent of one percent shall be deposited in the state  
2 wildlife account.

3 **Sec. 269.** RCW 82.29A.010 and 2010 c 281 s 2 are each amended to  
4 read as follows:

5 (1)(a) The legislature hereby recognizes that properties of the  
6 state of Washington, counties, school districts, and other municipal  
7 corporations are exempted by Article 7, section 1 of the state  
8 Constitution from property tax obligations, but that private lessees  
9 of such public properties receive substantial benefits from  
10 governmental services provided by units of government.

11 (b) The legislature further recognizes that a uniform method of  
12 taxation should apply to such leasehold interests in publicly owned  
13 property.

14 (c) The legislature finds that lessees of publicly owned property  
15 or community centers are entitled to those same governmental services  
16 and does hereby provide for a leasehold excise tax to fairly  
17 compensate governmental units for services rendered to such lessees  
18 of publicly owned property or community centers. For the purposes of  
19 this subsection, "community center" has the same meaning as provided  
20 in RCW 84.36.010.

21 (2) The legislature further finds that experience gained by  
22 lessors, lessees, and the department of (~~revenue~~) taxation since  
23 enactment of the leasehold excise tax under this chapter has shed  
24 light on areas in the leasehold excise statutes that need explanation  
25 and clarification. The purpose of chapter 220, Laws of 1999 is to  
26 make those changes.

27 **Sec. 270.** RCW 82.29A.020 and 2015 3rd sp.s. c 6 s 2004 are each  
28 amended to read as follows:

29 The definitions in this section apply throughout this chapter  
30 unless the context requires otherwise.

31 (1)(a) "Leasehold interest" means an interest in publicly owned,  
32 or specified privately owned, real or personal property which exists  
33 by virtue of any lease, permit, license, or any other agreement,  
34 written or verbal, between the owner of the property and a person who  
35 would not be exempt from property taxes if that person owned the  
36 property in fee, granting possession and use, to a degree less than  
37 fee simple ownership. However, no interest in personal property  
38 (excluding land or buildings) which is owned by the United States,

1 whether or not as trustee, or by any foreign government may  
2 constitute a leasehold interest hereunder when the right to use such  
3 property is granted pursuant to a contract solely for the manufacture  
4 or production of articles for sale to the United States or any  
5 foreign government. The term "leasehold interest" includes the rights  
6 of use or occupancy by others of property which is owned in fee or  
7 held in trust by a public corporation, commission, or authority  
8 created under RCW 35.21.730 or 35.21.660 if the property is listed on  
9 or is within a district listed on any federal or state register of  
10 historical sites.

11 (b) The term "leasehold interest" does not include:

12 (i) Road or utility easements, rights of access, occupancy, or  
13 use granted solely for the purpose of removing materials or products  
14 purchased from an owner or the lessee of an owner, or rights of  
15 access, occupancy, or use granted solely for the purpose of natural  
16 energy resource exploration; or

17 (ii) The preferential use of publicly owned cargo cranes and  
18 docks and associated areas used in the loading and discharging of  
19 cargo located at a port district marine facility. "Preferential use"  
20 means that publicly owned real or personal property is used by a  
21 private party under a written agreement with the public owner, but  
22 the public owner or any third party maintains a right to use the  
23 property when not being used by the private party.

24 (2) (a) "Taxable rent" means contract rent as defined in (c) of  
25 this subsection in all cases where the lease or agreement has been  
26 established or renegotiated through competitive bidding, or  
27 negotiated or renegotiated in accordance with statutory requirements  
28 regarding the rent payable, or negotiated or renegotiated under  
29 circumstances, established by public record, clearly showing that the  
30 contract rent was the maximum attainable by the lessor. With respect  
31 to a leasehold interest in privately owned property, "taxable rent"  
32 means contract rent. However, after January 1, 1986, with respect to  
33 any lease which has been in effect for ten years or more without  
34 renegotiation, taxable rent may be established by procedures set  
35 forth in (g) of this subsection. All other leasehold interests are  
36 subject to the determination of taxable rent under the terms of (g)  
37 of this subsection.

38 (b) For purposes of determining leasehold excise tax on any lands  
39 on the Hanford reservation subleased to a private or public entity by  
40 the department of ecology, taxable rent includes only the annual cash

1 rental payment made by such entity to the department of ecology as  
2 specifically referred to as rent in the sublease agreement between  
3 the parties and does not include any other fees, assessments, or  
4 charges imposed on or collected by such entity irrespective of  
5 whether the private or public entity pays or collects such other  
6 fees, assessments, or charges as specified in the sublease agreement.

7 (c) "Contract rent" means the amount of consideration due as  
8 payment for a leasehold interest, including: The total of cash  
9 payments made to the lessor or to another party for the benefit of  
10 the lessor according to the requirements of the lease or agreement,  
11 including any rents paid by a sublessee; expenditures for the  
12 protection of the lessor's interest when required by the terms of the  
13 lease or agreement; and expenditures for improvements to the property  
14 to the extent that such improvements become the property of the  
15 lessor. Where the consideration conveyed for the leasehold interest  
16 is made in combination with payment for concession or other rights  
17 granted by the lessor, only that portion of such payment which  
18 represents consideration for the leasehold interest is part of  
19 contract rent.

20 (d) "Contract rent" does not include: (i) Expenditures made by  
21 the lessee, which under the terms of the lease or agreement, are to  
22 be reimbursed by the lessor to the lessee or expenditures for  
23 improvements and protection made pursuant to a lease or an agreement  
24 which requires that the use of the improved property be open to the  
25 general public and that no profit will inure to the lessee from the  
26 lease; (ii) expenditures made by the lessee for the replacement or  
27 repair of facilities due to fire or other casualty including payments  
28 for insurance to provide reimbursement for losses or payments to a  
29 public or private entity for protection of such property from damage  
30 or loss or for alterations or additions made necessary by an action  
31 of government taken after the date of the execution of the lease or  
32 agreement; (iii) improvements added to publicly owned property by a  
33 sublessee under an agreement executed prior to January 1, 1976, which  
34 have been taxed as personal property of the sublessee prior to  
35 January 1, 1976, or improvements made by a sublessee of the same  
36 lessee under a similar agreement executed prior to January 1, 1976,  
37 and such improvements are taxable to the sublessee as personal  
38 property; (iv) improvements added to publicly owned property if such  
39 improvements are being taxed as personal property to any person.

1 (e) Any prepaid contract rent is considered to have been paid in  
2 the year due and not in the year actually paid with respect to  
3 prepayment for a period of more than one year. Expenditures for  
4 improvements with a useful life of more than one year which are  
5 included as part of contract rent must be treated as prepaid contract  
6 rent and prorated over the useful life of the improvement or the  
7 remaining term of the lease or agreement if the useful life is in  
8 excess of the remaining term of the lease or agreement. Rent prepaid  
9 prior to January 1, 1976, must be prorated from the date of  
10 prepayment.

11 (f) With respect to a "product lease," the value is that value  
12 determined at the time of sale under terms of the lease.

13 (g) If it is determined by the department of (~~revenue~~)  
14 taxation, upon examination of a lessee's accounts or those of a  
15 lessor of publicly owned property, that a lessee is occupying or  
16 using publicly owned property in such a manner as to create a  
17 leasehold interest and that such leasehold interest has not been  
18 established through competitive bidding, or negotiated in accordance  
19 with statutory requirements regarding the rent payable, or negotiated  
20 under circumstances, established by public record, clearly showing  
21 that the contract rent was the maximum attainable by the lessor, the  
22 department may establish a taxable rent computation for use in  
23 determining the tax payable under authority granted in this chapter  
24 based upon the following criteria: (i) Consideration must be given to  
25 rental being paid to other lessors by lessees of similar property for  
26 similar purposes over similar periods of time; (ii) consideration  
27 must be given to what would be considered a fair rate of return on  
28 the market value of the property leased less reasonable deductions  
29 for any restrictions on use, special operating requirements or  
30 provisions for concurrent use by the lessor, another person or the  
31 general public.

32 (3) "Product lease" as used in this chapter means a lease of  
33 property for use in the production of agricultural or marine  
34 products, not including the production of marijuana as defined in RCW  
35 69.50.101, to the extent that such lease provides for the contract  
36 rent to be paid by the delivery of a stated percentage of the  
37 production of such agricultural or marine products to the credit of  
38 the lessor or the payment to the lessor of a stated percentage of the  
39 proceeds from the sale of such products.

1 (4) "Renegotiated" means a change in the lease agreement which  
2 changes the agreed time of possession, restrictions on use, the rate  
3 of the cash rental or of any other consideration payable by the  
4 lessee to or for the benefit of the lessor, other than any such  
5 change required by the terms of the lease or agreement. In addition  
6 "renegotiated" means a continuation of possession by the lessee  
7 beyond the date when, under the terms of the lease agreement, the  
8 lessee had the right to vacate the premises without any further  
9 liability to the lessor.

10 (5) "City" means any city or town.

11 (6) "Products" includes natural resource products such as cut or  
12 picked evergreen foliage, Cascara bark, wild edible mushrooms, native  
13 ornamental trees and shrubs, ore and minerals, natural gas,  
14 geothermal water and steam, and forage removed through the grazing of  
15 livestock.

16 (7) "Publicly owned, or specified privately owned, real or  
17 personal property" includes real or personal property:

18 (a) Owned in fee or held in trust by a public entity and exempt  
19 from property tax under the laws or Constitution of this state or the  
20 Constitution of the United States;

21 (b) Owned by a federally recognized Indian tribe in the state and  
22 exempt from property tax under RCW 84.36.010;

23 (c) Owned by a nonprofit fair association exempt from property  
24 tax under RCW 84.36.480(2), but only with respect to that portion of  
25 the fair's property subject to the tax imposed in this chapter  
26 pursuant to RCW 84.36.480(2)(b); or

27 (d) Owned by a community center exempt from property tax under  
28 RCW 84.36.010.

29 **Sec. 271.** RCW 82.29A.040 and 2015 3rd sp.s. c 6 s 2006 are each  
30 amended to read as follows:

31 (1) The legislative body of any county or city is hereby  
32 authorized to levy and collect a leasehold excise tax on the act or  
33 privilege of occupying or using publicly owned, or specified  
34 privately owned, real or personal property through a leasehold  
35 interest within the territorial limits of such county or city. The  
36 tax levied by a county under authority of this section shall not  
37 exceed six percent and the tax levied by a city shall not exceed four  
38 percent of taxable rent. However, any county ordinance levying such  
39 tax shall contain a provision allowing a credit against the county

1 tax for the full amount of any city tax imposed upon the same taxable  
2 event.

3 (2) The department of (~~revenue~~) taxation shall perform the  
4 collection of such taxes on behalf of such county or city.

5 **Sec. 272.** RCW 82.29A.050 and 1992 c 206 s 6 are each amended to  
6 read as follows:

7 (1) The leasehold excise taxes provided for in RCW 82.29A.030 and  
8 82.29A.040 shall be paid by the lessee to the lessor and the lessor  
9 shall collect such tax and remit the same to the department of  
10 (~~revenue~~) taxation. The tax shall be payable at the same time as  
11 payments are due to the lessor for use of the property from which the  
12 leasehold interest arises, and in the case of payment of contract  
13 rent to a person other than the lessor, at the time of payment. The  
14 tax payment shall be accompanied by such information as the  
15 department of (~~revenue~~) taxation may require. In the case of  
16 prepaid contract rent the payment may be prorated in accordance with  
17 instructions of the department of (~~revenue~~) taxation and the  
18 prorated portion of the tax shall be due, one-half not later than May  
19 31 and the other half not later than November 30 each year.

20 (2) The lessor receiving taxes payable under the provisions of  
21 this chapter shall remit the same together with a return provided by  
22 the department, to the department of (~~revenue~~) taxation on or  
23 before the last day of the month following the month in which the tax  
24 is collected. The department may relieve any taxpayer or class of  
25 taxpayers from the obligation of filing monthly returns and may  
26 require the return to cover other reporting periods, but in no event  
27 shall returns be filed for a period greater than one year. The lessor  
28 shall be fully liable for collection and remittance of the tax. The  
29 amount of tax until paid by the lessee to the lessor shall constitute  
30 a debt from the lessee to the lessor. The tax required by this  
31 chapter shall be stated separately from contract rent, and if not so  
32 separately stated for purposes of determining the tax due from the  
33 lessee to the lessor and from the lessor to the department, the  
34 contract rent does not include the tax imposed by this chapter. Where  
35 a lessee has failed to pay to the lessor the tax imposed by this  
36 chapter and the lessor has not paid the amount of the tax to the  
37 department, the department may, in its discretion, proceed directly  
38 against the lessee for collection of the tax: PROVIDED, That taxes  
39 due where contract rent has not been paid shall be reported by the

1 lessor to the department and the lessee alone shall be liable for  
2 payment of the tax to the department.

3 (3) Each person having a leasehold interest subject to the tax  
4 provided for in this chapter arising out of a lease of federally  
5 owned or federal trust lands shall report and remit the tax due  
6 directly to the department of (~~revenue~~) taxation in the same manner  
7 and at the same time as the lessor would be required to report and  
8 remit the tax if such lessor were a state public entity.

9 **Sec. 273.** RCW 82.29A.060 and 1994 c 95 s 1 are each amended to  
10 read as follows:

11 (1) All administrative provisions in chapters 82.02 and 82.32 RCW  
12 shall be applicable to taxes imposed pursuant to this chapter.

13 (2) A lessee, or a sublessee in the case where the sublessee is  
14 responsible for paying the tax imposed under this chapter, of  
15 property used for residential purposes may petition the county board  
16 of equalization for a change in appraised value when the department  
17 of (~~revenue~~) taxation establishes taxable rent under RCW  
18 82.29A.020(2)(b) based on an appraisal done by the county assessor at  
19 the request of the department. The petition must be on forms  
20 prescribed or approved by the department of (~~revenue~~) taxation and  
21 any petition not conforming to those requirements or not properly  
22 completed shall not be considered by the board. The petition must be  
23 filed with the board within the time period set forth in RCW  
24 84.40.038. A decision of the board of equalization may be appealed by  
25 the taxpayer to the board of tax appeals as provided in RCW  
26 84.08.130.

27 A sublessee, in the case where the sublessee is responsible for  
28 paying the tax imposed under this chapter, of property used for  
29 residential purposes may petition the department for a change in  
30 taxable rent when the department of (~~revenue~~) taxation establishes  
31 taxable rent under RCW 82.29A.020(2)(b).

32 Any change in tax resulting from an appeal under this subsection  
33 shall be allocated to the lessee or sublessee responsible for paying  
34 the tax.

35 (3) This section shall not authorize the issuance of any levy  
36 upon any property owned by the public lessor.

37 (4) In selecting leasehold excise tax returns for audit the  
38 department of (~~revenue~~) taxation shall give priority to any return  
39 an audit of which is specifically requested in writing by the county



1 assessor or treasurer or other chief financial officer of any city or  
2 county affected by such return. Notwithstanding the provisions of RCW  
3 82.32.330, findings of fact and determinations of the amount of  
4 taxable rent made pursuant to the provisions of this chapter shall be  
5 open to public inspection at all reasonable times.

6 **Sec. 274.** RCW 82.29A.070 and 1975-'76 2nd ex.s. c 61 s 7 are  
7 each amended to read as follows:

8 All moneys received by the department of (~~revenue~~) taxation  
9 from taxes levied under provisions of RCW 82.29A.030 shall be  
10 transmitted to the state treasurer and deposited in the general fund.

11 **Sec. 275.** RCW 82.29A.080 and 2008 c 86 s 401 are each amended to  
12 read as follows:

13 The counties and cities shall contract, prior to the effective  
14 date of an ordinance imposing a leasehold excise tax, with the  
15 department of (~~revenue~~) taxation for administration and collection.  
16 The department of (~~revenue~~) taxation shall deduct a percentage  
17 amount, as provided by such contract, not to exceed two percent of  
18 the taxes collected, for administration and collection expenses  
19 incurred by the department. The remainder of any portion of any tax  
20 authorized by RCW 82.29A.040, which is collected by the department of  
21 (~~revenue~~) taxation, must be remitted to the state treasurer who  
22 shall deposit the funds in the local leasehold excise tax account  
23 hereby created in the state treasury. Moneys in the local leasehold  
24 excise tax account may be spent only for distribution to counties and  
25 cities imposing a leasehold excise tax.

26 **Sec. 276.** RCW 82.29A.130 and 2017 3rd sp.s. c 37 s 1303 are each  
27 amended to read as follows:

28 The following leasehold interests are exempt from taxes imposed  
29 pursuant to RCW 82.29A.030 and 82.29A.040:

30 (1) All leasehold interests constituting a part of the operating  
31 properties of any public utility which is assessed and taxed as a  
32 public utility pursuant to chapter 84.12 RCW.

33 (2) All leasehold interests in facilities owned or used by a  
34 school, college or university which leasehold provides housing for  
35 students and which is otherwise exempt from taxation under provisions  
36 of RCW 84.36.010 and 84.36.050.

1 (3) All leasehold interests of subsidized housing where the fee  
2 ownership of such property is vested in the government of the United  
3 States, or the state of Washington or any political subdivision  
4 thereof but only if income qualification exists for such housing.

5 (4) All leasehold interests used for fair purposes of a nonprofit  
6 fair association that sponsors or conducts a fair or fairs which  
7 receive support from revenues collected pursuant to RCW 67.16.100 and  
8 allocated by the director of the department of agriculture where the  
9 fee ownership of such property is vested in the government of the  
10 United States, the state of Washington or any of its political  
11 subdivisions. However, this exemption does not apply to the leasehold  
12 interest of any sublessee of such nonprofit fair association if such  
13 leasehold interest would be taxable if it were the primary lease.

14 (5) All leasehold interests in any property of any public entity  
15 used as a residence by an employee of that public entity who is  
16 required as a condition of employment to live in the publicly owned  
17 property.

18 (6) All leasehold interests held by enrolled Indians of lands  
19 owned or held by any Indian or Indian tribe where the fee ownership  
20 of such property is vested in or held in trust by the United States  
21 and which are not subleased to other than to a lessee which would  
22 qualify pursuant to this chapter, RCW 84.36.451 and 84.40.175.

23 (7) All leasehold interests in any real property of any Indian or  
24 Indian tribe, band, or community that is held in trust by the United  
25 States or is subject to a restriction against alienation imposed by  
26 the United States. However, this exemption applies only where it is  
27 determined that contract rent paid is greater than or equal to ninety  
28 percent of fair market rental, to be determined by the department of  
29 (~~revenue~~) taxation using the same criteria used to establish  
30 taxable rent in RCW 82.29A.020(2)(g).

31 (8) All leasehold interests for which annual taxable rent is less  
32 than two hundred fifty dollars per year. For purposes of this  
33 subsection leasehold interests held by the same lessee in contiguous  
34 properties owned by the same lessor are deemed a single leasehold  
35 interest.

36 (9) All leasehold interests which give use or possession of the  
37 leased property for a continuous period of less than thirty days:  
38 PROVIDED, That for purposes of this subsection, successive leases or  
39 lease renewals giving substantially continuous use of possession of  
40 the same property to the same lessee are deemed a single leasehold

1 interest: PROVIDED FURTHER, That no leasehold interest is deemed to  
2 give use or possession for a period of less than thirty days solely  
3 by virtue of the reservation by the public lessor of the right to use  
4 the property or to allow third parties to use the property on an  
5 occasional, temporary basis.

6 (10) All leasehold interests under month-to-month leases in  
7 residential units rented for residential purposes of the lessee  
8 pending destruction or removal for the purpose of constructing a  
9 public highway or building.

10 (11) All leasehold interests in any publicly owned real or  
11 personal property to the extent such leasehold interests arises  
12 solely by virtue of a contract for public improvements or work  
13 executed under the public works statutes of this state or of the  
14 United States between the public owner of the property and a  
15 contractor.

16 (12) All leasehold interests that give use or possession of state  
17 adult correctional facilities for the purposes of operating  
18 correctional industries under RCW 72.09.100.

19 (13) All leasehold interests used to provide organized and  
20 supervised recreational activities for persons with disabilities of  
21 all ages in a camp facility and for public recreational purposes by a  
22 nonprofit organization, association, or corporation that would be  
23 exempt from property tax under RCW 84.36.030(1) if it owned the  
24 property. If the publicly owned property is used for any taxable  
25 purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and  
26 82.29A.040 must be imposed and must be apportioned accordingly.

27 (14) All leasehold interests in the public or entertainment areas  
28 of a baseball stadium with natural turf and a retractable roof or  
29 canopy that is in a county with a population of over one million,  
30 that has a seating capacity of over forty thousand, and that is  
31 constructed on or after January 1, 1995. "Public or entertainment  
32 areas" include ticket sales areas, ramps and stairs, lobbies and  
33 concourses, parking areas, concession areas, restaurants, hospitality  
34 and stadium club areas, kitchens or other work areas primarily  
35 servicing other public or entertainment areas, public rest room  
36 areas, press and media areas, control booths, broadcast and  
37 production areas, retail sales areas, museum and exhibit areas,  
38 scoreboards or other public displays, storage areas, loading,  
39 staging, and servicing areas, seating areas and suites, the playing  
40 field, and any other areas to which the public has access or which

1 are used for the production of the entertainment event or other  
2 public usage, and any other personal property used for these  
3 purposes. "Public or entertainment areas" does not include locker  
4 rooms or private offices exclusively used by the lessee.

5 (15) All leasehold interests in the public or entertainment areas  
6 of a stadium and exhibition center, as defined in RCW 36.102.010,  
7 that is constructed on or after January 1, 1998. For the purposes of  
8 this subsection, "public or entertainment areas" has the same meaning  
9 as in subsection (14) of this section, and includes exhibition areas.

10 (16) All leasehold interests in public facilities districts, as  
11 provided in chapter 36.100 or 35.57 RCW.

12 (17) All leasehold interests in property that is: (a) Owned by  
13 the United States government or a municipal corporation; (b) listed  
14 on any federal or state register of historical sites; and (c) wholly  
15 contained within a designated national historic reserve under 16  
16 U.S.C. Sec. 461.

17 (18) All leasehold interests in the public or entertainment areas  
18 of an amphitheater if a private entity is responsible for one hundred  
19 percent of the cost of constructing the amphitheater which is not  
20 reimbursed by the public owner, both the public owner and the private  
21 lessee sponsor events at the facility on a regular basis, the lessee  
22 is responsible under the lease or agreement to operate and maintain  
23 the facility, and the amphitheater has a seating capacity of over  
24 seventeen thousand reserved and general admission seats and is in a  
25 county that had a population of over three hundred fifty thousand,  
26 but less than four hundred twenty-five thousand when the amphitheater  
27 first opened to the public.

28 For the purposes of this subsection, "public or entertainment  
29 areas" include box offices or other ticket sales areas, entrance  
30 gates, ramps and stairs, lobbies and concourses, parking areas,  
31 concession areas, restaurants, hospitality areas, kitchens or other  
32 work areas primarily servicing other public or entertainment areas,  
33 public rest room areas, press and media areas, control booths,  
34 broadcast and production areas, retail sales areas, museum and  
35 exhibit areas, scoreboards or other public displays, storage areas,  
36 loading, staging, and servicing areas, seating areas including lawn  
37 seating areas and suites, stages, and any other areas to which the  
38 public has access or which are used for the production of the  
39 entertainment event or other public usage, and any other personal

1 property used for these purposes. "Public or entertainment areas"  
2 does not include office areas used predominately by the lessee.

3 (19) All leasehold interests in real property used for the  
4 placement of military housing meeting the requirements of RCW  
5 84.36.665.

6 (20) All leasehold interests in facilities owned or used by a  
7 community college or technical college, which leasehold interest  
8 provides:

9 (a) Food services for students, faculty, and staff;

10 (b) The operation of a bookstore on campus; or

11 (c) Maintenance, operational, or administrative services to the  
12 community college or technical college.

13 **Sec. 277.** RCW 82.29A.135 and 2018 c 164 s 9 are each amended to  
14 read as follows:

15 (1) For the purposes of this section, "anaerobic digester" has  
16 the same meaning as provided in RCW 82.08.900.

17 (2) All leasehold interests in buildings, machinery, equipment,  
18 and other personal property which are used primarily for the  
19 operation of an anaerobic digester, the land upon which this property  
20 is located, and land that is reasonably necessary in the operation of  
21 an anaerobic digester are exempt from leasehold taxes for a period of  
22 six years from the date on which the facility or the addition to the  
23 existing facility becomes operational.

24 (3) Claims for exemptions authorized by this section must be  
25 filed with the department of (~~revenue~~) taxation on forms prescribed  
26 by the department of (~~revenue~~) taxation and furnished by the  
27 department of (~~revenue~~) taxation. Once filed, the exemption is  
28 valid for six assessment years following the date on which the  
29 facility or the addition to the existing facility becomes operational  
30 and may not be renewed. The department of (~~revenue~~) taxation must  
31 verify and approve claims as the department of (~~revenue~~) taxation  
32 determines to be justified and in accordance with this section. No  
33 claims may be filed after December 31, 2024.

34 (4) The department of (~~revenue~~) taxation may promulgate such  
35 rules, pursuant to chapter 34.05 RCW, as are necessary to properly  
36 administer this section.

37 **Sec. 278.** RCW 82.29A.140 and 1975-'76 2nd ex.s. c 61 s 16 are  
38 each amended to read as follows:

1 The department of (~~revenue~~) taxation of the state of Washington  
2 shall make such rules and regulations consistent with chapter 34.05  
3 RCW and the provisions of this chapter, RCW 84.36.451 and 84.40.175  
4 as shall be necessary to permit its effective administration  
5 including procedures for collection and remittance of taxes imposed  
6 by this chapter, and for intervention by the cities and counties  
7 levying under RCW 82.29A.040, in proceedings involving such levies  
8 and taxes collected pursuant thereto.

9 **Sec. 279.** RCW 82.32.030 and 2017 c 323 s 505 are each amended to  
10 read as follows:

11 (1) Except as provided in subsections (2) and (3) of this  
12 section, if any person engages in any business or performs any act  
13 upon which a tax is imposed by the preceding chapters, he or she  
14 must, under such rules as the department prescribes, apply for and  
15 obtain from the department a registration certificate. Such  
16 registration certificate is personal and nontransferable and is valid  
17 as long as the taxpayer continues in business and pays the tax  
18 accrued to the state. In case business is transacted at two or more  
19 separate places by one taxpayer, a separate registration certificate  
20 for each place at which business is transacted with the public is  
21 required. Each certificate must be numbered and must show the name,  
22 residence, and place and character of business of the taxpayer and  
23 such other information as the department of (~~revenue~~) taxation  
24 deems necessary and must be posted in a conspicuous place at the  
25 place of business for which it is issued. Where a place of business  
26 of the taxpayer is changed, the taxpayer must return to the  
27 department the existing certificate, and a new certificate will be  
28 issued for the new place of business. No person required to be  
29 registered under this section may engage in any business taxable  
30 hereunder without first being so registered. The department, by rule,  
31 may provide for the issuance of certificates of registration to  
32 temporary places of business.

33 (2) Unless the person is a dealer as defined in RCW 9.41.010,  
34 registration under this section is not required if the following  
35 conditions are met:

36 (a) A person's value of products, gross proceeds of sales, or  
37 gross income of the business, from all business activities taxable  
38 under chapter 82.04 RCW, is less than twelve thousand dollars per  
39 year;

1 (b) The person's gross income of the business from all activities  
2 taxable under chapter 82.16 RCW is less than twelve thousand dollars  
3 per year;

4 (c) The person is not required to collect or pay to the  
5 department of (~~revenue~~) taxation any other tax or fee that the  
6 department is authorized to collect; and

7 (d) The person is not otherwise required to obtain a license  
8 subject to the business license application procedure provided in  
9 chapter 19.02 RCW.

10 (3) All persons who agree to collect and remit sales and use tax  
11 to the department under the agreement must register through the  
12 central registration system authorized under the agreement. Persons  
13 required to register under subsection (1) of this section are not  
14 relieved of that requirement because of registration under this  
15 subsection (3).

16 (4) Persons registered under subsection (3) of this section who  
17 are not required to register under subsection (1) of this section and  
18 who are not otherwise subject to the requirements of chapter 19.02  
19 RCW are not subject to the fees imposed by the department under the  
20 authority of RCW 19.02.075.

21 **Sec. 280.** RCW 82.32.033 and 2007 c 111 s 105 are each amended to  
22 read as follows:

23 (1) A promoter of a special event within the state of Washington  
24 shall not permit a vendor to make or solicit retail sales of tangible  
25 personal property or services at the special event unless the  
26 promoter makes a good faith effort to obtain verification that the  
27 vendor has obtained a certificate of registration from the  
28 department.

29 (2) A promoter of a special event shall:

30 (a) Keep, in addition to the records required under RCW  
31 82.32.070, a record of the dates and place of each special event, and  
32 the name, address, and registration certificate number of each vendor  
33 permitted to make or solicit retail sales of tangible personal  
34 property or services at the special event. The record of the date and  
35 place of a special event, and the name, address, and registration  
36 certificate number of each vendor at the event shall be preserved for  
37 a period of one year from the date of a special event; and

38 (b) Provide to the department, within twenty days of receipt of a  
39 written request from the department, a list of vendors permitted to

1 make or solicit retail sales of tangible personal property or  
2 services. The list shall be in a form and contain such information as  
3 the department may require, and shall include the date and place of  
4 the event, and the name, address, and registration certificate number  
5 of each vendor.

6 (3) If a promoter fails to make a good faith effort to comply  
7 with the provisions of this section, the promoter is liable for the  
8 penalties provided in this subsection (3).

9 (a) If a promoter fails to make a good faith effort to comply  
10 with the provisions of subsection (1) of this section, the department  
11 shall impose a penalty of one hundred dollars for each vendor  
12 permitted to make or solicit retail sales of tangible personal  
13 property or services at the special event.

14 (b) If a promoter fails to make a good faith effort to comply  
15 with the provisions of subsection (2)(b) of this section, the  
16 department shall impose a penalty of:

17 (i) Two hundred fifty dollars if the information requested is not  
18 received by the department within twenty days of the department's  
19 written request; and

20 (ii) One hundred dollars for each vendor for whom the information  
21 as required by subsection (2)(b) of this section is not provided to  
22 the department.

23 (4) The aggregate of penalties imposed under subsection (3) of  
24 this section may not exceed two thousand five hundred dollars for a  
25 special event if the promoter has not previously been penalized under  
26 this section. Under no circumstances is a promoter liable for sales  
27 tax or business and occupation tax not remitted to the department by  
28 a vendor at a special event.

29 (5) The department shall notify a promoter by mail, or  
30 electronically as provided in RCW 82.32.135, of any penalty imposed  
31 under this section, and the penalty shall be due within thirty days  
32 from the date of the notice. If any penalty imposed under this  
33 section is not received by the department by the due date, there  
34 shall be assessed interest on the unpaid amount beginning the day  
35 following the due date until the penalty is paid in full. The rate of  
36 interest shall be computed on a daily basis on the amount of  
37 outstanding penalty at the rate as computed under RCW 82.32.050(2).  
38 The rate computed shall be adjusted annually in the same manner as  
39 provided in RCW 82.32.050(1)(c).

40 (6) For purposes of this section:



1 (a) "Promoter" means a person who organizes, operates, or  
2 sponsors a special event and who contracts with vendors for  
3 participation in the special event.

4 (b) "Special event" means an entertainment, amusement,  
5 recreational, educational, or marketing event, whether held on a  
6 regular or irregular basis, at which more than one vendor makes or  
7 solicits retail sales of tangible personal property or services. The  
8 term includes, but is not limited to: Auto shows, recreational  
9 vehicle shows, boat shows, home shows, garden shows, hunting and  
10 fishing shows, stamp shows, comic book shows, sports memorabilia  
11 shows, craft shows, art shows, antique shows, flea markets,  
12 exhibitions, festivals, concerts, swap meets, bazaars, carnivals,  
13 athletic contests, circuses, fairs, or other similar activities.  
14 "Special event" does not include an event that is organized for the  
15 exclusive benefit of any nonprofit organization as defined in RCW  
16 82.04.3651. An event is organized for the exclusive benefit of a  
17 nonprofit organization if all of the gross proceeds of retail sales  
18 of all vendors at the event inure to the benefit of the nonprofit  
19 organization on whose behalf the event is being held. "Special event"  
20 does not include athletic contests that involve competition between  
21 teams, when such competition consists of more than five contests in a  
22 calendar year by at least one team at the same facility or site.

23 (c) "Vendor" means a person who, at a special event, makes or  
24 solicits retail sales of tangible personal property or services.

25 (7) "Good faith effort to comply" and "good faith effort to  
26 obtain" may be shown by, but is not limited to, circumstances where a  
27 promoter:

28 (a) Includes a statement on all written contracts with its  
29 vendors that a valid registration certificate number issued by the  
30 department of (~~revenue~~) taxation is required for participation in  
31 the special event and requires vendors to indicate their registration  
32 certificate number on these contracts; and

33 (b) Provides the department with a list of vendors and their  
34 associated registration certificate numbers as provided in subsection  
35 (2)(b) of this section.

36 (8) This section does not apply to:

37 (a) A special event whose promoter does not charge more than two  
38 hundred dollars for a vendor to participate in a special event;

39 (b) A special event whose promoter charges a percentage of sales  
40 instead of, or in addition to, a flat charge for a vendor to

1 participate in a special event if the promoter, in good faith,  
2 believes that no vendor will pay more than two hundred dollars to  
3 participate in the special event; or

4 (c) A person who does not organize, operate, or sponsor a special  
5 event, but only provides a venue, supplies, furnishings, fixtures,  
6 equipment, or services to a promoter of a special event.

7 **Sec. 281.** RCW 82.32.045 and 2010 1st sp.s. c 23 s 1103 are each  
8 amended to read as follows:

9 (1) Except as otherwise provided in this chapter, payments of the  
10 taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, and 82.16  
11 RCW, along with reports and returns on forms prescribed by the  
12 department, are due monthly within twenty-five days after the end of  
13 the month in which the taxable activities occur.

14 (2) The department of (~~revenue~~) taxation may relieve any  
15 taxpayer or class of taxpayers from the obligation of remitting  
16 monthly and may require the return to cover other longer reporting  
17 periods, but in no event may returns be filed for a period greater  
18 than one year. For these taxpayers, tax payments are due on or before  
19 the last day of the month next succeeding the end of the period  
20 covered by the return.

21 (3) The department of (~~revenue~~) taxation may also require  
22 verified annual returns from any taxpayer, setting forth such  
23 additional information as it may deem necessary to correctly  
24 determine tax liability.

25 (4) Notwithstanding subsections (1) and (2) of this section, the  
26 department may relieve any person of the requirement to file returns  
27 if the following conditions are met:

28 (a) The person's value of products, gross proceeds of sales, or  
29 gross income of the business, from all business activities taxable  
30 under chapter 82.04 RCW, is less than:

31 (i) Twenty-eight thousand dollars per year; or

32 (ii) Forty-six thousand six hundred sixty-seven dollars per year  
33 for persons generating at least fifty percent of their taxable amount  
34 from activities taxable under RCW 82.04.255, 82.04.290(2)(a), and  
35 82.04.285;

36 (b) The person's gross income of the business from all activities  
37 taxable under chapter 82.16 RCW is less than twenty-four thousand  
38 dollars per year; and

1 (c) The person is not required to collect or pay to the  
2 department of (~~revenue~~) taxation any other tax or fee which the  
3 department is authorized to collect.

4 **Sec. 282.** RCW 82.32.050 and 2008 c 181 s 501 are each amended to  
5 read as follows:

6 (1) If upon examination of any returns or from other information  
7 obtained by the department it appears that a tax or penalty has been  
8 paid less than that properly due, the department shall assess against  
9 the taxpayer such additional amount found to be due and shall add  
10 thereto interest on the tax only. The department shall notify the  
11 taxpayer by mail, or electronically as provided in RCW 82.32.135, of  
12 the additional amount and the additional amount shall become due and  
13 shall be paid within thirty days from the date of the notice, or  
14 within such further time as the department may provide.

15 (a) For tax liabilities arising before January 1, 1992, interest  
16 shall be computed at the rate of nine percent per annum from the last  
17 day of the year in which the deficiency is incurred until the earlier  
18 of December 31, 1998, or the date of payment. After December 31,  
19 1998, the rate of interest shall be variable and computed as provided  
20 in subsection (2) of this section. The rate so computed shall be  
21 adjusted on the first day of January of each year for use in  
22 computing interest for that calendar year.

23 (b) For tax liabilities arising after December 31, 1991, the rate  
24 of interest shall be variable and computed as provided in subsection  
25 (2) of this section from the last day of the year in which the  
26 deficiency is incurred until the date of payment. The rate so  
27 computed shall be adjusted on the first day of January of each year  
28 for use in computing interest for that calendar year.

29 (c) Interest imposed after December 31, 1998, shall be computed  
30 from the last day of the month following each calendar year included  
31 in a notice, and the last day of the month following the final month  
32 included in a notice if not the end of a calendar year, until the due  
33 date of the notice. If payment in full is not made by the due date of  
34 the notice, additional interest shall be computed until the date of  
35 payment. The rate of interest shall be variable and computed as  
36 provided in subsection (2) of this section. The rate so computed  
37 shall be adjusted on the first day of January of each year for use in  
38 computing interest for that calendar year.

1 (2) For the purposes of this section, the rate of interest to be  
2 charged to the taxpayer shall be an average of the federal short-term  
3 rate as defined in 26 U.S.C. Sec. 1274(d) plus two percentage points.  
4 The rate set for each new year shall be computed by taking an  
5 arithmetical average to the nearest percentage point of the federal  
6 short-term rate, compounded annually. That average shall be  
7 calculated using the rates from four months: January, April, and July  
8 of the calendar year immediately preceding the new year, and October  
9 of the previous preceding year.

10 (3) During a state of emergency declared under RCW 43.06.010(12),  
11 the department, on its own motion or at the request of any taxpayer  
12 affected by the emergency, may extend the due date of any assessment  
13 or correction of an assessment for additional taxes, penalties, or  
14 interest as the department deems proper.

15 (4) No assessment or correction of an assessment for additional  
16 taxes, penalties, or interest due may be made by the department more  
17 than four years after the close of the tax year, except (a) against a  
18 taxpayer who has not registered as required by this chapter, (b) upon  
19 a showing of fraud or of misrepresentation of a material fact by the  
20 taxpayer, or (c) where a taxpayer has executed a written waiver of  
21 such limitation. The execution of a written waiver shall also extend  
22 the period for making a refund or credit as provided in RCW  
23 82.32.060(2).

24 (5) For the purposes of this section, "return" means any document  
25 a person is required by the state of Washington to file to satisfy or  
26 establish a tax or fee obligation that is administered or collected  
27 by the department of (~~revenue~~) taxation and that has a statutorily  
28 defined due date.

29 **Sec. 283.** RCW 82.32.070 and 2015 c 86 s 310 are each amended to  
30 read as follows:

31 (1) Every taxpayer liable for any tax collected by the department  
32 must keep and preserve, for a period of five years, suitable records  
33 as may be necessary to determine the amount of any tax for which the  
34 taxpayer may be liable. Such records must include copies of all of  
35 the taxpayer's federal income tax and state tax returns and reports.  
36 All of the taxpayer's books, records, and invoices must be open for  
37 examination at any time by the department of (~~revenue~~) taxation. In  
38 the case of an out-of-state taxpayer that does not keep the necessary  
39 books and records within this state, it is sufficient if the taxpayer

1 produces within the state such books and records as are required by  
2 the department of (~~revenue~~) taxation, or permits the examination by  
3 an agent authorized or designated by the department of (~~revenue~~)  
4 taxation at the place where such books and records are kept. Any  
5 taxpayer who fails to comply with the requirements of this section is  
6 forever barred from questioning, in any court action or proceedings,  
7 the correctness of any assessment of taxes made by the department of  
8 (~~revenue~~) taxation based upon any period for which such books,  
9 records, and invoices have not been so kept and preserved.

10 (2) A person liable for any fee or tax imposed by chapters 82.04  
11 through 82.27 RCW who contracts with another person or entity for  
12 work subject to chapter 18.27 or 19.28 RCW must obtain and preserve a  
13 record of the unified business identifier account number for the  
14 person or entity performing the work. Failure to obtain or maintain  
15 the record is subject to RCW 39.06.010 and to a penalty determined by  
16 the director, but not to exceed two hundred fifty dollars. The  
17 department must notify the taxpayer and collect the penalty in the  
18 same manner as penalties under RCW 82.32.100.

19 **Sec. 284.** RCW 82.32.090 and 2015 3rd sp.s. c 5 s 401 are each  
20 amended to read as follows:

21 (1) If payment of any tax due on a return to be filed by a  
22 taxpayer is not received by the department of (~~revenue~~) taxation by  
23 the due date, there is assessed a penalty of nine percent of the  
24 amount of the tax; and if the tax is not received on or before the  
25 last day of the month following the due date, there is assessed a  
26 total penalty of nineteen percent of the amount of the tax under this  
27 subsection; and if the tax is not received on or before the last day  
28 of the second month following the due date, there is assessed a total  
29 penalty of twenty-nine percent of the amount of the tax under this  
30 subsection. No penalty so added may be less than five dollars.

31 (2) If the department of (~~revenue~~) taxation determines that any  
32 tax has been substantially underpaid, there is assessed a penalty of  
33 five percent of the amount of the tax determined by the department to  
34 be due. If payment of any tax determined by the department to be due  
35 is not received by the department by the due date specified in the  
36 notice, or any extension thereof, there is assessed a total penalty  
37 of fifteen percent of the amount of the tax under this subsection;  
38 and if payment of any tax determined by the department to be due is  
39 not received on or before the thirtieth day following the due date

1 specified in the notice of tax due, or any extension thereof, there  
2 is assessed a total penalty of twenty-five percent of the amount of  
3 the tax under this subsection. No penalty so added may be less than  
4 five dollars. As used in this section, "substantially underpaid"  
5 means that the taxpayer has paid less than eighty percent of the  
6 amount of tax determined by the department to be due for all of the  
7 types of taxes included in, and for the entire period of time covered  
8 by, the department's examination, and the amount of underpayment is  
9 at least one thousand dollars.

10 (3) If a warrant is issued by the department of (~~revenue~~)  
11 taxation for the collection of taxes, increases, and penalties, there  
12 is added thereto a penalty of ten percent of the amount of the tax,  
13 but not less than ten dollars.

14 (4) If the department finds that a person has engaged in any  
15 business or performed any act upon which a tax is imposed under this  
16 title and that person has not obtained from the department a  
17 registration certificate as required by RCW 82.32.030, the department  
18 must impose a penalty of five percent of the amount of tax due from  
19 that person for the period that the person was not registered as  
20 required by RCW 82.32.030. The department may not impose the penalty  
21 under this subsection (4) if a person who has engaged in business  
22 taxable under this title without first having registered as required  
23 by RCW 82.32.030, prior to any notification by the department of the  
24 need to register, obtains a registration certificate from the  
25 department.

26 (5) If the department finds that a taxpayer has disregarded  
27 specific written instructions as to reporting or tax liabilities, or  
28 willfully disregarded the requirement to file returns or remit  
29 payment electronically, as provided by RCW 82.32.080, the department  
30 must add a penalty of ten percent of the amount of the tax that  
31 should have been reported and/or paid electronically or the  
32 additional tax found due if there is a deficiency because of the  
33 failure to follow the instructions. A taxpayer disregards specific  
34 written instructions when the department has informed the taxpayer in  
35 writing of the taxpayer's tax obligations and the taxpayer fails to  
36 act in accordance with those instructions unless, in the case of a  
37 deficiency, the department has not issued final instructions because  
38 the matter is under appeal pursuant to this chapter or departmental  
39 regulations. The department may not assess the penalty under this  
40 section upon any taxpayer who has made a good faith effort to comply

1 with the specific written instructions provided by the department to  
2 that taxpayer. A taxpayer will be considered to have made a good  
3 faith effort to comply with specific written instructions to file  
4 returns and/or remit taxes electronically only if the taxpayer can  
5 show good cause, as defined in RCW 82.32.080, for the failure to  
6 comply with such instructions. A taxpayer will be considered to have  
7 willfully disregarded the requirement to file returns or remit  
8 payment electronically if the department has mailed or otherwise  
9 delivered the specific written instructions to the taxpayer on at  
10 least two occasions. Specific written instructions may be given as a  
11 part of a tax assessment, audit, determination, closing agreement, or  
12 other written communication, provided that such specific written  
13 instructions apply only to the taxpayer addressed or referenced on  
14 such communication. Any specific written instructions by the  
15 department must be clearly identified as such and must inform the  
16 taxpayer that failure to follow the instructions may subject the  
17 taxpayer to the penalties imposed by this subsection. If the  
18 department determines that it is necessary to provide specific  
19 written instructions to a taxpayer that does not comply with the  
20 requirement to file returns or remit payment electronically as  
21 provided in RCW 82.32.080, the specific written instructions must  
22 provide the taxpayer with a minimum of forty-five days to come into  
23 compliance with its electronic filing and/or payment obligations  
24 before the department may impose the penalty authorized in this  
25 subsection.

26 (6) If the department finds that all or any part of a deficiency  
27 resulted from engaging in a disregarded transaction, as described in  
28 RCW 82.32.655(3), the department must assess a penalty of thirty-five  
29 percent of the additional tax found to be due as a result of engaging  
30 in a transaction disregarded by the department under RCW  
31 82.32.655(2). The penalty provided in this subsection may be assessed  
32 together with any other applicable penalties provided in this section  
33 on the same tax found to be due, except for the evasion penalty  
34 provided in subsection (7) of this section. The department may not  
35 assess the penalty under this subsection if, before the department  
36 discovers the taxpayer's use of a transaction described under RCW  
37 82.32.655(3), the taxpayer discloses its participation in the  
38 transaction to the department.

39 (7) If the department finds that all or any part of the  
40 deficiency resulted from an intent to evade the tax payable

1 hereunder, a further penalty of fifty percent of the additional tax  
2 found to be due must be added.

3 (8) The penalties imposed under subsections (1) through (4) of  
4 this section can each be imposed on the same tax found to be due.  
5 This subsection does not prohibit or restrict the application of  
6 other penalties authorized by law.

7 (9) The department may not impose the evasion penalty in  
8 combination with the penalty for disregarding specific written  
9 instructions or the penalty provided in subsection (6) of this  
10 section on the same tax found to be due.

11 (10) For the purposes of this section, "return" means any  
12 document a person is required by the state of Washington to file to  
13 satisfy or establish a tax or fee obligation that is administered or  
14 collected by the department, and that has a statutorily defined due  
15 date.

16 **Sec. 285.** RCW 82.32.110 and 1989 c 373 s 27 are each amended to  
17 read as follows:

18 The department of (~~revenue~~) taxation or its duly authorized  
19 agent may examine any books, papers, records, or other data, or stock  
20 of merchandise bearing upon the amount of any tax payable or upon the  
21 correctness of any return, or for the purpose of making a return  
22 where none has been made, or in order to ascertain whether a return  
23 should be made; and may require the attendance of any person at a  
24 time and place fixed in a summons served by any sheriff in the same  
25 manner as a subpoena is served in a civil case, or served in like  
26 manner by an agent of the department of (~~revenue~~) taxation.

27 The persons summoned may be required to testify and produce any  
28 books, papers, records, or data required by the department with  
29 respect to any tax, or the liability of any person therefor.

30 The director of the department of (~~revenue~~) taxation, or any  
31 duly authorized agent thereof, shall have power to administer an oath  
32 to the person required to testify; and any person giving false  
33 testimony after the administration of such oath shall be guilty of  
34 perjury in the first degree.

35 If any person summoned as a witness before the department, or its  
36 authorized agent, fails or refuses to obey the summons, or refuses to  
37 testify or answer any material questions, or to produce any book,  
38 record, paper, or data when required to do so, the person is subject  
39 to proceedings for contempt, and the department shall thereupon



1 institute contempt of court proceedings in the superior court of  
2 Thurston county or of the county in which such person resides.

3 **Sec. 286.** RCW 82.32.120 and 2013 c 23 s 323 are each amended to  
4 read as follows:

5 All officers empowered by law to administer oaths, the director  
6 of the department of ((~~revenue~~)) taxation, and such officers as he or  
7 she may designate shall have the power to administer an oath to any  
8 person or to take the acknowledgment of any person with respect to  
9 any return or report required by law or the rules and regulations of  
10 the department of ((~~revenue~~)) taxation.

11 **Sec. 287.** RCW 82.32.140 and 2008 c 181 s 503 are each amended to  
12 read as follows:

13 (1) Whenever any taxpayer quits business, or sells out,  
14 exchanges, or otherwise disposes of more than fifty percent of the  
15 fair market value of either its tangible or intangible assets, any  
16 tax payable hereunder shall become immediately due and payable, and  
17 such taxpayer shall, within ten days thereafter, make a return and  
18 pay the tax due, unless an extension is granted under RCW 82.32.080.

19 (2) Any person who becomes a successor shall withhold from the  
20 purchase price a sum sufficient to pay any tax due from the taxpayer  
21 until such time as the taxpayer shall produce a receipt from the  
22 department of ((~~revenue~~)) taxation showing payment in full of any tax  
23 due or a certificate that no tax is due. If any tax is not paid by  
24 the taxpayer within ten days from the date of such sale, exchange, or  
25 disposal, the successor shall become liable for the payment of the  
26 full amount of tax. If the fair market value of the assets acquired  
27 by a successor is less than fifty thousand dollars, the successor's  
28 liability for payment of the unpaid tax is limited to the fair market  
29 value of the assets acquired from the taxpayer. The burden of  
30 establishing the fair market value of the assets acquired is on the  
31 successor.

32 (3) The payment of any tax by a successor shall, to the extent  
33 thereof, be deemed a payment upon the purchase price; and if such  
34 payment is greater in amount than the purchase price the amount of  
35 the difference shall become a debt due the successor from the  
36 taxpayer.

37 (4) No successor shall be liable for any tax due from the person  
38 from whom the successor has acquired a business or stock of goods if

1 the successor gives written notice to the department of (~~revenue~~)  
2 taxation of such acquisition and no assessment is issued by the  
3 department of (~~revenue~~) taxation within six months of receipt of  
4 such notice against the former operator of the business and a copy  
5 thereof mailed to the successor or provided electronically to the  
6 successor in accordance with RCW 82.32.135.

7 **Sec. 288.** RCW 82.32.200 and 1996 c 149 s 4 are each amended to  
8 read as follows:

9 (1) When any assessment or additional assessment has been made,  
10 the taxpayer may obtain a stay of collection, under such  
11 circumstances and for such periods as the department of (~~revenue~~)  
12 taxation may by general regulation provide, of the whole or any part  
13 thereof, by filing with the department a bond in an amount, not  
14 exceeding twice the amount on which stay is desired, and with  
15 sureties as the department deems necessary, conditioned for the  
16 payment of the amount of the assessments, collection of which is  
17 stayed by the bond, together with the interest thereon at the rate of  
18 one percent of the amount of such assessment for each thirty days or  
19 portion thereof from the date the bond is filed until the date of  
20 payment.

21 (2) Interest imposed under this section after January 1, 1997,  
22 shall be computed on a daily basis on the amount of tax at the rate  
23 as computed under RCW 82.32.050(2). The rate so computed shall be  
24 adjusted on the first day of January of each year. Interest for bonds  
25 filed before January 1, 1997, but outstanding after January 1, 1997,  
26 shall not be recalculated but shall remain at one percent per each  
27 thirty days or portion thereof.

28 **Sec. 289.** RCW 82.32.215 and 2013 c 309 s 1 are each amended to  
29 read as follows:

30 (1) The department may, by order, revoke the certificate of  
31 registration of a taxpayer for any of the following reasons:

32 (a) A warrant issued under this chapter is not paid within thirty  
33 days after it has been filed with the clerk of the superior court;

34 (b) The taxpayer is delinquent, for three consecutive reporting  
35 periods, in the transmission to the department of retail sales tax  
36 collected by the taxpayer; or

1 (c) (i) (A) The taxpayer was convicted of violating RCW  
2 82.32.290(4) and continues to engage in business without fully  
3 complying with RCW 82.32.290(4)(b) (i) through (iii); or

4 (B) A person convicted of violating RCW 82.32.290(4) is an owner,  
5 officer, director, partner, trustee, member, or manager of the  
6 taxpayer, and the person and taxpayer have not fully complied with  
7 RCW 82.32.290(4)(b) (i) through (iii).

8 (ii) For the purposes of this subsection (1)(c), the terms  
9 "manager," "member," and "officer" mean the same as defined in RCW  
10 82.32.145.

11 (2) If the department enters a final order revoking a taxpayer's  
12 certificate of registration, a copy of the order must, if  
13 practicable, be posted in a conspicuous place at the main entrance to  
14 the taxpayer's place of business. The department may also post a  
15 final order revoking a taxpayer's certificate of registration in any  
16 public facility, such as a courthouse or post office, as may be  
17 allowed by the public entity that owns or occupies the facility. A  
18 final order posted at the taxpayer's place of business must remain  
19 posted until such time as the taxpayer is eligible to have its  
20 certificate of registration reinstated as provided in subsection (3)  
21 of this section or has abandoned the premises. A taxpayer will not be  
22 deemed to have abandoned the premises if the taxpayer or any person  
23 with an ownership interest in the taxpayer continues to operate a  
24 substantially similar type of business under a different legal entity  
25 at the same location.

26 (3) Any certificate revoked under subsection (1) of this section  
27 may not be reinstated, nor may a new certificate of registration be  
28 issued to the taxpayer, until:

29 (a) The amount due on the warrant has been paid, or provisions  
30 for payment satisfactory to the department have been entered, and  
31 until the taxpayer has deposited with the department security for  
32 payment of any taxes, increases, and penalties, due or which may  
33 become due in an amount and under such terms and conditions as the  
34 department of (~~revenue~~) taxation may require, but the amount of the  
35 security may not be greater than one-half the estimated average  
36 annual liability of the taxpayer; or

37 (b) The taxpayer and, if applicable, the owner, officer,  
38 director, partner, trustee, member, or manager of the taxpayer who  
39 was convicted of violating RCW 82.32.290(4) are in full compliance  
40 with RCW 82.32.290(4)(b) (i) through (iii), if the certificate of

1 registration was revoked under the provisions of subsection (1)(c) of  
2 this section.

3 **Sec. 290.** RCW 82.32.220 and 1998 c 311 s 10 are each amended to  
4 read as follows:

5 The department of (~~revenue~~) taxation may issue an order of  
6 execution, pursuant to a filed warrant, directed to the sheriff of  
7 the county in which the warrant has been filed, commanding the  
8 sheriff to levy upon and sell the real and/or personal property of  
9 the taxpayer found within the sheriff's county, or so much thereof as  
10 may be necessary, for the payment of the amount of the warrant, plus  
11 the cost of executing the warrant, and return the warrant to the  
12 department of (~~revenue~~) taxation and pay to it the money collected  
13 by virtue thereof within sixty days after the receipt of the warrant.  
14 The sheriff shall thereupon proceed upon the same in all respects and  
15 with like effect as prescribed by law with respect to execution or  
16 other process issued against rights or property upon judgments of the  
17 superior court.

18 The sheriff shall be entitled to fees as provided by law for the  
19 sheriff's services in levying execution on a superior court judgment  
20 and the clerk shall be entitled to a filing fee as provided by law,  
21 which shall be added to the amount of the warrant.

22 The proceeds received from any sale shall be credited upon the  
23 amount due under the warrant and when the final amount due is  
24 received, together with interest, penalties, and costs, the judgment  
25 docket shall show the claim for taxes to be satisfied and the clerk  
26 of the court shall so note upon the docket. Any surplus received from  
27 any sale of property shall be paid to the taxpayer or to any  
28 lienholder entitled thereto. If the return on the warrant shows that  
29 the same has not been satisfied in full, the amount of the deficiency  
30 shall remain the same as a judgment against the taxpayer which may be  
31 collected in the same manner as the original amount of the warrant.

32 **Sec. 291.** RCW 82.32.230 and 1983 1st ex.s. c 55 s 11 are each  
33 amended to read as follows:

34 In the discretion of the department of (~~revenue~~) taxation, an  
35 order of execution of like terms, force, and effect may be issued and  
36 directed to any agent of the department authorized to collect taxes,  
37 and in the execution thereof such agent shall have all the powers  
38 conferred by law upon sheriffs, but shall not be entitled to any fee

1 or compensation in excess of the actual expenses paid in the  
2 performance of such duty, which shall be added to the amount of the  
3 warrant.

4 **Sec. 292.** RCW 82.32.235 and 2014 c 210 s 2 and 2014 c 97 s 104  
5 are each reenacted and amended to read as follows:

6 (1) In addition to the remedies provided in this chapter the  
7 department is authorized to issue to any person, including the  
8 department, a notice and order to withhold and deliver property of  
9 any kind whatsoever when there is reason to believe that there is in  
10 the possession of such person, property which is or will become due,  
11 owing, or belonging to any taxpayer against whom a warrant has been  
12 filed.

13 (2) The sheriff of the county where the service is made, or his  
14 or her deputy, or any duly authorized representative of the  
15 department may personally serve the notice and order to withhold and  
16 deliver upon the person to whom it is directed or may do so by  
17 certified mail, with return receipt requested. Upon written consent  
18 of the person to be served, a notice and order to withhold and  
19 deliver issued under subsection (1) of this section may be served  
20 electronically.

21 (3)(a) The department is authorized to issue a notice and order  
22 to withhold and deliver to any financial institution in the form of a  
23 listing of all or a portion of the unsatisfied tax warrants filed  
24 under this chapter and outstanding warrants under RCW 49.48.086 with  
25 the clerk of the superior court of a county of the state, except tax  
26 warrants subject to a payment agreement, which is not in default,  
27 between the department and the taxpayer. The department may also  
28 issue a notice and order to withhold and deliver in the form  
29 authorized in this subsection (3)(a) to itself or any other person  
30 upon that person's written consent.

31 (b) The department may serve the notice and order to withhold and  
32 deliver authorized under this subsection electronically. The remedy  
33 in this subsection (3) is in addition to any other remedies  
34 authorized by law.

35 (c) No more than one notice and order to withhold and deliver  
36 under this subsection (3) may be served on the same person in a  
37 calendar month except upon the person's written consent.

38 (d) A notice and order to withhold and deliver served on a  
39 financial institution under this subsection (3) must include the

1 federal taxpayer identification number of each taxpayer listed in the  
2 notice.

3 (e) For purposes of this subsection, "financial institution"  
4 means a bank, trust company, mutual savings bank, savings and loan  
5 association, or credit union authorized to do business and accept  
6 deposits in this state under state or federal law.

7 (f) The department may provide a financial institution relief  
8 from a notice and order to withhold and deliver in the form provided  
9 under this subsection (3) upon the request of the financial  
10 institution. The department must consider the size, customer base,  
11 and geographic location of the financial institution when considering  
12 whether to provide relief. The department must serve any financial  
13 institution so relieved under subsection (1) of this section.

14 (4) Any person who has been served with a notice and order to  
15 withhold and deliver under subsection (1) of this section must answer  
16 the notice within twenty days, exclusive of the day of service. Any  
17 person who has been served with a notice and order to withhold and  
18 deliver under subsection (3) of this section must answer the notice  
19 within thirty days, exclusive of the day of service. The answer must  
20 be in writing, under oath if required by the department, and include  
21 true answers to the matters inquired of in the notice. Any person  
22 served under subsection (3) of this section may answer in aggregate  
23 within thirty days, but must answer separately as to each taxpayer  
24 listed and specify any property by taxpayer which is delivered. The  
25 department must allow any person served electronically as authorized  
26 in subsection (2) or (3) of this section to answer the notice and  
27 order to withhold and deliver electronically in a format provided or  
28 approved by the department.

29 (5) In the event there is in the possession of any person served  
30 with a notice and order to withhold and deliver, any property which  
31 may be subject to the claim of the department, such property must be  
32 delivered immediately to the department of (~~revenue~~) taxation or  
33 its duly authorized representative upon demand. The department must  
34 hold the property in trust for application on the indebtedness  
35 involved or for return, without interest, in accordance with final  
36 determination of liability or nonliability. Instead of delivering the  
37 property to the department or the department's duly authorized  
38 representative, the person may furnish a bond satisfactory to the  
39 department conditioned upon final determination of liability.

1 (6) Should any person, having been served with a notice and order  
2 to withhold and deliver, fail to answer the notice and order to  
3 withhold and deliver within the time prescribed in this section or  
4 otherwise fail to comply with the duties imposed in this section, the  
5 department may bring a proceeding, in the superior court of Thurston  
6 county or of the county in which service of the notice was made, to  
7 enforce the notice and order to withhold and deliver. The court may  
8 render judgment by default against such person for the full amount  
9 claimed by the department in the notice and order to withhold and  
10 deliver or may grant such other relief as the court deems just,  
11 together with costs.

12 (7) For purposes of this section, "person" has the same meaning  
13 as in RCW 82.04.030 and also includes any agency, department, or  
14 institution of the state.

15 **Sec. 293.** RCW 82.32.240 and 1994 c 221 s 69 are each amended to  
16 read as follows:

17 Any tax due and unpaid and all increases and penalties thereon,  
18 shall constitute a debt to the state and may be collected by court  
19 proceedings in the same manner as any other debt in like amount,  
20 which remedy shall be in addition to any and all other existing  
21 remedies.

22 In all cases of probate, insolvency, assignment for the benefit  
23 of creditors, or bankruptcy, involving any taxpayer who is, or  
24 decedent who was, engaging in business, the claim of the state for  
25 said taxes and all increases and penalties thereon shall be a lien  
26 upon all real and personal property of the taxpayer, and the mere  
27 existence of such cases or conditions shall be sufficient to create  
28 such lien without any prior or subsequent action by the state, and in  
29 all such cases it shall be the duty of all administrators, executors,  
30 guardians, receivers, trustees in bankruptcy or assignees for the  
31 benefit of creditors, to notify the department of (~~revenue~~)  
32 taxation of such administration, receivership or assignment within  
33 sixty days from the date of their appointment and qualification.

34 The lien provided for by this section shall attach as of the date  
35 of the assignment for the benefit of creditors or of the initiation  
36 of the probate, insolvency, or bankruptcy proceedings: PROVIDED, That  
37 this sentence shall not be construed as affecting the validity or  
38 priority of any earlier lien that may have attached previously in  
39 favor of the state under any other section of this title.

1 Any administrator, executor, guardian, receiver or assignee for  
2 the benefit of creditors not giving the notification as provided for  
3 above shall become personally liable for payment of the taxes and all  
4 increases and penalties thereon to the extent of the value of the  
5 property subject to administration that otherwise would have been  
6 available for the payment of such taxes, increases, and penalties by  
7 the administrator, executor, guardian, receiver, or assignee.

8 As used in this section, "probate" includes the nonprobate claim  
9 settlement procedure under chapter 11.42 RCW, and "executor" and  
10 "administrator" includes any notice agent acting under chapter 11.42  
11 RCW.

12 **Sec. 294.** RCW 82.32.260 and 2013 c 23 s 325 are each amended to  
13 read as follows:

14 In the case of any corporation organized under the laws of this  
15 state, the courts shall not enter or sign any decree of dissolution,  
16 nor shall the secretary of state file in his or her office any  
17 certificate of dissolution, and in the case of any corporation  
18 organized under the laws of another jurisdiction and admitted to do  
19 business in this state, the secretary of state shall withhold the  
20 issuance of any certificate of withdrawal, until proof, in the form  
21 of a certificate from the department of (~~revenue~~) taxation, has  
22 been furnished by the applicant for such dissolution or withdrawal,  
23 that every license fee, tax, increase, or penalty has been paid or  
24 provided for.

25 **Sec. 295.** RCW 82.32.270 and 2013 c 23 s 326 are each amended to  
26 read as follows:

27 The taxes imposed hereunder, and the returns required therefor,  
28 shall be upon a calendar year basis; but, if any taxpayer in  
29 transacting his or her business, keeps books reflecting the same on a  
30 basis other than the calendar year, he or she may, with consent of  
31 the department of (~~revenue~~) taxation, make his or her returns, and  
32 pay taxes upon the basis of his or her accounting period as shown by  
33 the method of keeping the books of his or her business.

34 **Sec. 296.** RCW 82.32.300 and 1997 c 420 s 9 are each amended to  
35 read as follows:

36 The administration of this and chapters 82.04 through 82.27 RCW  
37 of this title is vested in the department of (~~revenue~~) taxation



1 which shall prescribe forms and rules of procedure for the  
2 determination of the taxable status of any person, for the making of  
3 returns and for the ascertainment, assessment and collection of taxes  
4 and penalties imposed thereunder.

5 The department of (~~revenue~~) taxation shall make and publish  
6 rules and regulations, not inconsistent therewith, necessary to  
7 enforce provisions of this chapter and chapters 82.02 through 82.23B  
8 and 82.27 RCW, and the state liquor (~~control~~) and cannabis board  
9 shall make and publish rules necessary to enforce chapters 82.24 and  
10 82.26 RCW, which shall have the same force and effect as if  
11 specifically included therein, unless declared invalid by the  
12 judgment of a court of record not appealed from.

13 The department may employ such clerks, specialists, and other  
14 assistants as are necessary. Salaries and compensation of such  
15 employees shall be fixed by the department and shall be charged to  
16 the proper appropriation for the department.

17 The department shall exercise general supervision of the  
18 collection of taxes and, in the discharge of such duty, may institute  
19 and prosecute such suits or proceedings in the courts as may be  
20 necessary and proper.

21 **Sec. 297.** RCW 82.32.310 and 2013 c 23 s 327 are each amended to  
22 read as follows:

23 When recovery is had in any suit or proceeding against an  
24 officer, agent, or employee of the department of (~~revenue~~) taxation  
25 for any act done by him or her or for the recovery of any money  
26 exacted by or paid to him or her and by him or her paid over to the  
27 department, in the performance of his or her official duty, and the  
28 court certifies that there was probable cause for the act done by  
29 such officer, agent, or employee, or that he or she acted under the  
30 direction of the department or an officer thereof, no execution shall  
31 issue against such officer, agent, or employee, but the amount so  
32 recovered shall, upon final judgment, be paid by the department as an  
33 expense of operation.

34 **Sec. 298.** RCW 82.32.320 and 1995 c 318 s 7 are each amended to  
35 read as follows:

36 The department of (~~revenue~~) taxation, on the next business day  
37 following the receipt of any payments hereunder, shall transmit them  
38 to the state treasurer, taking his or her receipt therefor. If a

1 return or payment is submitted with less than the full amount of all  
2 taxes, interest, and penalties due, the department may allocate  
3 payments among applicable funds so as to minimize administrative  
4 costs to the extent practicable.

5 **Sec. 299.** RCW 82.32.330 and 2011 c 174 s 404 are each amended to  
6 read as follows:

7 (1) For purposes of this section:

8 (a) "Disclose" means to make known to any person in any manner  
9 whatever a return or tax information;

10 (b) "Return" means a tax or information return or claim for  
11 refund required by, or provided for or permitted under, the laws of  
12 this state which is filed with the department of (~~revenue~~) taxation  
13 by, on behalf of, or with respect to a person, and any amendment or  
14 supplement thereto, including supporting schedules, attachments, or  
15 lists that are supplemental to, or part of, the return so filed;

16 (c) "Tax information" means (i) a taxpayer's identity, (ii) the  
17 nature, source, or amount of the taxpayer's income, payments,  
18 receipts, deductions, exemptions, credits, assets, liabilities, net  
19 worth, tax liability deficiencies, overassessments, or tax payments,  
20 whether taken from the taxpayer's books and records or any other  
21 source, (iii) whether the taxpayer's return was, is being, or will be  
22 examined or subject to other investigation or processing, (iv) a part  
23 of a written determination that is not designated as a precedent and  
24 disclosed pursuant to RCW 82.32.410, or a background file document  
25 relating to a written determination, and (v) other data received by,  
26 recorded by, prepared by, furnished to, or collected by the  
27 department of (~~revenue~~) taxation with respect to the determination  
28 of the existence, or possible existence, of liability, or the amount  
29 thereof, of a person under the laws of this state for a tax, penalty,  
30 interest, fine, forfeiture, or other imposition, or offense. However,  
31 data, material, or documents that do not disclose information related  
32 to a specific or identifiable taxpayer do not constitute tax  
33 information under this section. Except as provided by RCW 82.32.410,  
34 nothing in this chapter requires any person possessing data,  
35 material, or documents made confidential and privileged by this  
36 section to delete information from such data, material, or documents  
37 so as to permit its disclosure;

1 (d) "State agency" means every Washington state office,  
2 department, division, bureau, board, commission, or other state  
3 agency;

4 (e) "Taxpayer identity" means the taxpayer's name, address,  
5 telephone number, registration number, or any combination thereof, or  
6 any other information disclosing the identity of the taxpayer; and

7 (f) "Department" means the department of (~~revenue~~) taxation or  
8 its officer, agent, employee, or representative.

9 (2) Returns and tax information are confidential and privileged,  
10 and except as authorized by this section, neither the department of  
11 (~~revenue~~) taxation nor any other person may disclose any return or  
12 tax information.

13 (3) This section does not prohibit the department of (~~revenue~~)  
14 taxation from:

15 (a) Disclosing such return or tax information in a civil or  
16 criminal judicial proceeding or an administrative proceeding:

17 (i) In respect of any tax imposed under the laws of this state if  
18 the taxpayer or its officer or other person liable under this title  
19 or chapter 83.100 RCW is a party in the proceeding;

20 (ii) In which the taxpayer about whom such return or tax  
21 information is sought and another state agency are adverse parties in  
22 the proceeding; or

23 (iii) Brought by the department under RCW 18.27.040 or 19.28.071;

24 (b) Disclosing, subject to such requirements and conditions as  
25 the director prescribes by rules adopted pursuant to chapter 34.05  
26 RCW, such return or tax information regarding a taxpayer to such  
27 taxpayer or to such person or persons as that taxpayer may designate  
28 in a request for, or consent to, such disclosure, or to any other  
29 person, at the taxpayer's request, to the extent necessary to comply  
30 with a request for information or assistance made by the taxpayer to  
31 such other person. However, tax information not received from the  
32 taxpayer must not be so disclosed if the director determines that  
33 such disclosure would compromise any investigation or litigation by  
34 any federal, state, or local government agency in connection with the  
35 civil or criminal liability of the taxpayer or another person, or  
36 that such disclosure would identify a confidential informant, or that  
37 such disclosure is contrary to any agreement entered into by the  
38 department that provides for the reciprocal exchange of information  
39 with other government agencies which agreement requires  
40 confidentiality with respect to such information unless such

1 information is required to be disclosed to the taxpayer by the order  
2 of any court;

3 (c) Disclosing the name of a taxpayer against whom a warrant  
4 under RCW 82.32.210 has been either issued or filed and remains  
5 outstanding for a period of at least ten working days. The department  
6 is not required to disclose any information under this subsection if  
7 a taxpayer has entered a deferred payment arrangement with the  
8 department for the payment of a warrant that has not been filed and  
9 is making payments upon such deficiency that will fully satisfy the  
10 indebtedness within twelve months;

11 (d) Publishing statistics so classified as to prevent the  
12 identification of particular returns or reports or items thereof;

13 (e) Disclosing such return or tax information, for official  
14 purposes only, to the governor or attorney general, or to any state  
15 agency, or to any committee or subcommittee of the legislature  
16 dealing with matters of taxation, revenue, trade, commerce, the  
17 control of industry or the professions;

18 (f) Permitting the department of (~~revenue's~~) taxation's records  
19 to be audited and examined by the proper state officer, his or her  
20 agents and employees;

21 (g) Disclosing any such return or tax information to a peace  
22 officer as defined in RCW 9A.04.110 or county prosecuting attorney,  
23 for official purposes. The disclosure may be made only in response to  
24 a search warrant, subpoena, or other court order, unless the  
25 disclosure is for the purpose of criminal tax enforcement. A peace  
26 officer or county prosecuting attorney who receives the return or tax  
27 information may disclose that return or tax information only for use  
28 in the investigation and a related court proceeding, or in the court  
29 proceeding for which the return or tax information originally was  
30 sought;

31 (h) Disclosing any such return or tax information to the proper  
32 officer of the internal revenue service of the United States, the  
33 Canadian government or provincial governments of Canada, or to the  
34 proper officer of the tax department of any state or city or town or  
35 county, for official purposes, but only if the statutes of the United  
36 States, Canada or its provincial governments, or of such other state  
37 or city or town or county, as the case may be, grants substantially  
38 similar privileges to the proper officers of this state;

39 (i) Disclosing any such return or tax information to the United  
40 States department of justice, including the bureau of alcohol,

1 tobacco, firearms and explosives, the department of defense, the  
2 immigration and customs enforcement and the customs and border  
3 protection agencies of the United States department of homeland  
4 security, the United States coast guard, the alcohol and tobacco tax  
5 and trade bureau of the United States department of treasury, and the  
6 United States department of transportation, or any authorized  
7 representative of these federal agencies, for official purposes;

8 (j) Publishing or otherwise disclosing the text of a written  
9 determination designated by the director as a precedent pursuant to  
10 RCW 82.32.410;

11 (k) Disclosing, in a manner that is not associated with other tax  
12 information, the taxpayer name, entity type, business address,  
13 mailing address, revenue tax registration numbers, reseller permit  
14 numbers and the expiration date and status of such permits, North  
15 American industry classification system or standard industrial  
16 classification code of a taxpayer, and the dates of opening and  
17 closing of business. This subsection may not be construed as giving  
18 authority to the department to give, sell, or provide access to any  
19 list of taxpayers for any commercial purpose;

20 (l) Disclosing such return or tax information that is also  
21 maintained by another Washington state or local governmental agency  
22 as a public record available for inspection and copying under the  
23 provisions of chapter 42.56 RCW or is a document maintained by a  
24 court of record and is not otherwise prohibited from disclosure;

25 (m) Disclosing such return or tax information to the United  
26 States department of agriculture for the limited purpose of  
27 investigating food stamp fraud by retailers;

28 (n) Disclosing to a financial institution, escrow company, or  
29 title company, in connection with specific real property that is the  
30 subject of a real estate transaction, current amounts due the  
31 department for a filed tax warrant, judgment, or lien against the  
32 real property;

33 (o) Disclosing to a person against whom the department has  
34 asserted liability as a successor under RCW 82.32.140 return or tax  
35 information pertaining to the specific business of the taxpayer to  
36 which the person has succeeded;

37 (p) Disclosing real estate excise tax affidavit forms filed under  
38 RCW 82.45.150 in the possession of the department, including real  
39 estate excise tax affidavit forms for transactions exempt or  
40 otherwise not subject to tax;

1 (q) Disclosing to local taxing jurisdictions the identity of  
2 sellers granted relief under RCW 82.32.430(5)(b)(i) and the period  
3 for which relief is granted;

4 (r) Disclosing such return or tax information to the court in  
5 respect to the department's application for a subpoena under RCW  
6 82.32.117;

7 (s) Disclosing to a person against whom the department has  
8 asserted liability under RCW 83.100.120 return or tax information  
9 pertaining to that person's liability for tax under chapter 83.100  
10 RCW;

11 (t) Disclosing such return or tax information to the streamlined  
12 sales tax governing board, member states of the streamlined sales tax  
13 governing board, or authorized representatives of such board or  
14 states, for the limited purposes of:

15 (i) Conducting on behalf of member states sales and use tax  
16 audits of taxpayers; or

17 (ii) Auditing certified service providers or certified automated  
18 systems providers; or

19 (u) Disclosing any such return or tax information when the  
20 disclosure is specifically authorized under any other section of the  
21 Revised Code of Washington.

22 (4)(a) The department may disclose return or taxpayer information  
23 to a person under investigation or during any court or administrative  
24 proceeding against a person under investigation as provided in this  
25 subsection (4). The disclosure must be in connection with the  
26 department's official duties relating to an audit, collection  
27 activity, or a civil or criminal investigation. The disclosure may  
28 occur only when the person under investigation and the person in  
29 possession of data, materials, or documents are parties to the return  
30 or tax information to be disclosed. The department may disclose  
31 return or tax information such as invoices, contracts, bills,  
32 statements, resale or exemption certificates, or checks. However, the  
33 department may not disclose general ledgers, sales or cash receipt  
34 journals, check registers, accounts receivable/payable ledgers,  
35 general journals, financial statements, expert's workpapers, income  
36 tax returns, state tax returns, tax return workpapers, or other  
37 similar data, materials, or documents.

38 (b) Before disclosure of any tax return or tax information under  
39 this subsection (4), the department must, through written  
40 correspondence, inform the person in possession of the data,

1 materials, or documents to be disclosed. The correspondence must  
2 clearly identify the data, materials, or documents to be disclosed.  
3 The department may not disclose any tax return or tax information  
4 under this subsection (4) until the time period allowed in (c) of  
5 this subsection has expired or until the court has ruled on any  
6 challenge brought under (c) of this subsection.

7 (c) The person in possession of the data, materials, or documents  
8 to be disclosed by the department has twenty days from the receipt of  
9 the written request required under (b) of this subsection to petition  
10 the superior court of the county in which the petitioner resides for  
11 injunctive relief. The court must limit or deny the request of the  
12 department if the court determines that:

13 (i) The data, materials, or documents sought for disclosure are  
14 cumulative or duplicative, or are obtainable from some other source  
15 that is more convenient, less burdensome, or less expensive;

16 (ii) The production of the data, materials, or documents sought  
17 would be unduly burdensome or expensive, taking into account the  
18 needs of the department, the amount in controversy, limitations on  
19 the petitioner's resources, and the importance of the issues at  
20 stake; or

21 (iii) The data, materials, or documents sought for disclosure  
22 contain trade secret information that, if disclosed, could harm the  
23 petitioner.

24 (d) The department must reimburse reasonable expenses for the  
25 production of data, materials, or documents incurred by the person in  
26 possession of the data, materials, or documents to be disclosed.

27 (e) Requesting information under (b) of this subsection that may  
28 indicate that a taxpayer is under investigation does not constitute a  
29 disclosure of tax return or tax information under this section.

30 (5) Service of a subpoena issued under RCW 82.32.117 does not  
31 constitute a disclosure of return or tax information under this  
32 section. Notwithstanding anything else to the contrary in this  
33 section, a person served with a subpoena under RCW 82.32.117 may  
34 disclose the existence or content of the subpoena to that person's  
35 legal counsel.

36 (6) Any person acquiring knowledge of any return or tax  
37 information in the course of his or her employment with the  
38 department of (~~revenue~~) taxation and any person acquiring knowledge  
39 of any return or tax information as provided under subsection (3)  
40 (e), (f), (g), (h), (i), or (m) of this section, who discloses any

1 such return or tax information to another person not entitled to  
2 knowledge of such return or tax information under the provisions of  
3 this section, is guilty of a misdemeanor. If the person guilty of  
4 such violation is an officer or employee of the state, such person  
5 must forfeit such office or employment and is incapable of holding  
6 any public office or employment in this state for a period of two  
7 years thereafter.

8       **Sec. 300.** RCW 82.32.340 and 1989 c 78 s 3 are each amended to  
9 read as follows:

10       (1) Any tax or penalty which the department of (~~revenue~~)  
11 taxation deems to be uncollectible may be transferred from accounts  
12 receivable to a suspense account and cease to be accounted an asset.  
13 Any item transferred shall continue to be a debt due the state from  
14 the taxpayer and may at any time within twelve years from the filing  
15 of a warrant covering such amount with the clerk of the superior  
16 court be transferred back to accounts receivable for the purpose of  
17 collection. The department of (~~revenue~~) taxation may charge off as  
18 finally uncollectible any tax or penalty which it deems uncollectible  
19 at any time after twelve years from the date that the last tax return  
20 for the delinquent taxpayer was or should have been filed if the  
21 department of (~~revenue~~) taxation is satisfied that there are no  
22 cost-effective means of collecting the tax or penalty.

23       After any tax or penalty has been charged off as finally  
24 uncollectible under the provisions of this section, the department of  
25 (~~revenue~~) taxation may destroy any or all files and records  
26 pertaining to the liability of any taxpayer for such tax or penalty.

27       The department of (~~revenue~~) taxation, subject to the approval  
28 of the state records committee, may at the expiration of five years  
29 after the close of any taxable year, destroy any or all files and  
30 records pertaining to the tax liability of any taxpayer for such  
31 taxable year, who has fully paid all taxes, penalties and interest  
32 for such taxable year, or any preceding taxable year for which such  
33 taxes, penalties and interest have been fully paid. In the event that  
34 such files and records are reproduced on film pursuant to RCW  
35 40.20.020 for use in accordance with RCW 40.20.030, the original  
36 files and records may be destroyed immediately after reproduction and  
37 such reproductions may be destroyed at the expiration of the above  
38 five-year period, subject to the approval of the state records  
39 committee.



1 (2) Notwithstanding subsection (1) of this section, the  
2 department may charge off any tax within its jurisdiction to collect  
3 that is owed by a taxpayer, including any penalty or interest  
4 thereon, if the department ascertains that the cost of collecting  
5 that tax would be greater than the total amount which is owed or  
6 likely in the near future to be owed by, and collectible from, the  
7 taxpayer.

8 **Sec. 301.** RCW 82.32.360 and 1975 1st ex.s. c 278 s 93 are each  
9 amended to read as follows:

10 Upon approval of such agreement, evidenced by execution thereof  
11 by the department of (~~revenue~~) taxation and the person so agreeing,  
12 the agreement shall be final and conclusive as to tax liability or  
13 tax immunity covered thereby, and, except upon a showing of fraud or  
14 malfeasance, or of misrepresentation of a material fact:

15 (1) The case shall not be reopened as to the matters agreed upon,  
16 or the agreement modified, by any officer, employee, or agent of the  
17 state, or the taxpayer, and

18 (2) In any suit, action or proceeding, such agreement, or any  
19 determination, assessment, collection, payment, abatement, refund, or  
20 credit made in accordance therewith, shall not be annulled, modified,  
21 set aside, or disregarded.

22 **Sec. 302.** RCW 82.32.394 and 1998 c 115 s 7 are each amended to  
23 read as follows:

24 The department of (~~revenue~~) taxation shall deposit into the  
25 advanced environmental mitigation revolving account, created in RCW  
26 47.12.340, all moneys received from the imposition on consumers of  
27 the taxes under chapters 82.08 and 82.12 RCW on the sales or use of  
28 leaded racing fuel which is exempted from the motor vehicle fuel tax  
29 under RCW 82.38.081.

30 **Sec. 303.** RCW 82.32.410 and 2005 c 274 s 362 are each amended to  
31 read as follows:

32 (1) The director may designate certain written determinations as  
33 precedents.

34 (a) By rule adopted pursuant to chapter 34.05 RCW, the director  
35 shall adopt criteria which he or she shall use to decide whether a  
36 determination is precedential. These criteria shall include, but not  
37 be limited to, whether the determination clarifies an unsettled

1 interpretation of Title 82 RCW or where the determination modifies or  
2 clarifies an earlier interpretation.

3 (b) Written determinations designated as precedents by the  
4 director shall be made available for public inspection and shall be  
5 published by the department.

6 (c) The department shall disclose any written determination upon  
7 which it relies to support any assessment of tax, interest, or  
8 penalty against such taxpayer, after making the deletions provided by  
9 subsection (2) of this section.

10 (2) Before making a written determination available for public  
11 inspection under subsection (1) of this section, the department shall  
12 delete:

13 (a) The names, addresses, and other identifying details of the  
14 person to whom the written determination pertains and of another  
15 person identified in the written determination; and

16 (b) Information the disclosure of which is specifically  
17 prohibited by any statute applicable to the department of (~~revenue~~)  
18 taxation, and the department may also delete other information  
19 exempted from disclosure by chapter 42.56 RCW or any other statute  
20 applicable to the department of (~~revenue~~) taxation.

21 **Sec. 304.** RCW 82.32.532 and 2010 c 111 s 701 are each amended to  
22 read as follows:

23 (1) For purposes of the taxes imposed in this title, the  
24 department of (~~revenue~~) taxation may not consider a person's  
25 ownership of, or rights in, computer software as defined in RCW  
26 82.04.215, including computer software used in providing a digital  
27 automated service; master copies of software; digital goods or  
28 digital codes residing on servers located in this state in  
29 determining whether the person has substantial nexus with this state.

30 (2) For purposes of this section, "substantial nexus" means the  
31 requisite connection that a person has with a state to allow the  
32 state to subject the person to the state's taxing authority,  
33 consistent with the commerce clause of the United States  
34 Constitution.

35 **Sec. 305.** RCW 82.32.533 and 2010 c 111 s 801 are each amended to  
36 read as follows:

37 (1) Except as provided in subsection (2) of this section, no  
38 person may be held liable for the failure to collect or pay state and

1 local sales and use taxes accrued before July 26, 2009, on the sale  
2 or use of digital goods or of services defined as a retail sale in  
3 RCW 82.04.050(2)(a) and rendered in respect to digital goods.

4 (2) Subsection (1) of this section does not relieve any person  
5 from liability for state and local sales taxes that the person  
6 collected from buyers but did not remit to the department of  
7 (~~revenue~~) taxation.

8 (3) Nothing in this section may be construed as authorizing the  
9 refund of state and local sales and use taxes properly paid on the  
10 sale or use, before July 26, 2009, of digital goods or of services  
11 defined as a retail sale in RCW 82.04.050(2)(a) and rendered in  
12 respect to digital goods.

13 (4) A person is not entitled to a credit or refund of any  
14 business and occupation tax paid in excess of that properly due as a  
15 result of the person paying tax on its income earned from the sale of  
16 eligible digital products and services at the tax rate provided in  
17 RCW 82.04.290(2)(a) rather than the tax rate provided in RCW  
18 82.04.250(1), unless the person requesting the credit or refund has  
19 paid the proper amount of state and local sales taxes due on the  
20 sales of the eligible digital products and services that generated  
21 the income in respect to which the business and occupation tax credit  
22 or refund is sought. For purposes of this subsection, "eligible  
23 digital products and services" means: (a) Digital goods; and (b)  
24 services defined as a retail sale in RCW 82.04.050(2)(a) and rendered  
25 in respect to digital goods.

26 (5) For purposes of this section, "digital goods" has the same  
27 meaning as in RCW 82.04.192.

28 **Sec. 306.** RCW 82.32.580 and 2017 3rd sp.s. c 37 s 902 are each  
29 amended to read as follows:

30 (1) The governing board of a nonprofit organization, corporation,  
31 or association may apply for deferral of taxes on an eligible  
32 project. Application must be made to the department in a form and  
33 manner prescribed by the department. The application must contain  
34 information regarding the location of the project, estimated or  
35 actual costs of the project, time schedules for completion and  
36 operation of the project, and other information required by the  
37 department. The department must rule on the application within sixty  
38 days. All applications for the tax deferral under this section must  
39 be received no later than December 31, 2008.

1 (2) The department must issue a sales and use tax deferral  
2 certificate for state and local sales and use taxes due under  
3 chapters 82.08, 82.12, and 82.14 RCW on each eligible project.

4 (3) The nonprofit organization, corporation, or association must  
5 begin paying the deferred taxes in the tenth year after the date  
6 certified by the department as the date on which the eligible project  
7 is operationally complete. The first payment is due on December 31st  
8 of the tenth calendar year after such certified date, with subsequent  
9 annual payments due on December 31st of the following nine years.  
10 Each payment must equal ten percent of the deferred tax.

11 (4) The department may authorize an accelerated repayment  
12 schedule upon request of the nonprofit organization, corporation, or  
13 association.

14 (5) Except as provided in subsection (6) of this section,  
15 interest may not be charged on any taxes deferred under this section  
16 for the period of deferral. The debt for deferred taxes is not  
17 extinguished by insolvency or other failure of the nonprofit  
18 organization, corporation, or association.

19 (6) If the project is not operationally complete within five  
20 calendar years from issuance of the tax deferral or if at any time  
21 the department finds that the project is not eligible for tax  
22 deferral under this section, the amount of deferred taxes outstanding  
23 for the project is immediately due and payable. If deferred taxes  
24 must be repaid under this subsection, the department must assess  
25 interest, but not penalties, on amounts due under this subsection.  
26 Interest must be assessed at the rate provided for delinquent taxes  
27 under this chapter, retroactively to the date of deferral, and  
28 accrues until the deferred taxes due are repaid.

29 (7) Applications and any other information received by the  
30 department of (~~revenue~~) taxation under this section are not  
31 confidential under RCW 82.32.330. This chapter applies to the  
32 administration of this section.

33 (8) This section applies to taxable eligible project activity  
34 that occurs on or after July 1, 2007.

35 (9) The definitions in this subsection apply throughout this  
36 section unless the context clearly requires otherwise.

37 (a) "Eligible project" means a project that is used primarily for  
38 a historic automobile museum.

39 (b) "Historic automobile museum" means a facility owned and  
40 operated by a nonprofit organization, corporation, or association

1 that is used to maintain and exhibit to the public a collection of at  
2 least five hundred motor vehicles.

3 (c) "Nonprofit organization, corporation, or association" means  
4 an organization, corporation, or association exempt from tax under  
5 section 501(c) (3), (4), or (10) of the federal internal revenue code  
6 (26 U.S.C. Sec. 501(c) (3), (4), or (10)).

7 (d) "Project" means the construction of new structures, the  
8 acquisition and installation of fixtures that are permanently affixed  
9 to and become a physical part of those structures, and site  
10 preparation. For purposes of this subsection, structures do not  
11 include parking facilities used for motor vehicles that are not on  
12 display or part of the museum collection.

13 (e) "Site preparation" includes soil testing, site clearing and  
14 grading, demolition, or any other related activities that are  
15 initiated before construction. Site preparation does not include  
16 landscaping services or landscaping materials.

17 **Sec. 307.** RCW 82.32.785 and 2010 c 112 s 5 are each amended to  
18 read as follows:

19 The department of (~~revenue~~) taxation must, by January 1, 2011,  
20 develop a system, as resources permit, allowing sellers to  
21 voluntarily verify through electronic means whether their customers'  
22 reseller permits are valid.

23 **Sec. 308.** RCW 82.32.790 and 2017 3rd sp.s. c 37 s 526 are each  
24 amended to read as follows:

25 (1)(a) Sections 510, 512, 514, 516, 518, 520, 522, and 524,  
26 chapter 37, Laws of 2017 3rd sp. sess., sections 9, 13, 17, 22, 24,  
27 30, 32, and 45, chapter 135, Laws of 2017, sections 104, 110, 117,  
28 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, and sections  
29 1, 2, 3, and 5 through 10, chapter 149, Laws of 2003 are contingent  
30 upon the siting and commercial operation of a significant  
31 semiconductor microchip fabrication facility in the state of  
32 Washington by January 1, 2024.

33 (b) For the purposes of this section:

34 (i) "Commercial operation" means the same as "commencement of  
35 commercial production" as used in RCW 82.08.965.

36 (ii) "Semiconductor microchip fabrication" means "manufacturing  
37 semiconductor microchips" as defined in RCW 82.04.426.

1 (iii) "Significant" means the combined investment of new  
2 buildings and new machinery and equipment in the buildings, at the  
3 commencement of commercial production, will be at least one billion  
4 dollars.

5 (2) The sections referenced in subsection (1) of this section  
6 take effect the first day of the month in which a contract for the  
7 construction of a significant semiconductor fabrication facility is  
8 signed, if the contract is signed and received by January 1, 2024, as  
9 determined by the director of the department of (~~revenue~~) taxation.

10 (3) (a) The department of (~~revenue~~) taxation must provide notice  
11 of the effective date of the sections referenced in subsection (1) of  
12 this section to affected taxpayers, the legislature, and others as  
13 deemed appropriate by the department.

14 (b) If, after making a determination that a contract has been  
15 signed and the sections referenced in subsection (1) of this section  
16 are effective, the department discovers that commencement of  
17 commercial production did not take place within three years of the  
18 date the contract was signed, the department must make a  
19 determination that chapter 149, Laws of 2003 is no longer effective,  
20 and all taxes that would have been otherwise due are deemed deferred  
21 taxes and are immediately assessed and payable from any person  
22 reporting tax under RCW 82.04.240(2) or claiming an exemption or  
23 credit under RCW 82.04.426, 82.04.448, 82.08.965, 82.12.965,  
24 82.08.970, 82.12.970, or 84.36.645. The department is not authorized  
25 to make a second determination regarding the effective date of the  
26 sections referenced in subsection (1) of this section.

27 (4) (a) This section expires January 1, 2024, if the contingency  
28 in subsection (2) of this section does not occur by January 1, 2024,  
29 as determined by the department.

30 (b) The department must provide written notice of the expiration  
31 date of this section and the sections referenced in subsection (1) of  
32 this section to affected taxpayers, the legislature, and others as  
33 deemed appropriate by the department.

34 **Sec. 309.** RCW 82.32.900 and 2014 c 216 s 209 are each amended to  
35 read as follows:

36 (1) The department of licensing must convene a work group that  
37 includes, at a minimum, representatives from the department of  
38 transportation, the trucking industry, manufacturers of compressed

1 natural gas and liquefied natural gas, and any other stakeholders as  
2 deemed necessary, for the following purposes:

3 (a) To evaluate the annual license fee in lieu of fuel tax under  
4 RCW 82.38.075 to determine a fee that more closely represents the  
5 average consumption of vehicles by weight and to make recommendations  
6 to the transportation committees of the legislature by December 1,  
7 2014, on an updated fee schedule.

8 (b) To develop a transition plan to move vehicles powered by  
9 liquefied natural gas and compressed natural gas from the annual  
10 license fee in lieu of fuel tax to the fuel tax under RCW 82.38.030.  
11 The transition plan must incorporate stakeholder feedback and must  
12 include draft legislation and cost and revenue estimates. The  
13 transition plan must be submitted to the transportation committees of  
14 the legislature by December 1, 2015.

15 (2) The department of (~~revenue~~) taxation must convene a work  
16 group that includes, at a minimum, representatives from the  
17 department of transportation, the marine shipping industry,  
18 manufacturers of liquefied natural gas, and any other stakeholders as  
19 deemed necessary, for the purpose of examining the appropriate level  
20 and manner of taxing liquefied natural gas used for marine vessel  
21 transportation. The department must make recommendations to the  
22 fiscal committees of the legislature by December 1, 2025.

23 **Sec. 310.** RCW 82.32A.005 and 1991 c 142 s 2 are each amended to  
24 read as follows:

25 (1) The legislature finds that taxes are one of the most  
26 sensitive points of contact between citizens and their government,  
27 and that there is a delicate balance between revenue collection and  
28 taxpayers' rights and responsibilities. The rights, privacy, and  
29 property of Washington taxpayers should be protected adequately  
30 during the process of the assessment and collection of taxes.

31 (2) The legislature further finds that the Washington tax system  
32 is based largely on voluntary compliance and that taxpayers have a  
33 responsibility to inform themselves about applicable tax laws. The  
34 legislature also finds that the rights of the taxpayers and their  
35 attendant responsibilities are best implemented where the department  
36 of (~~revenue~~) taxation provides accurate tax information,  
37 instructions, forms, administrative policies, and procedures to  
38 assist taxpayers to voluntarily comply with the provisions of the

1 revenue act, Title 82 RCW, and where taxpayers cooperate in the  
2 administration of these provisions.

3 **Sec. 311.** RCW 82.32A.010 and 1991 c 142 s 3 are each amended to  
4 read as follows:

5 The department of (~~revenue~~) taxation shall administer this  
6 chapter. The department of (~~revenue~~) taxation shall adopt or amend  
7 rules as may be necessary to fully implement this chapter and the  
8 rights established under this chapter.

9 **Sec. 312.** RCW 82.32A.020 and 1991 c 142 s 4 are each amended to  
10 read as follows:

11 The taxpayers of the state of Washington have:

12 (1) The right to a written explanation of the basis for any tax  
13 deficiency assessment, interest, and penalties at the time the  
14 assessments are issued;

15 (2) The right to rely on specific, official written advice and  
16 written tax reporting instructions from the department of (~~revenue~~)  
17 taxation to that taxpayer, and to have interest, penalties, and in  
18 some instances, tax deficiency assessments waived where the taxpayer  
19 has so relied to their proven detriment;

20 (3) The right to redress and relief where tax laws or rules are  
21 found to be unconstitutional by the final decision of a court of  
22 record and the right to prompt administrative remedies in such cases;

23 (4) The right to confidentiality and protection from public  
24 inquiry regarding financial and business information in the  
25 possession of the department of (~~revenue~~) taxation in accordance  
26 with the requirements of RCW 82.32.330;

27 (5) The right to receive, upon request, clear and current tax  
28 instructions, rules, procedures, forms, and other tax information;  
29 and

30 (6) The right to a prompt and independent administrative review  
31 by the department of (~~revenue~~) taxation of a decision to revoke a  
32 tax registration, and to a written determination that either sustains  
33 the revocation or reinstates the registration.

34 **Sec. 313.** RCW 82.32A.030 and 1991 c 142 s 5 are each amended to  
35 read as follows:



1 To ensure consistent application of the revenue laws, taxpayers  
2 have certain responsibilities under chapter 82.32 RCW, including, but  
3 not limited to, the responsibility to:

4 (1) Register with the department of (~~revenue~~) taxation;

5 (2) Know their tax reporting obligations, and when they are  
6 uncertain about their obligations, seek instructions from the  
7 department of (~~revenue~~) taxation;

8 (3) Keep accurate and complete business records;

9 (4) File accurate returns and pay taxes in a timely manner;

10 (5) Ensure the accuracy of the information entered on their tax  
11 returns;

12 (6) Substantiate claims for refund;

13 (7) Timely pay all taxes after closing a business and request  
14 cancellation of registration number; and

15 (8) Timely respond to communications from the department of  
16 (~~revenue~~) taxation.

17 **Sec. 314.** RCW 82.32A.050 and 1991 c 142 s 7 are each amended to  
18 read as follows:

19 The department of (~~revenue~~) taxation shall maintain a taxpayer  
20 services program consisting of, but not limited to:

21 (1) Providing taxpayer assistance in the form of information,  
22 education, and instruction in person, by telephone, or by  
23 correspondence;

24 (2) Conducting tax workshops at locations most conveniently  
25 accessible to the majority of taxpayers affected; and

26 (3) Publishing written bulletins, instructions, current revenue  
27 laws, rules, court decisions, and interpretive rulings of the  
28 department of (~~revenue~~) taxation.

29 **Sec. 315.** RCW 82.33.020 and 2015 c 3 s 14 are each reenacted and  
30 amended to read as follows:

31 (1) Four times each year the supervisor must prepare, subject to  
32 the approval of the economic and revenue forecast council under RCW  
33 82.33.010:

34 (a) An official state economic and revenue forecast;

35 (b) An unofficial state economic and revenue forecast based on  
36 optimistic economic and revenue projections; and

37 (c) An unofficial state economic and revenue forecast based on  
38 pessimistic economic and revenue projections.

1 (2) The supervisor must submit forecasts prepared under this  
2 section, along with any unofficial forecasts provided under RCW  
3 82.33.010, to the governor and the members of the committees on ways  
4 and means and the chairs of the committees on transportation of the  
5 senate and house of representatives, including one copy to the staff  
6 of each of the committees, on or before November 20th, February 20th  
7 in the even-numbered years, March 20th in the odd-numbered years,  
8 June 27th, and September 27th. In fiscal year 2015, the March 20th  
9 forecast shall be submitted on or before February 20, 2015. All  
10 forecasts must include both estimated receipts and estimated revenues  
11 in conformance with generally accepted accounting principles as  
12 provided by RCW 43.88.037. In odd-numbered years, the period covered  
13 by forecasts for the state general fund and related funds must cover  
14 the current fiscal biennium and the next ensuing fiscal biennium. In  
15 even-numbered years, the period covered by the forecasts for the  
16 state general fund and related funds shall be current fiscal and the  
17 next two ensuing fiscal biennia.

18 (3) All agencies of state government must provide to the  
19 supervisor immediate access to all information relating to economic  
20 and revenue forecasts. Revenue collection information must be  
21 available to the supervisor the first business day following the  
22 conclusion of each collection period.

23 (4) The economic and revenue forecast supervisor and staff must  
24 collocate and share information, data, and files with the tax research  
25 section of the department of (~~revenue~~) taxation but may not  
26 duplicate the duties and functions of one another.

27 (5) As part of its forecasts under subsection (1) of this  
28 section, the supervisor must provide estimated revenue from tuition  
29 fees as defined in RCW 28B.15.020.

30 (6) The economic and revenue forecast council must, in  
31 consultation with the economic and revenue forecast work group  
32 created in RCW 82.33.040, review the existing economic and revenue  
33 forecast council revenue model, data, and methodologies and in light  
34 of recent economic changes, engage outside experts if necessary, and  
35 recommend changes to the economic and revenue forecast council  
36 revenue forecasting process to increase confidence and promote  
37 accuracy in the revenue forecast. The recommendations are due by  
38 September 30, 2012, and every five years thereafter.

1       **Sec. 316.** RCW 82.33.040 and 1986 c 158 s 23 are each amended to  
2 read as follows:

3       (1) To promote the free flow of information and to promote  
4 legislative input in the preparation of forecasts, immediate access  
5 to all information relating to economic and revenue forecasts shall  
6 be available to the economic and revenue forecast work group, hereby  
7 created. Revenue collection information shall be available to the  
8 economic and revenue forecast work group the first business day  
9 following the conclusion of each collection period. The economic and  
10 revenue forecast work group shall consist of one staff member  
11 selected by the executive head or chairperson of each of the  
12 following agencies or committees:

- 13       (a) Department of (~~revenue~~) taxation;
- 14       (b) Office of financial management;
- 15       (c) Legislative evaluation and accountability program committee;
- 16       (d) Ways and means committee of the senate; and
- 17       (e) Ways and means committee of the house of representatives.

18       (2) The economic and revenue forecast work group shall provide  
19 technical support to the economic and revenue forecast council.  
20 Meetings of the economic and revenue forecast work group may be  
21 called by any member of the group for the purpose of assisting the  
22 economic and revenue forecast council, reviewing the state economic  
23 and revenue forecasts, or reviewing monthly revenue collection data  
24 or for any other purpose which may assist the economic and revenue  
25 forecast council.

26       **Sec. 317.** RCW 82.34.010 and 1988 c 127 s 36 are each amended to  
27 read as follows:

28       Unless a different meaning is plainly required by the context,  
29 the following words as hereinafter used in this chapter shall have  
30 the following meanings:

31       (1) "Facility" shall mean an "air pollution control facility" or  
32 a "water pollution control facility" as herein defined: (a) "Air  
33 pollution control facility" includes any treatment works, control  
34 devices and disposal systems, machinery, equipment, structures,  
35 property or any part or accessories thereof, installed or acquired  
36 for the primary purpose of reducing, controlling or disposing of  
37 industrial waste which if released to the outdoor atmosphere could  
38 cause air pollution. "Air pollution control facility" shall not mean  
39 any motor vehicle air pollution control devices used to control the

1 emission of air contaminants from any motor vehicle. (b) "Water  
2 pollution control facility" includes any treatment works, control  
3 device or disposal system, machinery, equipment, structures, property  
4 or any accessories thereof installed or acquired for the primary  
5 purpose of reducing, controlling or disposing of sewage and  
6 industrial waste which if released to a water course could cause  
7 water pollution: PROVIDED, That the word "facility" shall not be  
8 construed to include any control device, machinery, equipment,  
9 structure, disposal system or other property installed or  
10 constructed: For a municipal corporation other than for coal-fired,  
11 steam electric generating plants constructed and operated pursuant to  
12 chapter 54.44 RCW for which an application for a certificate was made  
13 no later than December 31, 1969, together with any air or water  
14 pollution control facility improvement which may be made hereafter to  
15 such plants; or for the primary purpose of connecting any commercial  
16 establishment with the waste collecting facilities of public or  
17 privately owned utilities: PROVIDED FURTHER, That the word "facility"  
18 shall not include any control device, machinery, equipment,  
19 structure, disposal system, or other property installed or  
20 constructed with the proceeds derived from the sale of industrial  
21 revenue bonds issued under chapter 39.84 RCW.

22 (2) "Industrial waste" shall mean any liquid, gaseous,  
23 radioactive or solid waste substance or combinations thereof  
24 resulting from any process of industry, manufacture, trade or  
25 business, or from the development or recovery of any natural  
26 resources.

27 (3) "Treatment works" or "control device" shall mean any  
28 machinery, equipment, structure or property which is installed,  
29 constructed or acquired for the primary purpose of controlling air or  
30 water pollution and shall include, but shall not be limited to such  
31 devices as precipitators, scrubbers, towers, filters, baghouses,  
32 incinerators, evaporators, reservoirs, aerators used for the purpose  
33 of treating, stabilizing, incinerating, holding, removing or  
34 isolating sewage and industrial wastes.

35 (4) "Disposal system" shall mean any system containing treatment  
36 works or control devices and includes but is not limited to  
37 pipelines, outfalls, conduits, pumping stations, force mains, solids  
38 handling equipment, instrumentation and monitoring equipment, ducts,  
39 fans, vents, hoods and conveyors and all other construction, devices,  
40 appurtenances and facilities used for collecting or conducting,

1 sewage and industrial waste to a point of disposal, treatment or  
2 isolation except that which is necessary to manufacture of products.

3 (5) "Certificate" shall mean a pollution control tax exemption  
4 and credit certificate for which application has been made not later  
5 than December 31, 1969, except as follows:

6 (a) With respect to a facility required to be installed, such  
7 application will be deemed timely made if made not later than  
8 November 30, 1981, and within one year after the effective date of  
9 specific requirements for such facility promulgated by the  
10 appropriate control agency.

11 (b) With respect to a water pollution control facility for which  
12 an application was made in anticipation of specific requirements for  
13 such facility being promulgated by the appropriate control agency, an  
14 application will be deemed timely made if made during November, 1981,  
15 and subsequently denied, and if an appeal of the agency's denial of  
16 the application was filed in a timely manner.

17 (c) With respect to a facility for which plans and specifications  
18 were approved by the appropriate control agency, an application will  
19 be deemed timely made if made during November, 1981, and subsequently  
20 denied, and if an appeal of the agency's denial of the application  
21 was filed in a timely manner.

22 (d) For the purposes of (a), (b), and (c) of this subsection,  
23 "facility" means a facility installed in an industrial,  
24 manufacturing, waste disposal, utility, or other commercial  
25 establishment which is in operation or under construction as of July  
26 30, 1967.

27 (6) "Appropriate control agency" shall mean the department of  
28 ecology; or the operating local or regional air pollution control  
29 agency within whose jurisdiction a facility is or will be located, or  
30 the department of ecology, where the facility is not or will not be  
31 located within the area of an operating local or regional air  
32 pollution control agency, or where the department of ecology has  
33 assumed jurisdiction.

34 (7) "Department" shall mean the department of (~~revenue~~)  
35 taxation.

36 **Sec. 318.** RCW 82.45.035 and 1969 ex.s. c 223 s 28A.45.035 are  
37 each amended to read as follows:

38 The state department of (~~revenue~~) taxation shall provide by  
39 rule for the determination of the selling price in the case of leases

1 with option to purchase, and shall further provide that the tax shall  
2 not be payable, where inequity will otherwise result, until and  
3 unless the option is exercised and accepted. A conditional sale of  
4 mining property in which the buyer has the right to terminate the  
5 contract at any time, and a lease and option to buy mining property  
6 in which the lessee-buyer has the right to terminate the lease and  
7 option at any time, shall be taxable at the time of execution only on  
8 the consideration received by the seller or lessor for execution of  
9 such contract, but the rule shall further provide that the tax due on  
10 any additional consideration paid by the buyer and received by the  
11 seller shall be paid to the county treasurer (1) at the time of  
12 termination, or (2) at the time that all of the consideration due to  
13 the seller has been paid and the transaction is completed except for  
14 the delivery of the deed to the buyer, or (3) at the time when the  
15 buyer unequivocally exercises an option to purchase the property,  
16 whichever of the three events occurs first.

17 The term "mining property" means property containing or believed  
18 to contain metallic minerals and sold or leased under terms which  
19 require the purchaser or lessor to conduct exploration or mining work  
20 thereon and for no other use. The term "metallic minerals" does not  
21 include clays, coal, sand and gravel, peat, gypsite, or stone,  
22 including limestone.

23 The state department of (~~revenue~~) taxation shall further  
24 provide by rule for cases where the selling price is not separately  
25 stated or is not ascertainable at the time of sale, for the payment  
26 of the tax at a time when the selling price is ascertained, in which  
27 case suitable security may be required for payment of the tax, and  
28 may further provide for the determination of the selling price by an  
29 appraisal by the county assessor, based on the full and true market  
30 value, which appraisal shall be prima facie evidence of the selling  
31 price of the real property.

32 **Sec. 319.** RCW 82.45.090 and 2017 c 142 s 3 are each amended to  
33 read as follows:

34 (1) Except for a sale of a beneficial interest in real property  
35 where no instrument evidencing the sale is recorded in the official  
36 real property records of the county in which the property is located,  
37 the tax imposed by this chapter must be paid to and collected by the  
38 treasurer of the county within which is located the real property  
39 that was sold. In collecting the tax the county treasurer must act as

1 agent for the state. The county treasurer must cause a verification  
2 of payment evidencing satisfaction of the lien to be affixed to the  
3 instrument of sale or conveyance prior to its recording or to the  
4 real estate excise tax affidavit in the case of used mobile home  
5 sales and used floating home sales. A receipt issued by the county  
6 treasurer for the payment of the tax imposed under this chapter is  
7 evidence of the satisfaction of the lien imposed in this section and  
8 may be recorded in the manner prescribed for recording satisfactions  
9 of mortgages. No instrument of sale or conveyance evidencing a sale  
10 subject to the tax may be accepted by the county auditor for filing  
11 or recording until the tax is paid and the verification of payment  
12 affixed thereto; in case the tax is not due on the transfer, the  
13 instrument may not be so accepted until suitable notation of such  
14 fact has been made on the instrument by the treasurer. At the sale of  
15 a used mobile home, used manufactured home, used park model, or used  
16 floating home that has not been title eliminated, property taxes must  
17 be current in order to complete the processing of the real estate  
18 excise tax affidavit or other documents transferring title.  
19 Verification that the property taxes are current must be noted on the  
20 mobile home real estate excise tax affidavit or on a form approved by  
21 the county treasurer. For the purposes of this subsection, "mobile  
22 home," "manufactured home," and "park model" have the same meaning as  
23 provided in RCW 59.20.030.

24 (2) For a sale of a beneficial interest in real property where a  
25 tax is due under this chapter and where no instrument is recorded in  
26 the official real property records of the county in which the  
27 property is located, the sale must be reported to the department of  
28 (~~revenue~~) taxation within five days from the sale date on such  
29 returns or forms and according to such procedures as the department  
30 may prescribe. Such forms or returns must be signed or electronically  
31 signed by both the transferor and the transferee and must be  
32 accompanied by payment of the tax due.

33 (3) Any person who intentionally makes a false statement on any  
34 return or form required to be filed with the department under this  
35 chapter is guilty of perjury under chapter 9A.72 RCW.

36 **Sec. 320.** RCW 82.45.100 and 2010 1st sp.s. c 23 s 211 are each  
37 amended to read as follows:

38 (1) Payment of the tax imposed under this chapter is due and  
39 payable immediately at the time of sale, and if not paid within one

1 month thereafter will bear interest from the time of sale until the  
2 date of payment.

3 (a) Interest imposed before January 1, 1999, is computed at the  
4 rate of one percent per month.

5 (b) Interest imposed after December 31, 1998, is computed on a  
6 monthly basis at the rate as computed under RCW 82.32.050(2). The  
7 rate so computed must be adjusted on the first day of January of each  
8 year for use in computing interest for that calendar year. The  
9 department must provide written notification to the county treasurers  
10 of the variable rate on or before December 1st of the year preceding  
11 the calendar year in which the rate applies.

12 (2) In addition to the interest described in subsection (1) of  
13 this section, if the payment of any tax is not received by the county  
14 treasurer or the department of (~~revenue~~) taxation, as the case may  
15 be, within one month of the date due, there is assessed a penalty of  
16 five percent of the amount of the tax; if the tax is not received  
17 within two months of the date due, there will be assessed a total  
18 penalty of ten percent of the amount of the tax; and if the tax is  
19 not received within three months of the date due, there will be  
20 assessed a total penalty of twenty percent of the amount of the tax.  
21 The payment of the penalty described in this subsection is  
22 collectible from the seller only, and RCW 82.45.070 does not apply to  
23 the penalties described in this subsection.

24 (3) If the tax imposed under this chapter is not received by the  
25 due date, the transferee is personally liable for the tax, along with  
26 any interest as provided in subsection (1) of this section, unless an  
27 instrument evidencing the sale is recorded in the official real  
28 property records of the county in which the property conveyed is  
29 located.

30 (4) If upon examination of any affidavits or from other  
31 information obtained by the department or its agents it appears that  
32 all or a portion of the tax is unpaid, the department must assess  
33 against the taxpayer the additional amount found to be due plus  
34 interest and penalties as provided in subsections (1) and (2) of this  
35 section. The department must notify the taxpayer by mail, or  
36 electronically as provided in RCW 82.32.135, of the additional amount  
37 and the same becomes due and must be paid within thirty days from the  
38 date of the notice, or within such further time as the department may  
39 provide.



1 (5) No assessment or refund may be made by the department more  
2 than four years after the date of sale except upon a showing of:

3 (a) Fraud or misrepresentation of a material fact by the  
4 taxpayer;

5 (b) A failure by the taxpayer to record documentation of a sale  
6 or otherwise report the sale to the county treasurer; or

7 (c) A failure of the transferor or transferee to report the sale  
8 under RCW 82.45.090(2).

9 (6) Penalties collected on taxes due under this chapter under  
10 subsection (2) of this section and RCW 82.32.090 (2) through (8) must  
11 be deposited in the housing trust fund as described in chapter 43.185  
12 RCW.

13 **Sec. 321.** RCW 82.45.150 and 2014 c 97 s 307 and 2014 c 58 s 26  
14 are each reenacted and amended to read as follows:

15 All of chapter 82.32 RCW, except RCW 82.32.030, 82.32.050,  
16 82.32.140, 82.32.270, and 82.32.090 (1) and (10), applies to the tax  
17 imposed by this chapter, in addition to any other provisions of law  
18 for the payment and enforcement of the tax imposed by this chapter.  
19 The department of (~~revenue~~) taxation must by rule provide for the  
20 effective administration of this chapter. The rules must prescribe  
21 and furnish a real estate excise tax affidavit form verified by both  
22 the seller and the buyer, or agents of each, to be used by each  
23 county, or the department, as the case may be, in the collection of  
24 the tax imposed by this chapter, except that an affidavit given in  
25 connection with grant of an easement or right-of-way to a gas,  
26 electrical, or telecommunications company, as defined in RCW  
27 80.04.010, or to a public utility district or cooperative that  
28 distributes electricity, need be verified only on behalf of the  
29 company, district, or cooperative and except that a transfer on death  
30 deed need be verified only on behalf of the transferor. The  
31 department of (~~revenue~~) taxation must annually conduct audits of  
32 transactions and affidavits filed under this chapter.

33 **Sec. 322.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to  
34 read as follows:

35 (1)(a) For taxes collected by the county under this chapter, the  
36 county treasurer shall collect a five dollar fee on all transactions  
37 required by this chapter where the transaction does not require the  
38 payment of tax. A total of five dollars shall be collected in the

1 form of a tax and fee, where the calculated tax payment is less than  
2 five dollars. Through June 30, 2006, the county treasurer shall place  
3 one percent of the taxes collected by the county under this chapter  
4 and the treasurer's fee in the county current expense fund to defray  
5 costs of collection. After June 30, 2006, the county treasurer shall  
6 place one and three-tenths percent of the taxes collected by the  
7 county under this chapter and the treasurer's fee in the county  
8 current expense fund to defray costs of collection. For taxes  
9 collected by the county under this chapter before July 1, 2006, the  
10 county treasurer shall pay over to the state treasurer and account to  
11 the department of (~~revenue~~) taxation for the proceeds at the same  
12 time the county treasurer remits funds to the state under RCW  
13 84.56.280. For taxes collected by the county under this chapter after  
14 June 30, 2006, on a monthly basis the county treasurer shall pay over  
15 to the state treasurer the month's transmittal. The month's  
16 transmittal must be received by the state treasurer by 12:00 p.m. on  
17 the last working day of each month. The county treasurer shall  
18 account to the department for the month's transmittal by the  
19 twentieth day of the month following the month in which the month's  
20 transmittal was paid over to the state treasurer. The state treasurer  
21 shall deposit the proceeds in the general fund.

22 (b) For purposes of this subsection, the definitions in this  
23 subsection apply.

24 (i) "Close of business" means the time when the county treasurer  
25 makes his or her daily deposit of proceeds.

26 (ii) "Month's transmittal" means all proceeds deposited by the  
27 county through the close of business of the day that is two working  
28 days before the last working day of the month. This definition of  
29 "month's transmittal" shall not be construed as requiring any change  
30 in a county's practices regarding the timing of its daily deposits of  
31 proceeds.

32 (iii) "Proceeds" means moneys collected and receipted by the  
33 county from the taxes imposed by this chapter, less the county's  
34 share of the proceeds used to defray the county's costs of collection  
35 allowable in (a) of this subsection.

36 (iv) "Working day" means a calendar day, except Saturdays,  
37 Sundays, and all legal holidays as provided in RCW 1.16.050.

38 (2) For taxes collected by the department of (~~revenue~~) taxation  
39 under this chapter, the department shall remit the tax to the state  
40 treasurer who shall deposit the proceeds of any state tax in the

1 general fund. The state treasurer shall deposit the proceeds of any  
2 local taxes imposed under chapter 82.46 RCW in the local real estate  
3 excise tax account hereby created in the state treasury. Moneys in  
4 the local real estate excise tax account may be spent only for  
5 distribution to counties, cities, and towns imposing a tax under  
6 chapter 82.46 RCW. Except as provided in RCW 43.08.190, all earnings  
7 of investments of balances in the local real estate excise tax  
8 account shall be credited to the local real estate excise tax account  
9 and distributed to the counties, cities, and towns monthly. Monthly  
10 the state treasurer shall make distribution from the local real  
11 estate excise tax account to the counties, cities, and towns the  
12 amount of tax collected on behalf of each taxing authority. The state  
13 treasurer shall make the distribution under this subsection without  
14 appropriation.

15 (3) (a) Through June 30, 2010, the county treasurer shall collect  
16 an additional five dollar fee on all transactions required by this  
17 chapter, regardless of whether the transaction requires the payment  
18 of tax. The county treasurer shall remit this fee to the state  
19 treasurer at the same time the county treasurer remits funds to the  
20 state under subsection (1) of this section. The state treasurer shall  
21 place money from this fee in the general fund. By the twentieth day  
22 of the subsequent month, the state treasurer shall distribute to each  
23 county treasurer according to the following formula: Three-quarters  
24 of the funds available shall be equally distributed among the thirty-  
25 nine counties; and the balance shall be ratably distributed among the  
26 counties in direct proportion to their population as it relates to  
27 the total state's population based on most recent statistics by the  
28 office of financial management.

29 (b) When received by the county treasurer, the funds shall be  
30 placed in a special real estate excise tax electronic technology fund  
31 held by the county treasurer to be used exclusively for the  
32 development, implementation, and maintenance of an electronic  
33 processing and reporting system for real estate excise tax  
34 affidavits. Funds may be expended to make the system compatible with  
35 the automated real estate excise tax system developed by the  
36 department and compatible with the processes used in the offices of  
37 the county assessor and county auditor. Any funds held in the account  
38 that are not expended by the earlier of: July 1, 2015, or at such  
39 time that the county treasurer is utilizing an electronic processing  
40 and reporting system for real estate excise tax affidavits compatible

1 with the department and compatible with the processes used in the  
2 offices of the county assessor and county auditor, revert to the  
3 special real estate and property tax administration assistance  
4 account in accordance with subsection (5)(c) of this section.

5 (4) Beginning July 1, 2010, through December 31, 2013, the county  
6 treasurer shall continue to collect the additional five dollar fee in  
7 subsection (3) of this section on all transactions required by this  
8 chapter, regardless of whether the transaction requires the payment  
9 of tax. During this period, the county treasurer shall remit this fee  
10 to the state treasurer at the same time the county treasurer remits  
11 funds to the state under subsection (1) of this section. The state  
12 treasurer shall place money from this fee in the annual property  
13 revaluation grant account created in RCW 84.41.170.

14 (5)(a) The real estate and property tax administration assistance  
15 account is created in the custody of the state treasurer. An  
16 appropriation is not required for expenditures and the account is not  
17 subject to allotment procedures under chapter 43.88 RCW.

18 (b) Beginning January 1, 2014, the county treasurer must continue  
19 to collect the additional five dollar fee in subsection (3) of this  
20 section on all transactions required by this chapter, regardless of  
21 whether the transaction requires the payment of tax. The county  
22 treasurer shall deposit one-half of this fee in the special real  
23 estate and property tax administration assistance account in  
24 accordance with (c) of this subsection and remit the balance to the  
25 state treasurer at the same time the county treasurer remits funds to  
26 the state under subsection (1) of this section. The state treasurer  
27 must place money from this fee in the real estate and property tax  
28 administration assistance account. By the twentieth day of the  
29 subsequent month, the state treasurer must distribute the funds to  
30 each county treasurer according to the following formula: One-half of  
31 the funds available must be equally distributed among the thirty-nine  
32 counties; and the balance must be ratably distributed among the  
33 counties in direct proportion to their population as it relates to  
34 the total state's population based on most recent statistics by the  
35 office of financial management.

36 (c) When received by the county treasurer, the funds must be  
37 placed in a special real estate and property tax administration  
38 assistance account held by the county treasurer to be used for:

39 (i) Maintenance and operation of an annual revaluation system for  
40 property tax valuation; and

1 (ii) Maintenance and operation of an electronic processing and  
2 reporting system for real estate excise tax affidavits.

3 **Sec. 323.** RCW 82.48.020 and 2000 c 229 s 4 are each amended to  
4 read as follows:

5 (1) An annual excise tax is hereby imposed for the privilege of  
6 using any aircraft in the state. A current certificate of air  
7 worthiness with a current inspection date from the appropriate  
8 federal agency and/or the purchase of aviation fuel shall constitute  
9 the necessary evidence of aircraft use or intended use. The tax shall  
10 be collected annually or under a staggered collection schedule as  
11 required by the secretary by rule. No additional tax shall be imposed  
12 under this chapter upon any aircraft upon the transfer of ownership  
13 thereof, if the tax imposed by this chapter with respect to such  
14 aircraft has already been paid for the year in which transfer of  
15 ownership occurs. A violation of this subsection is a misdemeanor  
16 punishable as provided under chapter 9A.20 RCW.

17 (2) Persons who are required to register aircraft under chapter  
18 47.68 RCW and who register aircraft in another state or foreign  
19 country and avoid the Washington aircraft excise tax are liable for  
20 such unpaid excise tax. A violation of this subsection is a gross  
21 misdemeanor.

22 The department of (~~revenue~~) taxation may assess and collect the  
23 unpaid excise tax under chapter 82.32 RCW, including the penalties  
24 and interest provided in chapter 82.32 RCW.

25 (3) Except as provided under subsections (1) and (2) of this  
26 section, a violation of this chapter is a misdemeanor punishable as  
27 provided in chapter 9A.20 RCW.

28 **Sec. 324.** RCW 82.49.010 and 2014 c 195 s 503 are each amended to  
29 read as follows:

30 (1) An excise tax is imposed for the privilege of using a vessel  
31 upon the waters of this state, except vessels exempt under RCW  
32 82.49.020. The annual amount of the excise tax is one-half of one  
33 percent of fair market value, as determined under this chapter, or  
34 five dollars, whichever is greater. Violation of this subsection is a  
35 misdemeanor.

36 (2) A person who is required under chapter 88.02 RCW to register  
37 a vessel in this state and who fails to register the vessel in this  
38 state or registers the vessel in another state or foreign country and

1 avoids the Washington watercraft excise tax is guilty of a gross  
2 misdemeanor and is liable for such unpaid excise tax. The department  
3 of (~~revenue~~) taxation may assess and collect the unpaid excise tax  
4 under chapter 82.32 RCW, including the penalty imposed in RCW  
5 82.49.080 and penalties and interest provided in chapter 82.32 RCW.

6 (3) The excise tax upon a vessel registered for the first time in  
7 this state shall be imposed for a twelve-month period, including the  
8 month in which the vessel is registered, unless the director of  
9 licensing extends or diminishes vessel registration periods for the  
10 purpose of staggered renewal periods under RCW 88.02.560. A vessel is  
11 registered for the first time in this state when the vessel was not  
12 registered in this state for the immediately preceding registration  
13 year, or when the vessel was registered in another jurisdiction for  
14 the immediately preceding year.

15 **Sec. 325.** RCW 82.49.040 and 1983 c 7 s 11 are each amended to  
16 read as follows:

17 The department of (~~revenue~~) taxation shall prepare at least  
18 once each year a depreciation schedule for use in the determination  
19 of fair market value for the purposes of this chapter. The schedule  
20 shall be based upon information available to the department of  
21 (~~revenue~~) taxation pertaining to the current fair market value of  
22 vessels. The fair market value of a vessel for the purposes of this  
23 chapter shall be based on the most recent purchase price depreciated  
24 according to the year of the most recent purchase of the vessel. The  
25 most recent purchase price is the consideration, whether money,  
26 credit, rights, or other property expressed in terms of money, paid  
27 or given or contracted to be paid or given by the purchaser to the  
28 seller for the vessel.

29 **Sec. 326.** RCW 82.49.050 and 1983 c 7 s 12 are each amended to  
30 read as follows:

31 (1) If a vessel has been acquired by lease or gift, or the most  
32 recent purchase price of a vessel is not known to the owner, the  
33 department of (~~revenue~~) taxation shall appraise the vessel before  
34 registration.

35 (2) If after registration the department of (~~revenue~~) taxation  
36 determines that the purchase price stated by the owner is not a  
37 reasonable representation of the true fair market value of a vessel

1 at the time of purchase, the department of (~~revenue~~) taxation shall  
2 appraise the vessel.

3 (3) If a vessel is homemade, the owner shall make a notarized  
4 declaration of fair market value. The fair market value of the vessel  
5 for the purposes of this chapter shall be the declared value, unless  
6 after registration the department of (~~revenue~~) taxation determines  
7 that the declared value is not a reasonable representation of the  
8 true fair market value of the vessel in which case the department of  
9 (~~revenue~~) taxation shall appraise the vessel.

10 (4) If the department of (~~revenue~~) taxation appraises a vessel,  
11 the fair market value of the vessel for the purposes of this chapter  
12 shall be the appraised value. If the vessel has been registered  
13 before appraisal, the department of (~~revenue~~) taxation shall refund  
14 any overpayment of tax to the owner or notify the owner of any  
15 additional tax due. The owner shall pay any additional tax due within  
16 thirty days after notification by the department.

17 **Sec. 327.** RCW 82.49.080 and 2014 c 195 s 502 are each amended to  
18 read as follows:

19 (1) An owner of a vessel that is not registered as required by  
20 chapter 88.02 RCW and for which watercraft excise tax is due under  
21 this chapter is liable for a penalty in the following amount:

22 (a) One hundred dollars for the owner's first violation;

23 (b) Two hundred dollars for the owner's second violation  
24 involving the same or any other vessel; or

25 (c) Four hundred dollars for the owner's third and successive  
26 violations involving the same or any other vessel.

27 (2) The department of (~~revenue~~) taxation may collect this  
28 penalty under the procedures established in chapter 82.32 RCW. The  
29 penalty imposed under this section is in addition to any other civil  
30 or criminal penalty imposed by law.

31 **Sec. 328.** RCW 82.60.020 and 2010 1st sp.s. c 16 s 2 are each  
32 amended to read as follows:

33 Unless the context clearly requires otherwise, the definitions in  
34 this section apply throughout this chapter.

35 (1) "Applicant" means a person applying for a tax deferral under  
36 this chapter.

37 (2) "Department" means the department of (~~revenue~~) taxation.

38 (3) "Eligible area" means:

1 (a) Through June 30, 2010, a rural county as defined in RCW  
2 82.14.370; and

3 (b) Beginning July 1, 2010, a qualifying county.

4 (4) (a) "Eligible investment project" means an investment project  
5 that is located, as of the date the application required by RCW  
6 82.60.030 is received by the department, in an eligible area as  
7 defined in subsection (3) of this section.

8 (b) "Eligible investment project" does not include any portion of  
9 an investment project undertaken by a light and power business as  
10 defined in RCW 82.16.010(4), other than that portion of a  
11 cogeneration project that is used to generate power for consumption  
12 within the manufacturing site of which the cogeneration project is an  
13 integral part, or investment projects that have already received  
14 deferrals under this chapter.

15 (5) "Initiation of construction" has the same meaning as in RCW  
16 82.63.010.

17 (6) "Investment project" means an investment in qualified  
18 buildings or qualified machinery and equipment, including labor and  
19 services rendered in the planning, installation, and construction of  
20 the project.

21 (7) "Manufacturing" means the same as defined in RCW 82.04.120.  
22 "Manufacturing" also includes:

23 (a) Before July 1, 2010: (i) Computer programming, the production  
24 of computer software, and other computer-related services, but only  
25 when the computer programming, production of computer software, or  
26 other computer-related services are performed by a manufacturer as  
27 defined in RCW 82.04.110 and contribute to the production of a new,  
28 different, or useful substance or article of tangible personal  
29 property for sale; (ii) the activities performed by research and  
30 development laboratories and commercial testing laboratories; and  
31 (iii) the conditioning of vegetable seeds; and

32 (b) Beginning July 1, 2010: (i) The activities performed by  
33 research and development laboratories and commercial testing  
34 laboratories; and (ii) the conditioning of vegetable seeds.

35 (8) "Person" has the meaning given in RCW 82.04.030.

36 (9) "Qualified buildings" means construction of new structures,  
37 and expansion or renovation of existing structures for the purpose of  
38 increasing floor space or production capacity used for manufacturing  
39 or research and development activities, including plant offices and  
40 warehouses or other facilities for the storage of raw material or



1 finished goods if such facilities are an essential or an integral  
2 part of a factory, mill, plant, or laboratory used for manufacturing  
3 or research and development. If a building is used partly for  
4 manufacturing or research and development and partly for other  
5 purposes, the applicable tax deferral must be determined by  
6 apportionment of the costs of construction under rules adopted by the  
7 department.

8 (10) "Qualified employment position" means a permanent full-time  
9 employee employed in the eligible investment project during the  
10 entire tax year. The term "entire tax year" means a full-time  
11 position that is filled for a period of twelve consecutive months.  
12 The term "full-time" means at least thirty-five hours a week, four  
13 hundred fifty-five hours a quarter, or one thousand eight hundred  
14 twenty hours a year.

15 (11) "Qualified machinery and equipment" means all new industrial  
16 and research fixtures, equipment, and support facilities that are an  
17 integral and necessary part of a manufacturing or research and  
18 development operation. "Qualified machinery and equipment" includes:  
19 Computers; software; data processing equipment; laboratory equipment;  
20 manufacturing components such as belts, pulleys, shafts, and moving  
21 parts; molds, tools, and dies; operating structures; and all  
22 equipment used to control or operate the machinery.

23 (12) "Qualifying county" means a county that has an unemployment  
24 rate, as determined by the employment security department, which is  
25 at least twenty percent above the state average for the three  
26 calendar years immediately preceding the year in which the list of  
27 qualifying counties is established or updated, as the case may be, as  
28 provided in RCW 82.60.120.

29 (13) "Recipient" means a person receiving a tax deferral under  
30 this chapter.

31 (14) "Research and development" means the development,  
32 refinement, testing, marketing, and commercialization of a product,  
33 service, or process before commercial sales have begun, but only when  
34 such activities are intended to ultimately result in the production  
35 of a new, different, or useful substance or article of tangible  
36 personal property for sale. As used in this subsection, "commercial  
37 sales" excludes sales of prototypes or sales for market testing if  
38 the total gross receipts from such sales of the product, service, or  
39 process do not exceed one million dollars.

1       **Sec. 329.** RCW 82.60.080 and 2000 c 106 s 6 are each amended to  
2 read as follows:

3       The employment security department shall make, and certify to the  
4 department of (~~revenue~~) taxation, all determinations of employment  
5 and wages as requested by the department under this chapter.

6       **Sec. 330.** RCW 82.62.010 and 2010 1st sp.s. c 16 s 11 are each  
7 amended to read as follows:

8       Unless the context clearly requires otherwise, the definitions in  
9 this section apply throughout this chapter.

10       (1) "Applicant" means a person applying for a tax credit under  
11 this chapter.

12       (2) "Department" means the department of (~~revenue~~) taxation.

13       (3) "Eligible area" means a "rural county" as defined in RCW  
14 82.14.370.

15       (4) (a) "Eligible business project" means manufacturing or  
16 research and development activities which are conducted by an  
17 applicant in an eligible area at a specific facility, provided the  
18 applicant's average qualified employment positions at the specific  
19 facility will be at least fifteen percent greater in the four  
20 consecutive full calendar quarters after the calendar quarter during  
21 which the first qualified employment position is filled than the  
22 applicant's average qualified employment positions at the same  
23 facility in the four consecutive full calendar quarters immediately  
24 preceding the calendar quarter during which the first qualified  
25 employment position is filled.

26       (b) "Eligible business project" does not include any portion of a  
27 business project undertaken by a light and power business as defined  
28 in RCW 82.16.010 or that portion of a business project creating  
29 qualified full-time employment positions outside an eligible area.

30       (5) "First qualified employment position" means the first  
31 qualified employment position filled for which a credit under this  
32 chapter is sought.

33       (6) "Manufacturing" means the same as defined in RCW 82.04.120.  
34 "Manufacturing" also includes:

35       (a) Before July 1, 2010: (i) Computer programming, the production  
36 of computer software, and other computer-related services, but only  
37 when the computer programming, production of computer software, or  
38 other computer-related services are performed by a manufacturer as  
39 defined in RCW 82.04.110 and contribute to the production of a new,

1 different, or useful substance or article of tangible personal  
2 property for sale; and (ii) the activities performed by research and  
3 development laboratories and commercial testing laboratories; and

4 (b) Beginning July 1, 2010, the activities performed by research  
5 and development laboratories and commercial testing laboratories.

6 (7) "Person" has the meaning given in RCW 82.04.030.

7 (8) (a) (i) "Qualified employment position" means a permanent full-  
8 time employee employed in the eligible business project during four  
9 consecutive full calendar quarters.

10 (ii) For seasonal employers, "qualified employment position" also  
11 includes the equivalent of a full-time employee in work hours for  
12 four consecutive full calendar quarters.

13 (b) For purposes of this subsection, "full time" means a normal  
14 workweek of at least thirty-five hours.

15 (c) Once a permanent, full-time employee has been employed, a  
16 position does not cease to be a qualified employment position solely  
17 due to periods in which the position goes vacant, as long as:

18 (i) The cumulative period of any vacancies in that position is  
19 not more than one hundred twenty days in the four-quarter period; and

20 (ii) During a vacancy, the employer is training or actively  
21 recruiting a replacement permanent, full-time employee for the  
22 position.

23 (9) "Recipient" means a person receiving tax credits under this  
24 chapter.

25 (10) "Research and development" means the development,  
26 refinement, testing, marketing, and commercialization of a product,  
27 service, or process before commercial sales have begun, but only when  
28 such activities are intended to ultimately result in the production  
29 of a new, different, or useful substance or article of tangible  
30 personal property for sale. As used in this subsection, "commercial  
31 sales" excludes sales of prototypes or sales for market testing if  
32 the total gross receipts from such sales of the product, service, or  
33 process do not exceed one million dollars.

34 (11) "Seasonal employee" means an employee of a seasonal employer  
35 who works on a seasonal basis. For the purposes of this subsection  
36 and subsection (12) of this section, "seasonal basis" means a  
37 continuous employment period of less than twelve consecutive months.

38 (12) "Seasonal employer" means a person who regularly hires more  
39 than fifty percent of its employees to work on a seasonal basis.

1       **Sec. 331.** RCW 82.62.060 and 2000 c 106 s 7 are each amended to  
2 read as follows:

3       The employment security department shall make, and certify to the  
4 department of (~~revenue~~) taxation, all determinations of employment  
5 and wages requested by the department under this chapter.

6       **Sec. 332.** RCW 82.63.010 and 2015 3rd sp.s. c 5 s 303 are each  
7 amended to read as follows:

8       The definitions in this section apply throughout this chapter  
9 unless the context clearly requires otherwise.

10       (1) "Advanced computing" means technologies used in the designing  
11 and developing of computing hardware and software, including  
12 innovations in designing the full spectrum of hardware from handheld  
13 calculators to super computers, and peripheral equipment.

14       (2) "Advanced materials" means materials with engineered  
15 properties created through the development of specialized processing  
16 and synthesis technology, including ceramics, high value-added  
17 metals, electronic materials, composites, polymers, and biomaterials.

18       (3) "Applicant" means a person applying for a tax deferral under  
19 this chapter.

20       (4) "Biotechnology" means the application of technologies, such  
21 as recombinant DNA techniques, biochemistry, molecular and cellular  
22 biology, genetics and genetic engineering, cell fusion techniques,  
23 and new bioprocesses, using living organisms, or parts of organisms,  
24 to produce or modify products, to improve plants or animals, to  
25 develop microorganisms for specific uses, to identify targets for  
26 small molecule pharmaceutical development, or to transform biological  
27 systems into useful processes and products or to develop  
28 microorganisms for specific uses.

29       (5) "Department" means the department of (~~revenue~~) taxation.

30       (6) "Electronic device technology" means technologies involving  
31 microelectronics; semiconductors; electronic equipment and  
32 instrumentation; radio frequency, microwave, and millimeter  
33 electronics; optical and optic-electrical devices; and data and  
34 digital communications and imaging devices.

35       (7) "Eligible investment project" means an investment project  
36 which either initiates a new operation, or expands or diversifies a  
37 current operation by expanding, renovating, or equipping an existing  
38 facility. The lessor or owner of the qualified building is not  
39 eligible for a deferral unless:

1 (a) The underlying ownership of the buildings, machinery, and  
2 equipment vests exclusively in the same person; or

3 (b) (i) The lessor by written contract agrees to pass the economic  
4 benefit of the deferral to the lessee;

5 (ii) The lessee that receives the economic benefit of the  
6 deferral agrees in writing with the department to complete the annual  
7 survey required under RCW 82.63.020(2); and

8 (iii) The economic benefit of the deferral passed to the lessee  
9 is no less than the amount of tax deferred by the lessor and is  
10 evidenced by written documentation of any type of payment, credit, or  
11 other financial arrangement between the lessor or owner of the  
12 qualified building and the lessee.

13 (8) "Environmental technology" means assessment and prevention of  
14 threats or damage to human health or the environment, environmental  
15 cleanup, and the development of alternative energy sources.

16 (9) (a) "Initiation of construction" means the date that a  
17 building permit is issued under the building code adopted under RCW  
18 19.27.031 for:

19 (i) Construction of the qualified building, if the underlying  
20 ownership of the building vests exclusively with the person receiving  
21 the economic benefit of the deferral;

22 (ii) Construction of the qualified building, if the economic  
23 benefits of the deferral are passed to a lessee as provided in  
24 subsection (7) of this section; or

25 (iii) Tenant improvements for a qualified building, if the  
26 economic benefits of the deferral are passed to a lessee as provided  
27 in subsection (7) of this section.

28 (b) "Initiation of construction" does not include soil testing,  
29 site clearing and grading, site preparation, or any other related  
30 activities that are initiated before the issuance of a building  
31 permit for the construction of the foundation of the building.

32 (c) If the investment project is a phased project, "initiation of  
33 construction" shall apply separately to each phase.

34 (10) "Investment project" means an investment in qualified  
35 buildings or qualified machinery and equipment, including labor and  
36 services rendered in the planning, installation, and construction or  
37 improvement of the project.

38 (11) "Multiple qualified buildings" means qualified buildings  
39 leased to the same person when such structures: (a) Are located

1 within a five-mile radius; and (b) the initiation of construction of  
2 each building begins within a sixty-month period.

3 (12) "Person" has the meaning given in RCW 82.04.030 and includes  
4 state universities as defined in RCW 28B.10.016.

5 (13) "Pilot scale manufacturing" means design, construction, and  
6 testing of preproduction prototypes and models in the fields of  
7 biotechnology, advanced computing, electronic device technology,  
8 advanced materials, and environmental technology other than for  
9 commercial sale. As used in this subsection, "commercial sale"  
10 excludes sales of prototypes or sales for market testing if the total  
11 gross receipts from such sales of the product, service, or process do  
12 not exceed one million dollars.

13 (14) "Qualified buildings" means construction of new structures,  
14 and expansion or renovation of existing structures for the purpose of  
15 increasing floor space or production capacity used for pilot scale  
16 manufacturing or qualified research and development, including plant  
17 offices and other facilities that are an essential or an integral  
18 part of a structure used for pilot scale manufacturing or qualified  
19 research and development. If a building or buildings are used partly  
20 for pilot scale manufacturing or qualified research and development,  
21 and partly for other purposes, the applicable tax deferral shall be  
22 determined by apportionment of the costs of construction under rules  
23 adopted by the department. Such rules may include provisions for  
24 determining the amount of the deferral based on apportionment of  
25 costs of construction of an investment project consisting of a  
26 building or multiple buildings, where qualified research and  
27 development or pilot scale manufacturing activities are shifted  
28 within a building or from one building to another building.

29 (15)(a) "Qualified machinery and equipment" means fixtures,  
30 equipment, and support facilities that are an integral and necessary  
31 part of a pilot scale manufacturing or qualified research and  
32 development operation. "Qualified machinery and equipment" includes:  
33 Computers; software; data processing equipment; laboratory equipment,  
34 instrumentation, and other devices used in a process of  
35 experimentation to develop a new or improved pilot model, plant  
36 process, product, formula, invention, or similar property;  
37 manufacturing components such as belts, pulleys, shafts, and moving  
38 parts; molds, tools, and dies; vats, tanks, and fermenters; operating  
39 structures; and all other equipment used to control, monitor, or  
40 operate the machinery. For purposes of this chapter, qualified

1 machinery and equipment must be either new to the taxing jurisdiction  
2 of the state or new to the certificate holder, except that used  
3 machinery and equipment may be treated as qualified machinery and  
4 equipment if the certificate holder either brings the machinery and  
5 equipment into Washington or makes a retail purchase of the machinery  
6 and equipment in Washington or elsewhere.

7 (b) "Qualified machinery and equipment" does not include any  
8 fixtures, equipment, or support facilities, if the sale to or use by  
9 the recipient is not eligible for an exemption under RCW 82.08.02565  
10 or 82.12.02565 solely because the recipient is an ineligible person  
11 as defined in RCW 82.08.02565.

12 (16) "Qualified research and development" means research and  
13 development performed within this state in the fields of advanced  
14 computing, advanced materials, biotechnology, electronic device  
15 technology, and environmental technology.

16 (17) "Recipient" means a person receiving a tax deferral under  
17 this chapter.

18 (18) "Research and development" means activities performed to  
19 discover technological information, and technical and nonroutine  
20 activities concerned with translating technological information into  
21 new or improved products, processes, techniques, formulas,  
22 inventions, or software. The term includes exploration of a new use  
23 for an existing drug, device, or biological product if the new use  
24 requires separate licensing by the federal food and drug  
25 administration under chapter 21, C.F.R., as amended. The term does  
26 not include adaptation or duplication of existing products where the  
27 products are not substantially improved by application of the  
28 technology, nor does the term include surveys and studies, social  
29 science and humanities research, market research or testing, quality  
30 control, sale promotion and service, computer software developed for  
31 internal use, and research in areas such as improved style, taste,  
32 and seasonal design.

33 **Sec. 333.** RCW 82.66.010 and 1995 c 352 s 1 are each amended to  
34 read as follows:

35 Unless the context clearly requires otherwise, the definitions in  
36 this section apply throughout this chapter.

37 (1) "Applicant" means a person applying for a tax deferral under  
38 this chapter.

39 (2) "Person" has the meaning given in RCW 82.04.030.

1 (3) "Department" means the department of (~~revenue~~) taxation.

2 (4) "Investment project" means construction of buildings, site  
3 preparation, and the acquisition of related machinery and equipment  
4 when the buildings, machinery, and equipment are to be used in the  
5 operation of a new thoroughbred racetrack.

6 (5) "New thoroughbred racetrack" means a site for thoroughbred  
7 horse racing located west of the Cascade mountains on which  
8 construction is commenced prior to July 1, 1998.

9 (6) "Buildings" means only those new structures such as ticket  
10 offices, concession areas, grandstands, stables, and other structures  
11 that are an essential or an integral part of a thoroughbred  
12 racetrack. If a building is used partly for use as an essential or  
13 integral part of a thoroughbred racetrack and partly for other  
14 purposes, the applicable tax deferral shall be determined by  
15 apportionment of the costs of construction under rules adopted by the  
16 department.

17 (7) "Machinery and equipment" means all fixtures, equipment, and  
18 support facilities that are an integral and necessary part of a  
19 thoroughbred racetrack.

20 (8) "Recipient" means a person receiving a tax deferral under  
21 this chapter.

22 (9) "Certificate holder" means an applicant to whom a tax  
23 deferral certificate has been issued.

24 (10) "Operationally complete" means constructed or improved to  
25 the point of being functionally useable for thoroughbred horse  
26 racing.

27 (11) "Initiation of construction" means that date upon which on-  
28 site construction commences.

29 **Sec. 334.** RCW 82.73.010 and 2010 c 30 s 4 are each amended to  
30 read as follows:

31 Unless the context clearly requires otherwise, the definitions in  
32 this section apply throughout this chapter.

33 (1) "Applicant" means a person applying for a tax credit under  
34 this chapter.

35 (2) "Contribution" means cash contributions.

36 (3) "Department" means the department of (~~revenue~~) taxation.

37 (4) "Main street trust fund" means the Washington main street  
38 trust fund account under RCW 43.360.050.

39 (5) "Person" has the meaning given in RCW 82.04.030.



1 (6) "Program" means a nonprofit organization under internal  
2 revenue code sections 501(c)(3) or 501(c)(6), with the sole mission  
3 of revitalizing a downtown or neighborhood commercial district area,  
4 that is designated by the department of archaeology and historic  
5 preservation as described in RCW 43.360.010 through 43.360.050.

6 **Sec. 335.** RCW 82.74.010 and 2006 c 354 s 6 are each amended to  
7 read as follows:

8 Unless the context clearly requires otherwise, the definitions in  
9 this section apply throughout this chapter.

10 (1) "Applicant" means a person applying for a tax deferral under  
11 this chapter.

12 (2) "Cold storage warehouse" means a storage warehouse owned or  
13 operated by a wholesaler or third-party warehouser as those terms are  
14 defined in RCW 82.08.820 to store fresh and/or frozen perishable  
15 fruits or vegetables, dairy products, seafood products, or any  
16 combination thereof, at a desired temperature to maintain the quality  
17 of the product for orderly marketing.

18 (3) "Dairy product" means dairy products that as of September 20,  
19 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and  
20 135, including by-products from the manufacturing of the dairy  
21 products such as whey and casein.

22 (4) "Dairy product manufacturing" means manufacturing, as defined  
23 in RCW 82.04.120, of dairy products.

24 (5) "Department" means the department of (~~revenue~~) taxation.

25 (6) "Eligible investment project" means an investment in  
26 qualified buildings or qualified machinery and equipment, including  
27 labor and services rendered in the planning, installation, and  
28 construction of the project. The lessor or owner of a qualified  
29 building is not eligible for a deferral unless (a) the underlying  
30 ownership of the buildings, machinery, and equipment vests  
31 exclusively in the same person; or (b)(i) the lessor by written  
32 contract agrees to pass the economic benefit of the deferral to the  
33 lessee in the form of reduced rent payments, and (ii) the lessee that  
34 receives the economic benefit of the deferral agrees in writing with  
35 the department to complete the annual survey under RCW 82.74.040. The  
36 economic benefit of the deferral to the lessee may be evidenced by  
37 any type of payment, credit, or any other financial arrangement  
38 between the lessor or owner of the qualified building and the lessee.

1 (7) "Fresh fruit and vegetable processing" means manufacturing as  
2 defined in RCW 82.04.120 which consists of the canning, preserving,  
3 freezing, processing, or dehydrating fresh fruits and/or vegetables.

4 (8) (a) "Initiation of construction" means the date that a  
5 building permit is issued under the building code adopted under RCW  
6 19.27.031 for:

7 (i) Construction of the qualified building, if the underlying  
8 ownership of the building vests exclusively with the person receiving  
9 the economic benefit of the deferral;

10 (ii) Construction of the qualified building, if the economic  
11 benefits of the deferral are passed to a lessee as provided in  
12 subsection (6) of this section; or

13 (iii) Tenant improvements for a qualified building, if the  
14 economic benefits of the deferral are passed to a lessee as provided  
15 in subsection (6) of this section.

16 (b) "Initiation of construction" does not include soil testing,  
17 site clearing and grading, site preparation, or any other related  
18 activities that are initiated before the issuance of a building  
19 permit for the construction of the foundation of the building.

20 (c) If the investment project is a phased project, "initiation of  
21 construction" applies separately to each phase.

22 (9) "Person" has the meaning given in RCW 82.04.030.

23 (10) "Qualified buildings" means construction of new structures,  
24 and expansion or renovation of existing structures for the purpose of  
25 increasing floor space or production capacity used for fresh fruit  
26 and vegetable processing, dairy product manufacturing, seafood  
27 product manufacturing, cold storage warehousing, and research and  
28 development activities, including plant offices and warehouses or  
29 other facilities for the storage of raw material or finished goods if  
30 such facilities are an essential or an integral part of a factory,  
31 plant, or laboratory used for fresh fruit and vegetable processing,  
32 dairy product manufacturing, seafood product manufacturing, cold  
33 storage warehousing, or research and development. If a building is  
34 used partly for fresh fruit and vegetable processing, dairy product  
35 manufacturing, seafood product manufacturing, cold storage  
36 warehousing, or research and development and partly for other  
37 purposes, the applicable tax deferral shall be determined by  
38 apportionment of the costs of construction under rules adopted by the  
39 department.

1 (11) "Qualified machinery and equipment" means all industrial and  
2 research fixtures, equipment, and support facilities that are an  
3 integral and necessary part of a fresh fruit and vegetable  
4 processing, dairy product manufacturing, seafood product  
5 manufacturing, cold storage warehouse, or research and development  
6 operation. "Qualified machinery and equipment" includes: Computers;  
7 software; data processing equipment; laboratory equipment;  
8 manufacturing components such as belts, pulleys, shafts, and moving  
9 parts; molds, tools, and dies; operating structures; and all  
10 equipment used to control or operate the machinery.

11 (12) "Recipient" means a person receiving a tax deferral under  
12 this chapter.

13 (13) "Research and development" means the development,  
14 refinement, testing, marketing, and commercialization of a product,  
15 service, or process related to fresh fruit and vegetable processing,  
16 dairy product manufacturing, seafood product manufacturing, or cold  
17 storage warehousing before commercial sales have begun. As used in  
18 this subsection, "commercial sales" excludes sales of prototypes or  
19 sales for market testing if the total gross receipts from such sales  
20 of the product, service, or process do not exceed one million  
21 dollars.

22 (14) "Seafood product" means any edible marine fish and shellfish  
23 that remains in a raw, raw frozen, or raw salted state.

24 (15) "Seafood product manufacturing" means the manufacturing, as  
25 defined in RCW 82.04.120, of seafood products.

26 **Sec. 336.** RCW 82.75.010 and 2010 c 114 s 145 are each amended to  
27 read as follows:

28 Unless the context clearly requires otherwise, the definitions in  
29 this section apply throughout this chapter.

30 (1) "Applicant" means a person applying for a tax deferral under  
31 this chapter.

32 (2) "Biotechnology" means a technology based on the science of  
33 biology, microbiology, molecular biology, cellular biology,  
34 biochemistry, or biophysics, or any combination of these, and  
35 includes, but is not limited to, recombinant DNA techniques, genetics  
36 and genetic engineering, cell fusion techniques, and new  
37 bioprocesses, using living organisms, or parts of organisms.

38 (3) "Biotechnology product" means any virus, therapeutic serum,  
39 antibody, protein, toxin, antitoxin, vaccine, blood, blood component

1 or derivative, allergenic product, or analogous product produced  
2 through the application of biotechnology that is used in the  
3 prevention, treatment, or cure of diseases or injuries to humans.

4 (4) "Department" means the department of (~~revenue~~) taxation.

5 (5) (a) "Eligible investment project" means an investment in  
6 qualified buildings or qualified machinery and equipment, including  
7 labor and services rendered in the planning, installation, and  
8 construction of the project.

9 (b) The lessor or owner of a qualified building is not eligible  
10 for a deferral unless:

11 (i) The underlying ownership of the buildings, machinery, and  
12 equipment vests exclusively in the same person; or

13 (ii) (A) The lessor by written contract agrees to pass the  
14 economic benefit of the deferral to the lessee;

15 (B) The lessee that receives the economic benefit of the deferral  
16 agrees in writing with the department to complete the annual survey  
17 required under RCW 82.75.070; and

18 (C) The economic benefit of the deferral passed to the lessee is  
19 no less than the amount of tax deferred by the lessor and is  
20 evidenced by written documentation of any type of payment, credit, or  
21 other financial arrangement between the lessor or owner of the  
22 qualified building and the lessee.

23 (6) (a) "Initiation of construction" means the date that a  
24 building permit is issued under the building code adopted under RCW  
25 19.27.031 for:

26 (i) Construction of the qualified building, if the underlying  
27 ownership of the building vests exclusively with the person receiving  
28 the economic benefit of the deferral;

29 (ii) Construction of the qualified building, if the economic  
30 benefits of the deferral are passed to a lessee as provided in  
31 subsection (5) (b) (ii) (A) of this section; or

32 (iii) Tenant improvements for a qualified building, if the  
33 economic benefits of the deferral are passed to a lessee as provided  
34 in subsection (5) (b) (ii) (A) of this section.

35 (b) "Initiation of construction" does not include soil testing,  
36 site clearing and grading, site preparation, or any other related  
37 activities that are initiated before the issuance of a building  
38 permit for the construction of the foundation of the building.

39 (c) If the investment project is a phased project, "initiation of  
40 construction" applies separately to each phase.

1 (7) "Manufacturing" has the meaning provided in RCW 82.04.120.

2 (8) "Medical device" means an instrument, apparatus, implement,  
3 machine, contrivance, implant, in vitro reagent, or other similar or  
4 related article, including any component, part, or accessory, that is  
5 designed or developed and:

6 (a) Recognized in the national formulary, or the United States  
7 pharmacopeia, or any supplement to them;

8 (b) Intended for use in the diagnosis of disease, or in the cure,  
9 mitigation, treatment, or prevention of disease or other conditions  
10 in human beings or other animals; or

11 (c) Intended to affect the structure or any function of the body  
12 of human beings or other animals, and which does not achieve any of  
13 its primary intended purposes through chemical action within or on  
14 the body of human beings or other animals and which is not dependent  
15 upon being metabolized for the achievement of any of its principal  
16 intended purposes.

17 (9) "Person" has the meaning provided in RCW 82.04.030.

18 (10) "Qualified buildings" means construction of new structures,  
19 and expansion or renovation of existing structures for the purpose of  
20 increasing floor space or production capacity used for biotechnology  
21 product manufacturing or medical device manufacturing activities,  
22 including plant offices, commercial laboratories for process  
23 development, quality assurance and quality control, and warehouses or  
24 other facilities for the storage of raw material or finished goods if  
25 the facilities are an essential or an integral part of a factory,  
26 plant, or laboratory used for biotechnology product manufacturing or  
27 medical device manufacturing. If a building is used partly for  
28 biotechnology product manufacturing or medical device manufacturing  
29 and partly for other purposes, the applicable tax deferral must be  
30 determined by apportionment of the costs of construction under rules  
31 adopted by the department.

32 (11) "Qualified machinery and equipment" means all new industrial  
33 and research fixtures, equipment, and support facilities that are an  
34 integral and necessary part of a biotechnology product manufacturing  
35 or medical device manufacturing operation. "Qualified machinery and  
36 equipment" includes: Computers; software; data processing equipment;  
37 laboratory equipment; manufacturing components such as belts,  
38 pulleys, shafts, and moving parts; molds, tools, and dies; operating  
39 structures; and all equipment used to control or operate the  
40 machinery.

1 (12) "Recipient" means a person receiving a tax deferral under  
2 this chapter.

3 **Sec. 337.** RCW 82.80.010 and 2014 c 216 s 203 are each amended to  
4 read as follows:

5 (1) The definitions in this subsection apply throughout this  
6 section unless the context clearly requires otherwise.

7 (a) "Distributor" means every person who imports, refines,  
8 manufactures, produces, or compounds motor vehicle fuel and special  
9 fuel as defined in RCW 82.38.020 and sells or distributes the fuel  
10 into a county.

11 (b) "Person" has the same meaning as in RCW 82.04.030.

12 (2) Subject to the conditions of this section, any county may  
13 levy, by approval of its legislative body and a majority of the  
14 registered voters of the county voting on the proposition at a  
15 general or special election, additional excise taxes equal to ten  
16 percent of the statewide fuel tax rates under RCW 82.38.030 on motor  
17 vehicle fuel and special fuel as defined in RCW 82.38.020 sold within  
18 the boundaries of the county. Vehicles paying an annual license fee  
19 under RCW 82.38.075 are exempt from the county fuel excise tax. An  
20 election held under this section must be held not more than twelve  
21 months before the date on which the proposed tax is to be levied. The  
22 ballot setting forth the proposition must state the tax rate that is  
23 proposed. The county's authority to levy additional excise taxes  
24 under this section includes the incorporated and unincorporated areas  
25 of the county. The additional excise taxes are subject to the same  
26 exceptions and rights of refund as applicable to other motor vehicle  
27 fuel and special fuel excise taxes levied under chapter 82.38 RCW.  
28 The proposed tax may not be levied less than one month from the date  
29 the election results are certified by the county election officer.  
30 The commencement date for the levy of any tax under this section must  
31 be the first day of January, April, July, or October.

32 (3) The local option motor vehicle fuel tax on motor vehicle fuel  
33 and on special fuel is imposed upon the distributor of the fuel.

34 (4) A taxable event for the purposes of this section occurs upon  
35 the first distribution of the fuel within the boundaries of a county  
36 to a retail outlet, bulk fuel user, or ultimate user of the fuel.

37 (5) All administrative provisions in chapters 82.01, 82.03, and  
38 82.32 RCW, insofar as they are applicable, apply to local option fuel  
39 taxes imposed under this section.

1 (6) Before the effective date of the imposition of the fuel taxes  
2 under this section, a county must contract with the department of  
3 (~~revenue~~) taxation for the administration and collection of the  
4 taxes. The contract must provide that a percentage amount, not to  
5 exceed one percent of the taxes imposed under this section, will be  
6 deposited into the local tax administration account created in the  
7 custody of the state treasurer. The department of (~~revenue~~)  
8 taxation may spend money from this account, upon appropriation, for  
9 the administration of the local taxes imposed under this section.

10 (7) The state treasurer must distribute monthly to the levying  
11 county and cities contained therein the proceeds of the additional  
12 excise taxes collected under this section, after the deductions for  
13 payments and expenditures as provided in RCW 46.68.090(1) (a) and (b)  
14 and under the conditions and limitations provided in RCW 82.80.080.

15 (8) The proceeds of the additional excise taxes levied under this  
16 section must be used strictly for transportation purposes in  
17 accordance with RCW 82.80.070.

18 (9) A county may not levy the tax under this section if they are  
19 levying the tax in RCW 82.80.110 or if they are a member of a  
20 regional transportation investment district levying the tax in RCW  
21 82.80.120.

22 **Sec. 338.** RCW 82.80.110 and 2014 c 216 s 204 are each amended to  
23 read as follows:

24 (1) The definitions in this subsection apply throughout this  
25 section unless the context clearly requires otherwise.

26 (a) "Distributor" means every person who imports, refines,  
27 manufactures, produces, or compounds motor vehicle fuel and special  
28 fuel as defined in RCW 82.38.020 and sells or distributes the fuel  
29 into a county.

30 (b) "Person" has the same meaning as in RCW 82.04.030.

31 (2) For purposes of dedication to a regional transportation  
32 investment district plan under chapter 36.120 RCW, subject to the  
33 conditions of this section, a county may levy additional excise taxes  
34 equal to ten percent of the statewide fuel tax rates under RCW  
35 82.38.030 on motor vehicle fuel and special fuel as defined in RCW  
36 82.38.020 sold within the boundaries of the county. The additional  
37 excise tax is subject to the approval of the county's legislative  
38 body and a majority of the registered voters of the county voting on  
39 the proposition at a general or special election. An election held

1 under this section must be held not more than twelve months before  
2 the date on which the proposed tax is to be levied. The ballot  
3 setting forth the proposition must state that the revenues from the  
4 tax will be used for a regional transportation investment district  
5 plan. The county's authority to levy additional excise taxes under  
6 this section includes the incorporated and unincorporated areas of  
7 the county. Vehicles paying an annual license fee under RCW 82.38.075  
8 are exempt from the county fuel excise tax. The additional excise  
9 taxes are subject to the same exceptions and rights of refund as  
10 applicable to other motor vehicle fuel and special fuel excise taxes  
11 levied under chapter 82.38 RCW. The proposed tax may not be levied  
12 less than one month from the date the election results are certified  
13 by the county election officer. The commencement date for the levy of  
14 any tax under this section will be the first day of January, April,  
15 July, or October.

16 (3) The local option motor vehicle fuel tax on motor vehicle fuel  
17 and on special fuel is imposed upon the distributor of the fuel.

18 (4) A taxable event for the purposes of this section occurs upon  
19 the first distribution of the fuel within the boundaries of a county  
20 to a retail outlet, bulk fuel user, or ultimate user of the fuel.

21 (5) All administrative provisions in chapters 82.01, 82.03, and  
22 82.32 RCW, insofar as they are applicable, apply to local option fuel  
23 taxes imposed under this section.

24 (6) Before the effective date of the imposition of the fuel taxes  
25 under this section, a county must contract with the department of  
26 (~~revenue~~) taxation for the administration and collection of the  
27 taxes. The contract must provide that a percentage amount, not to  
28 exceed one percent of the taxes imposed under this section, will be  
29 deposited into the local tax administration account created in the  
30 custody of the state treasurer. The department of (~~revenue~~)  
31 taxation may spend money from this account, upon appropriation, for  
32 the administration of the local taxes imposed under this section.

33 (7) The state treasurer must distribute monthly to the county  
34 levying the tax as part of a regional transportation investment plan,  
35 after the deductions for payments and expenditures as provided in RCW  
36 46.68.090(1) (a) and (b).

37 (8) The proceeds of the additional taxes levied by a county in  
38 this section, to be used as a part of a regional transportation  
39 investment plan, must be used in accordance with chapter 36.120 RCW,  
40 but only for those areas that are considered "highway purposes" as



1 that term is construed in Article II, section 40 of the state  
2 Constitution.

3 (9) A county may not levy the tax under this section if they are  
4 a member of a regional transportation investment district that is  
5 levying the tax in RCW 82.80.120 or the county is levying the tax in  
6 RCW 82.80.010.

7 **Sec. 339.** RCW 82.80.120 and 2014 c 216 s 205 are each amended to  
8 read as follows:

9 (1) The definitions in this subsection apply throughout this  
10 section unless the context clearly requires otherwise.

11 (a) "Distributor" means every person who imports, refines,  
12 manufactures, produces, or compounds motor vehicle fuel and special  
13 fuel as defined in RCW 82.38.020 and sells or distributes the fuel  
14 into a county.

15 (b) "Person" has the same meaning as in RCW 82.04.030.

16 (c) "District" means a regional transportation investment  
17 district under chapter 36.120 RCW.

18 (2) A regional transportation investment district under chapter  
19 36.120 RCW, subject to the conditions of this section, may levy  
20 additional excise taxes equal to ten percent of the statewide fuel  
21 tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel  
22 as defined in RCW 82.38.020 sold within the boundaries of the  
23 district. The additional excise tax is subject to the approval of a  
24 majority of the voters within the district boundaries. Vehicles  
25 paying an annual license fee under RCW 82.38.075 are exempt from the  
26 district's fuel excise tax. The additional excise taxes are subject  
27 to the same exceptions and rights of refund as applicable to other  
28 motor vehicle fuel and special fuel excise taxes levied under chapter  
29 82.38 RCW. The proposed tax may not be levied less than one month  
30 from the date the election results are certified. The commencement  
31 date for the levy of any tax under this section will be the first day  
32 of January, April, July, or October.

33 (3) The local option motor vehicle fuel tax on motor vehicle fuel  
34 and on special fuel is imposed upon the distributor of the fuel.

35 (4) A taxable event for the purposes of this section occurs upon  
36 the first distribution of the fuel within the boundaries of the  
37 district to a retail outlet, bulk fuel user, or ultimate user of the  
38 fuel.

1 (5) All administrative provisions in chapters 82.01, 82.03, and  
2 82.32 RCW, insofar as they are applicable, apply to local option fuel  
3 taxes imposed under this section.

4 (6) Before the effective date of the imposition of the fuel taxes  
5 under this section, a district must contract with the department of  
6 (~~revenue~~) taxation for the administration and collection of the  
7 taxes. The contract must provide that a percentage amount, not to  
8 exceed one percent of the taxes imposed under this section, will be  
9 deposited into the local tax administration account created in the  
10 custody of the state treasurer. The department of (~~revenue~~)  
11 taxation may spend money from this account, upon appropriation, for  
12 the administration of the local taxes imposed under this section.

13 (7) The state treasurer must distribute monthly to the district  
14 levying the tax as part of the regional transportation investment  
15 district plan, after the deductions for payments and expenditures as  
16 provided in RCW 46.68.090(1) (a) and (b).

17 (8) The proceeds of the additional taxes levied by a district in  
18 this section, to be used as a part of a regional transportation  
19 investment district plan, must be used in accordance with chapter  
20 36.120 RCW, but only for those areas that are considered "highway  
21 purposes" as that term is construed in Article II, section 40 of the  
22 state Constitution.

23 (9) A district may only levy the tax under this section if the  
24 district is comprised of boundaries identical to the boundaries of a  
25 county or counties. A district may not levy the tax in this section  
26 if a member county is levying the tax in RCW 82.80.010 or 82.80.110.

27 **Sec. 340.** RCW 82.82.010 and 2008 c 15 s 1 are each amended to  
28 read as follows:

29 The definitions in this section apply throughout this chapter  
30 unless the context clearly requires otherwise.

31 (1) "Applicant" means a person applying for a tax deferral under  
32 this chapter.

33 (2) "Corporate headquarters" means a facility or facilities where  
34 corporate staff employees are physically employed, and where the  
35 majority of the company's management services are handled either on a  
36 regional or a national basis. Company management services may  
37 include: Accounts receivable and payable, accounting, data  
38 processing, distribution management, employee benefit plan, financial  
39 and securities accounting, information technology, insurance, legal,

1 merchandising, payroll, personnel, purchasing procurement, planning,  
2 reporting and compliance, research and development, tax, treasury, or  
3 other headquarters-related services. "Corporate headquarters" does  
4 not include a facility or facilities used for manufacturing,  
5 wholesaling, or warehousing.

6 (3) "Department" means the department of (~~revenue~~) taxation.

7 (4) "Eligible area" means a designated community empowerment zone  
8 approved under RCW 43.31C.020.

9 (5) (a) "Eligible investment project" means an investment project  
10 in a qualified building or buildings in an eligible area, as defined  
11 in subsection (4) of this section, which will have employment at the  
12 qualified building or buildings of at least three hundred employees  
13 in qualified employment positions, each of whom must earn for the  
14 year reported at least the average annual wage for the state for that  
15 year as determined by the employment security department.

16 (b) The lessor or owner of a qualified building or buildings is  
17 not eligible for a deferral unless:

18 (i) The underlying ownership of the building or buildings vests  
19 exclusively in the same person; or

20 (ii) (A) The lessor by written contract agrees to pass the  
21 economic benefit of the deferral to the lessee;

22 (B) The lessee that receives the economic benefit of the deferral  
23 agrees in writing with the department to complete the annual survey  
24 required under RCW 82.82.020; and

25 (C) The economic benefit of the deferral passed to the lessee is  
26 no less than the amount of tax deferred by the lessor and is  
27 evidenced by written documentation of any type of payment, credit, or  
28 other financial arrangement between the lessor or owner of the  
29 qualified building and the lessee.

30 (6) "Investment project" means a capital investment of at least  
31 thirty million dollars in a qualified building or buildings including  
32 tangible personal property and fixtures that will be incorporated as  
33 an ingredient or component of such buildings during the course of  
34 their construction, and including labor and services rendered in the  
35 planning, installation, and construction of the project.

36 (7) "Manufacture" has the same meaning as provided in RCW  
37 82.04.120.

38 (8) "Operationally complete" means a date no later than one year  
39 from the date the project is issued an occupancy permit by the local  
40 permit issuing authority.

1 (9) "Person" has the same meaning as provided in RCW 82.04.030.

2 (10) "Qualified building or buildings" means construction of a  
3 new structure or structures or expansion of an existing structure or  
4 structures to be used for corporate headquarters. If a building is  
5 used partly for corporate headquarters and partly for other purposes,  
6 the applicable tax deferral is determined by apportionment of the  
7 costs of construction under rules adopted by the department.

8 (11) "Qualified employment position" means a permanent full-time  
9 employee employed in the eligible investment project during the  
10 entire tax year. The term "entire tax year" means a full-time  
11 position that is filled for a period of twelve consecutive months.  
12 The term "full-time" means at least thirty-five hours a week, four  
13 hundred fifty-five hours a quarter, or one thousand eight hundred  
14 twenty hours a year.

15 (12) "Recipient" means a person receiving a tax deferral under  
16 this chapter.

17 (13) "Warehouse" means a building or structure, or any part  
18 thereof, in which goods, wares, or merchandise are received for  
19 storage for compensation.

20 (14) "Wholesale sale" has the same meaning as provided in RCW  
21 82.04.060.

22 **Sec. 341.** RCW 83.100.020 and 2013 2nd sp.s. c 2 s 2 are each  
23 reenacted and amended to read as follows:

24 The definitions in this section apply throughout this chapter  
25 unless the context clearly requires otherwise.

26 (1)(a) "Applicable exclusion amount" means:

27 (i) One million five hundred thousand dollars for decedents dying  
28 before January 1, 2006;

29 (ii) Two million dollars for estates of decedents dying on or  
30 after January 1, 2006, and before January 1, 2014; and

31 (iii) For estates of decedents dying in calendar year 2014 and  
32 each calendar year thereafter, the amount in (a)(ii) of this  
33 subsection must be adjusted annually, except as otherwise provided in  
34 this subsection (1)(a)(iii). The annual adjustment is determined by  
35 multiplying two million dollars by one plus the percentage by which  
36 the most recent October consumer price index exceeds the consumer  
37 price index for October 2012, and rounding the result to the nearest  
38 one thousand dollars. No adjustment is made for a calendar year if  
39 the adjustment would result in the same or a lesser applicable

1 exclusion amount than the applicable exclusion amount for the  
2 immediately preceding calendar year. The applicable exclusion amount  
3 under this subsection (1)(a)(iii) for the decedent's estate is the  
4 applicable exclusion amount in effect as of the date of the  
5 decedent's death.

6 (b) For purposes of this subsection, "consumer price index" means  
7 the consumer price index for all urban consumers, all items, for the  
8 Seattle-Tacoma-Bremerton metropolitan area as calculated by the  
9 United States bureau of labor statistics.

10 (2) "Decedent" means a deceased individual.

11 (3) "Department" means the department of (~~revenue~~) taxation,  
12 the director of that department, or any employee of the department  
13 exercising authority lawfully delegated to him or her by the  
14 director.

15 (4) "Federal return" means any tax return required by chapter 11  
16 of the internal revenue code.

17 (5) "Federal tax" means a tax under chapter 11 of the internal  
18 revenue code.

19 (6) "Federal taxable estate" means the taxable estate as  
20 determined under chapter 11 of the internal revenue code without  
21 regard to: (a) The termination of the federal estate tax under  
22 section 2210 of the internal revenue code or any other provision of  
23 law, and (b) the deduction for state estate, inheritance, legacy, or  
24 succession taxes allowable under section 2058 of the internal revenue  
25 code.

26 (7) "Gross estate" means "gross estate" as defined and used in  
27 section 2031 of the internal revenue code.

28 (8) "Internal revenue code" means the United States internal  
29 revenue code of 1986, as amended or renumbered as of January 1, 2005.

30 (9) "Person" means any individual, estate, trust, receiver,  
31 cooperative association, club, corporation, company, firm,  
32 partnership, joint venture, syndicate, or other entity and, to the  
33 extent permitted by law, any federal, state, or other governmental  
34 unit or subdivision or agency, department, or instrumentality  
35 thereof.

36 (10) "Person required to file the federal return" means any  
37 person required to file a return required by chapter 11 of the  
38 internal revenue code, such as the personal representative of an  
39 estate.

40 (11) "Property" means property included in the gross estate.

1 (12) "Resident" means a decedent who was domiciled in Washington  
2 at time of death.

3 (13) "Taxpayer" means a person upon whom tax is imposed under  
4 this chapter, including an estate or a person liable for tax under  
5 RCW 83.100.120.

6 (14) "Transfer" means "transfer" as used in section 2001 of the  
7 internal revenue code and includes any shifting upon death of the  
8 economic benefit in property or any power or legal privilege  
9 incidental to the ownership or enjoyment of property. However,  
10 "transfer" does not include a qualified heir disposing of an interest  
11 in property qualifying for a deduction under RCW 83.100.046 or  
12 ceasing to use the property for farming purposes.

13 (15) "Washington taxable estate" means the federal taxable estate  
14 and includes, but is not limited to, the value of any property  
15 included in the gross estate under section 2044 of the internal  
16 revenue code, regardless of whether the decedent's interest in such  
17 property was acquired before May 17, 2005, (a) plus amounts required  
18 to be added to the Washington taxable estate under RCW 83.100.047,  
19 (b) less: (i) The applicable exclusion amount; (ii) the amount of any  
20 deduction allowed under RCW 83.100.046; (iii) amounts allowed to be  
21 deducted from the Washington taxable estate under RCW 83.100.047; and  
22 (iv) the amount of any deduction allowed under RCW 83.100.048.

23 **Sec. 342.** RCW 83.100.160 and 1993 c 413 s 1 are each amended to  
24 read as follows:

25 Upon filing findings under RCW 83.100.150, the clerk of the  
26 superior court shall give notice of the filing by causing notice  
27 thereof to be posted at the courthouse in the county in which the  
28 court is located. In addition, the department of (~~revenue~~) taxation  
29 shall give notice of the filing to all persons interested in the  
30 proceeding by mailing a copy of the notice to all persons having an  
31 interest in property subject to the tax. The department of  
32 (~~revenue~~) taxation is not required to conduct a search for persons  
33 interested in the proceedings or property. The department of  
34 (~~revenue~~) taxation must mail a copy of the notice only to persons  
35 of whom the department has received actual notice as having an  
36 interest in the proceeding or property, and, if a probate or  
37 administrative proceeding has been commenced in this state, to  
38 persons who are listed in the court file as having an interest in the  
39 proceedings or property.

1       **Sec. 343.** RCW 84.04.047 and 1979 c 107 s 25 are each amended to  
2 read as follows:

3       "Department" means the department of (~~revenue~~) taxation of the  
4 state of Washington.

5       **Sec. 344.** RCW 84.08.010 and 1975 1st ex.s. c 278 s 147 are each  
6 amended to read as follows:

7       The department of (~~revenue~~) taxation shall:

8       (1) Exercise general supervision and control over the  
9 administration of the assessment and tax laws of the state, over  
10 county assessors, and county boards of equalization, and over boards  
11 of county commissioners, county treasurers and county auditors and  
12 all other county officers, in the performance of their duties  
13 relating to taxation, and perform any act or give any order or  
14 direction to any county board of equalization or to any county  
15 assessor or to any other county officer as to the valuation of any  
16 property, or class or classes of property in any county, township,  
17 city or town, or as to any other matter relating to the  
18 administration of the assessment and taxation laws of the state,  
19 which, in the department's judgment may seem just and necessary, to  
20 the end that all taxable property in this state shall be listed upon  
21 the assessment rolls and valued and assessed according to the  
22 provisions of law, and equalized between persons, firms, companies  
23 and corporations, and between the different counties of this state,  
24 and between the different taxing units and townships, so that  
25 equality of taxation and uniformity of administration shall be  
26 secured and all taxes shall be collected according to the provisions  
27 of law.

28       (2) Formulate such rules and processes for the assessment of both  
29 real and personal property for purposes of taxation as are best  
30 calculated to secure uniform assessment of property of like kind and  
31 value in the various taxing units of the state, and relative  
32 uniformity between properties of different kinds and values in the  
33 same taxing unit. The department of (~~revenue~~) taxation shall  
34 furnish to each county assessor a copy of the rules and processes so  
35 formulated. The department of (~~revenue~~) taxation may, from time to  
36 time, make such changes in the rules and processes so formulated as  
37 it deems advisable to accomplish the purpose thereof, and it shall  
38 inform all county assessors of such changes.

1 (3) Visit the counties in the state, unless prevented by  
2 necessary official duties, for the investigation of the methods  
3 adopted by the county assessors and county boards of commissioners in  
4 the assessment and equalization of taxation of real and personal  
5 property; carefully examine into all cases where evasion of property  
6 taxation is alleged, and ascertain where existing laws are defective,  
7 or improperly or negligently administered.

8 **Sec. 345.** RCW 84.08.020 and 1975 1st ex.s. c 278 s 148 are each  
9 amended to read as follows:

10 The department of (~~revenue~~) taxation shall:

11 (1) Confer with, advise and direct assessors, boards of  
12 equalization, county boards of commissioners, county treasurers,  
13 county auditors and all other county and township officers as to  
14 their duties under the law and statutes of the state, relating to  
15 taxation, and direct what proceedings, actions or prosecutions shall  
16 be instituted to support the law relating to the penalties,  
17 liabilities and punishment of public officers, persons, and officers  
18 or agents of corporations for failure or neglect to comply with the  
19 provisions of the statutes governing the return, assessment and  
20 taxation of property, and the collection of taxes, and cause  
21 complaint to be made against any of such public officers in the  
22 proper county for their removal from office for official misconduct  
23 or neglect of duty. In the execution of these powers and duties the  
24 said department or any member thereof may call upon prosecuting  
25 attorneys or the attorney general, who shall assist in the  
26 commencement and prosecution for penalties and forfeiture,  
27 liabilities and punishments for violations of the laws of the state  
28 in respect to the assessment and taxation of property.

29 (2) Prescribe all forms of books and blanks to be used in the  
30 assessment and collection of taxes, and change such forms when  
31 prescribed by law, and recommend to the legislature such changes as  
32 may be deemed most economical to the state and counties, and such  
33 recommendation shall be accompanied by carefully prepared bill or  
34 bills for this end.

35 (3) Require county, city and town officers to report information  
36 as to assessments of property, equalization of taxes, the expenditure  
37 of public funds for all purposes, and other information which said  
38 department of (~~revenue~~) taxation may request.



1       **Sec. 346.** RCW 84.08.030 and 1975-'76 2nd ex.s. c 94 s 1 are each  
2 amended to read as follows:

3       The department of (~~revenue~~) taxation shall examine and test the  
4 work of county assessors at any time, and have and possess all rights  
5 and powers of such assessors for the examination of persons, and  
6 property, and for the discovery of property subject to taxation, and  
7 if it shall ascertain that any taxable property is omitted from the  
8 assessment list, or not assessed or valued according to law, it shall  
9 bring the same to the attention of the assessor of the proper county  
10 in writing, and if such assessor shall neglect or refuse to comply  
11 with the request of the department of (~~revenue~~) taxation to place  
12 such property on the assessment list, or to correct such incorrect  
13 assessment or valuation the department of (~~revenue~~) taxation shall  
14 have the power to prepare a supplement to such assessment list, which  
15 supplement shall include all property required by the department of  
16 (~~revenue~~) taxation to be placed on the assessment list and all  
17 corrections required to be made. Such supplement shall be filed with  
18 the assessor's assessment list and shall thereafter constitute an  
19 integral part thereof to the exclusion of all portions of the  
20 original assessment list inconsistent therewith, and shall be  
21 submitted therewith to the county board of equalization. As part of  
22 the examining and testing of the work of county assessors to be  
23 accomplished pursuant to this section, the department of (~~revenue~~)  
24 taxation shall audit statewide at least one-half of one percent of  
25 all personal property accounts listed each calendar year.

26       **Sec. 347.** RCW 84.08.040 and 1975 1st ex.s. c 278 s 149 are each  
27 amended to read as follows:

28       The department of (~~revenue~~) taxation shall secure, tabulate,  
29 and keep records of valuations of all classes of property throughout  
30 the state, and for that purpose, shall have access to all records and  
31 files of state offices and departments and county and municipal  
32 offices and shall require all public officers and employees whose  
33 duties make it possible to ascertain valuations, including valuations  
34 of property of public service corporations for rate making purposes  
35 to file reports with the department of (~~revenue~~) taxation, giving  
36 such information as to such valuation and the source thereof:  
37 PROVIDED, That the nature and kind of the tabulations, records of  
38 valuation and requirements from public officers, as stated herein,

1 shall be in such form, and cover such valuations, as the department  
2 of (~~revenue~~) taxation shall prescribe.

3 **Sec. 348.** RCW 84.08.050 and 2003 c 53 s 407 are each amended to  
4 read as follows:

5 (1) The department of (~~revenue~~) taxation shall:

6 (a) Require individuals, partnerships, companies, associations  
7 and corporations to furnish information as to their capital, funded  
8 debts, investments, value of property, earnings, taxes and all other  
9 facts called for on these subjects so that the department may  
10 determine the taxable value of any property or any other fact it may  
11 consider necessary to carry out any duties now or hereafter imposed  
12 upon it, or may ascertain the relative burdens borne by all kinds and  
13 classes of property within the state, and for these purposes their  
14 records, books, accounts, papers and memoranda shall be subject to  
15 production and inspection, investigation and examination by the  
16 department, or any employee thereof designated by the department for  
17 such purpose, and any or all real and/or personal property in this  
18 state shall be subject to visitation, investigation, examination  
19 and/or listing at any and all times by the department or by any  
20 employee thereof designated by the department.

21 (b) Summon witnesses to appear and testify on the subject of  
22 capital, funded debts, investments, value of property, earnings,  
23 taxes, and all other facts called for on these subjects, or upon any  
24 matter deemed material to the proper assessment of property, or to  
25 the investigation of the system of taxation, or the expenditure of  
26 public funds for state, county, district and municipal purposes:  
27 PROVIDED, HOWEVER, No person shall be required to testify outside of  
28 the county in which the taxpayer's residence, office or principal  
29 place of business, as the case may be, is located. Such summons shall  
30 be served in like manner as a subpoena issued out of the superior  
31 court and be served by the sheriff of the proper county, and such  
32 service certified by him or her to the department without  
33 compensation therefor. Persons appearing before the department in  
34 obedience to a summons shall in the discretion of the department  
35 receive the same compensation as witnesses in the superior court.

36 (c) Thoroughly investigate all complaints which may be made to it  
37 of illegal, unjust or excessive taxation, and shall endeavor to  
38 ascertain to what extent and in what manner, if at all, the present  
39 system is unequal or oppressive.

1 (2) Any member of the department or any employee thereof  
2 designated for that purpose may administer oaths to witnesses.

3 (3) (a) In case any witness shall fail to obey the summons to  
4 appear, or refuse to testify, or shall fail or refuse to comply with  
5 any of the provisions of subsection (1) (a) or (b) of this section,  
6 such person, for each separate or repeated offense, shall be deemed  
7 guilty of a misdemeanor, and upon conviction thereof shall be fined  
8 in any sum not less than fifty dollars, nor more than five thousand  
9 dollars.

10 (b) Any person who shall testify falsely is guilty of perjury and  
11 shall be punished under chapter 9A.72 RCW.

12 **Sec. 349.** RCW 84.08.060 and 1988 c 222 s 9 are each amended to  
13 read as follows:

14 The department of ((~~revenue~~)) taxation shall have power to direct  
15 and to order any county board of equalization to raise or lower the  
16 valuation of any taxable property, or to add any property to the  
17 assessment list, or to perform or complete any other duty required by  
18 statute. The department of ((~~revenue~~)) taxation may require any such  
19 board of equalization to reconvene after its adjournment for the  
20 purpose of performing any order or requirement made by the department  
21 of ((~~revenue~~)) taxation and may make such orders as it shall  
22 determine to be just and necessary. The department may require any  
23 county board of equalization to reconvene at any time for the purpose  
24 of performing or completing any duty or taking any action it might  
25 lawfully have performed or taken at any of its previous meetings. No  
26 board may be reconvened later than three years after the date of  
27 adjournment of its regularly convened session. If such board of  
28 equalization shall fail or refuse forthwith to comply with any such  
29 order or requirement of the department of ((~~revenue~~)) taxation, the  
30 department of ((~~revenue~~)) taxation shall have power to take any other  
31 appropriate action, or to make such correction or change in the  
32 assessment list, and such corrections and changes shall be a part of  
33 the record of the proceedings of the said board of equalization:  
34 PROVIDED, That in all cases where the department of ((~~revenue~~))  
35 taxation shall raise the valuation of any property or add property to  
36 the assessment list, it shall give notice either for the same time  
37 and in the same manner as is now required in like cases of county  
38 boards of equalization, or if it shall deem such method of giving  
39 notice impracticable it shall give notice by publication thereof in a

1 newspaper of general circulation within the county in which the  
2 property affected is situated once each week for two consecutive  
3 weeks, and the department of ((~~revenue~~)) taxation shall not proceed  
4 to raise such valuation or add such property to the assessment list  
5 until a period of five days shall have elapsed subsequent to the date  
6 of the last publication of such notice: PROVIDED FURTHER, That  
7 appeals to the board of tax appeals by any taxpayer or taxing unit  
8 concerning any action of the county board of equalization shall not  
9 raise the valuation of the property to an amount greater than the  
10 larger of either the valuation of the property by the county assessor  
11 or the valuation of the property assigned by the county board of  
12 equalization. Such notice shall give the legal description of each  
13 tract of land involved, or a general description in case of personal  
14 property; the tax record-owner thereof; the assessed value thereof  
15 determined by the county board of equalization in case the property  
16 is on the assessment roll; and the assessed value thereof as  
17 determined by the department of ((~~revenue~~)) taxation and shall state  
18 that the department of ((~~revenue~~)) taxation proposes to increase the  
19 assessed valuation of such property to the amount stated and to add  
20 such property to the assessment list at the assessed valuation  
21 stated. The necessary expense incurred by the department of  
22 ((~~revenue~~)) taxation in making such reassessment and/or adding such  
23 property to the assessment list shall be borne by the county or  
24 township in which the property as reassessed and/or so added to the  
25 assessment list is situated and shall be paid out of the proper funds  
26 of such county upon the order of the department of ((~~revenue~~))  
27 taxation.

28       **Sec. 350.** RCW 84.08.070 and 1975 1st ex.s. c 278 s 151 are each  
29 amended to read as follows:

30       The department of ((~~revenue~~)) taxation shall make such rules and  
31 regulations as may be necessary to carry out the powers granted by  
32 this chapter, and for conducting hearings and other proceedings  
33 before it.

34       **Sec. 351.** RCW 84.08.080 and 1975 1st ex.s. c 278 s 152 are each  
35 amended to read as follows:

36       The department of ((~~revenue~~)) taxation shall, with the advice of  
37 the attorney general, decide all questions that may arise in  
38 reference to the true construction or interpretation of this title,

1 or any part thereof, with reference to the powers and duties of  
2 taxing district officers, and such decision shall have force and  
3 effect until modified or annulled by the judgment or decree of a  
4 court of competent jurisdiction.

5 **Sec. 352.** RCW 84.08.120 and 2013 c 23 s 342 are each amended to  
6 read as follows:

7 It shall be the duty of every public officer to comply with any  
8 lawful order, rule, or regulation of the department of (~~revenue~~)  
9 taxation made under the provisions of this title, and whenever it  
10 shall appear to the department of (~~revenue~~) taxation that any  
11 public officer or employee whose duties relate to the assessment or  
12 equalization of assessments of property for taxation or to the levy  
13 or collection of taxes has failed to comply with the provisions of  
14 this title or with any other law relating to such duties or the rules  
15 of the department made in pursuance thereof, the department after a  
16 hearing on the facts may issue its order directing such public  
17 officer or employee to comply with such provisions of law or of its  
18 rules, and if such public officer or employee for a period of ten  
19 days after service on him or her of the department's order shall  
20 neglect or refuse to comply therewith, the department of (~~revenue~~)  
21 taxation may apply to a judge of the superior court or court  
22 commissioner of the county in which said public officer or employee  
23 holds office for an order returnable within five days from the date  
24 thereof to compel such public officer or employee to comply with such  
25 provisions of law or of the department's order, or to show cause why  
26 he or she should not be compelled so to do, and any order issued by  
27 the judge pursuant thereto shall be final. The remedy herein provided  
28 shall be cumulative and shall not exclude the department of  
29 (~~revenue~~) taxation from exercising any power or rights otherwise  
30 granted.

31 **Sec. 353.** RCW 84.08.140 and 2013 c 23 s 343 are each amended to  
32 read as follows:

33 Any taxpayer feeling aggrieved by the levy or levies of any  
34 taxing district except levies authorized by a vote of the voters of  
35 the district may appeal therefrom to the department of (~~revenue~~)  
36 taxation as hereinafter provided. Such taxpayer, upon the execution  
37 of a bond, with two or more sufficient sureties to be approved by the  
38 county auditor, payable to the state of Washington, in the penal sum

1 of two hundred dollars and conditioned that if the petitioner shall  
2 fail in his or her appeal for a reduction of said levy or levies the  
3 taxpayer will pay the taxable costs of the hearings hereinafter  
4 provided, not exceeding the amount of such bond, may file a written  
5 complaint with the county auditor wherein such taxing district is  
6 located not later than ten days after the making and entering of such  
7 levy or levies, setting forth in such form and detail as the  
8 department of (~~revenue~~) taxation shall by general rule prescribe,  
9 the taxpayer's objections to such levy or levies. Upon the filing of  
10 such complaint, the county auditor shall immediately transmit a  
11 certified copy thereof, together with a copy of the budget or  
12 estimates of such taxing district as finally adopted, including  
13 estimated revenues and such other information as the department of  
14 (~~revenue~~) taxation shall by rule require, to the department of  
15 (~~revenue~~) taxation. The department of (~~revenue~~) taxation shall  
16 fix a date for a hearing on said complaint at the earliest convenient  
17 time after receipt of said record, which hearing shall be held in the  
18 county in which said taxing district is located, and notice of such  
19 hearing shall be given to the officials of such taxing district,  
20 charged with determining the amount of its levies, and to the  
21 taxpayer on said complaint by registered mail at least five days  
22 prior to the date of said hearing. At such hearings all interested  
23 parties may be heard and the department of (~~revenue~~) taxation shall  
24 receive all competent evidence. After such hearing, the department of  
25 (~~revenue~~) taxation shall either affirm or decrease the levy or  
26 levies complained of, in accordance with the evidence, and shall  
27 thereupon certify its action with respect thereto to the county  
28 auditor, who, in turn, shall certify it to the taxing district or  
29 districts affected, and the action of the department of (~~revenue~~)  
30 taxation with respect to such levy or levies shall be final and  
31 conclusive.

32 **Sec. 354.** RCW 84.08.190 and 2013 c 23 s 344 are each amended to  
33 read as follows:

34 For the purpose of instruction on the subject of taxation, the  
35 county assessors of the state shall meet with the department of  
36 (~~revenue~~) taxation at the capital of the state, or at such place  
37 within the state as they may determine at their previous meeting, on  
38 the second Monday of October of each year or on such other date as  
39 may be fixed by the department of (~~revenue~~) taxation. Each assessor

1 shall be paid by the county of his or her residence his or her actual  
2 expenses in attending such meeting, upon presentation to the county  
3 auditor of proper vouchers.

4 **Sec. 355.** RCW 84.12.200 and 2013 c 56 s 1 are each reenacted and  
5 amended to read as follows:

6 The definitions in this section apply throughout this chapter  
7 unless the context clearly requires otherwise.

8 (1) (a) "Airplane company" means and includes any person owning,  
9 controlling, operating or managing real or personal property, used or  
10 to be used for or in connection with or to facilitate the conveyance  
11 and transportation of persons and/or property by aircraft, and  
12 engaged in the business of transporting persons and/or property for  
13 compensation, as owner, lessee or otherwise.

14 (b) "Airplane company" does not include a "commuter air carrier"  
15 as defined in RCW 82.48.010, whose ground property and equipment is  
16 located primarily on privately held real property.

17 (2) "Company" means and includes any railroad company, airplane  
18 company, electric light and power company, telegraph company,  
19 telephone company, gas company, pipe line company, or logging  
20 railroad company; and the term "companies" means and includes all of  
21 such companies.

22 (3) "Department" without other designation means the department  
23 of (~~revenue~~) taxation of the state of Washington.

24 (4) "Electric light and power company" means and includes any  
25 person owning, controlling, operating or managing real or personal  
26 property, used or to be used for or in connection with or to  
27 facilitate the generation, transmission or distribution of  
28 electricity in this state, and engaged in the business of furnishing,  
29 transmitting, distributing or generating electrical energy for light,  
30 heat or power for compensation as owner, lessee or otherwise.

31 (5) "Gas company" means and includes any person owning,  
32 controlling, operating or managing real or personal property, used or  
33 to be used for or in connection with or to facilitate the  
34 manufacture, transportation, or distribution of natural or  
35 manufactured gas in this state, and engaged for compensation in the  
36 business of furnishing gas for light, heat, power or other use, as  
37 owner, lessee or otherwise.

38 (6) "Logging railroad company" means and includes any person  
39 owning, controlling, operating or managing real or personal property,

1 used or to be used for or in connection with or to facilitate the  
2 conveyance and transportation of forest products by rail in this  
3 state, and engaged in the business of transporting forest products  
4 either as private carrier or carrier for hire.

5 (7) "Nonoperating property" means all physical property owned by  
6 any company, other than that used during the preceding calendar year  
7 in the conduct of its operations. It includes all lands and/or  
8 buildings wholly used by any person other than the owning company. In  
9 cases where lands and/or buildings are used partially by the owning  
10 company in the conduct of its operations and partially by any other  
11 person not assessable under this chapter under lease, sublease, or  
12 other form of tenancy, the operating and nonoperating property of the  
13 company whose property is assessed under this section must be  
14 determined by the department of (~~revenue~~) taxation in such manner  
15 as will, in its judgment, secure the separate valuation of such  
16 operating and nonoperating property upon a fair and equitable basis.  
17 The amount of operating revenue received from tenants or occupants of  
18 property of the owning company may not be considered material in  
19 determining the classification of such property.

20 (8) "Operating property" means and includes all property, real  
21 and personal, owned by any company, or held by it as occupant, lessee  
22 or otherwise, including all franchises and lands, buildings, rights-  
23 of-way, water powers, motor vehicles, wagons, horses, aircraft,  
24 aerodromes, hangars, office furniture, water mains, gas mains, pipe  
25 lines, pumping stations, tanks, tank farms, holders, reservoirs,  
26 telephone lines, telegraph lines, transmission and distribution  
27 lines, dams, generating plants, poles, wires, cables, conduits,  
28 switch boards, devices, appliances, instruments, equipment,  
29 machinery, landing slips, docks, roadbeds, tracks, terminals, rolling  
30 stock equipment, appurtenances and all other property of a like or  
31 different kind, situate within the state of Washington, used by the  
32 company in the conduct of its operations; and, in case of personal  
33 property used partly within and partly without the state, it means  
34 and includes a proportion of such personal property to be determined  
35 as in this chapter provided.

36 (9) "Person" means and includes any individual, firm,  
37 copartnership, joint venture, association, corporation, trust, or any  
38 other group acting as a unit, whether mutual, cooperative or  
39 otherwise, and/or trustees or receivers appointed by any court.



1 (10) "Pipe line company" means and includes any person owning,  
2 controlling, operating or managing real or personal property, used or  
3 to be used for or in connection with or to facilitate the conveyance  
4 or transportation of oils, natural or manufactured gas and/or other  
5 substances, except water, by pipe line in this state, and engaged in  
6 such business for compensation, as owner, lessee or otherwise.

7 (11) "Railroad company" means and includes any person owning or  
8 operating a railroad, street railway, suburban railroad or interurban  
9 railroad in this state, whether its line of railroad be maintained at  
10 the surface, or above or below the surface of the earth, or by  
11 whatever power its vehicles are transported; or owning any station,  
12 depot, terminal or bridge for railroad purposes, as owner, lessee or  
13 otherwise.

14 (12) "Telegraph company" means and includes any person owning,  
15 controlling, operating or managing any telegraph or cable line in  
16 this state, with appliances for the transmission of messages, and  
17 engaged in the business of furnishing telegraph service for  
18 compensation, as owner, lessee or otherwise.

19 (13) "Telephone company" means and includes any person owning,  
20 controlling, operating or managing real or personal property, used or  
21 to be used for or in connection with or to facilitate the  
22 transmission of communication by telephone in this state through  
23 owned or controlled exchanges and/or switchboards, and engaged in the  
24 business of furnishing telephonic communication for compensation as  
25 owner, lessee or otherwise.

26 **Sec. 356.** RCW 84.12.220 and 1975 1st ex.s. c 278 s 160 are each  
27 amended to read as follows:

28 In all matters relating to assessment and taxation the department  
29 of (~~revenue~~) taxation shall have jurisdiction to determine what is  
30 operating property and what is nonoperating property.

31 **Sec. 357.** RCW 84.12.230 and 1998 c 311 s 12 are each amended to  
32 read as follows:

33 Each company doing business in this state shall annually on or  
34 before the 15th day of March, make and file with the department of  
35 (~~revenue~~) taxation an annual report, in such manner, upon such  
36 form, and giving such information as the department may direct:  
37 PROVIDED, That the department, upon written request filed on or  
38 before such date and for good cause shown therein, may allow an

1 extension of time for filing not to exceed sixty days. At the time of  
2 making such report each company shall also be required to furnish to  
3 the department the annual reports of the board of directors, or other  
4 officers to the stockholders of the company, duplicate copies of the  
5 annual reports made to the interstate commerce commission or its  
6 successor agency and to the utilities and transportation commission  
7 of this state and duplicate copies of such other reports as the  
8 department may direct: PROVIDED, That the duplicate copies of these  
9 annual reports shall not be due until such time as they are due to  
10 the stockholders or commissioners.

11 **Sec. 358.** RCW 84.12.240 and 2013 c 23 s 346 are each amended to  
12 read as follows:

13 The department of (~~revenue~~) taxation shall have access to all  
14 books, papers, documents, statements, and accounts on file or of  
15 record in any of the departments of the state; and it shall have the  
16 power to issue subpoenas, signed by the director of the department or  
17 any duly authorized employee and served in a like manner as a  
18 subpoena issued from courts of record, to compel witnesses to appear  
19 and give evidence and to produce books and papers. The director of  
20 the department or any employee officially designated by the  
21 department is authorized to administer oaths to witnesses. The  
22 attendance of any witness may be compelled by attachment issued out  
23 of any superior court upon application to said court by the director  
24 or any duly authorized employee of the department, upon a proper  
25 showing that such witness has been duly served with a subpoena and  
26 has refused to appear before the said department. In case of the  
27 refusal of a witness to produce books, papers, documents, or  
28 accounts, or to give evidence on matters material to the hearing, the  
29 department may institute proceedings in the proper superior court to  
30 compel such witness to testify or to produce such books or papers,  
31 and to punish him or her for such failure or refusal. All process  
32 issued by the department shall be served by the sheriff of the proper  
33 county or by a duly authorized agent of the department and such  
34 service, if made by the sheriff, shall be certified by him or her to  
35 the department of (~~revenue~~) taxation without any compensation  
36 therefor. Persons appearing before the department in obedience to a  
37 subpoena shall receive the same compensation as witnesses in the  
38 superior court. The records, books, accounts, and papers of each  
39 company shall be subject to visitation, investigation, or examination

1 by the department, or any employee thereof officially designated by  
2 the department. All real and/or personal property of any company  
3 shall be subject to visitation, investigation, examination, and/or  
4 listing at any and all times by the department, or any person  
5 officially designated by the director.

6 **Sec. 359.** RCW 84.12.250 and 1975 1st ex.s. c 278 s 163 are each  
7 amended to read as follows:

8 The department of (~~revenue~~) taxation, in any matter material to  
9 the valuation, assessment or taxation of the operating property of  
10 any company, may cause the deposition of witnesses residing without  
11 the state or absent therefrom, to be taken upon notice to the company  
12 interested in like manner as the depositions of witnesses are taken  
13 in civil actions in the superior court.

14 **Sec. 360.** RCW 84.12.260 and 2007 c 111 s 201 are each amended to  
15 read as follows:

16 (1) If any company shall fail to materially comply with the  
17 provisions of RCW 84.12.230, the department shall add to the value of  
18 such company, as a penalty for such failure, five percent for every  
19 thirty days or fraction thereof, not to exceed ten percent, that the  
20 company fails to comply.

21 (2) If any company, or any of its officers or agents shall refuse  
22 or neglect to make any report required by this chapter, or by the  
23 department of (~~revenue~~) taxation, or shall refuse to permit an  
24 inspection and examination of its records, books, accounts, papers or  
25 property requested by the department of (~~revenue~~) taxation, or  
26 shall refuse or neglect to appear before the department of  
27 (~~revenue~~) taxation in obedience to a subpoena, the department of  
28 (~~revenue~~) taxation shall inform itself to the best of its ability  
29 of the matters required to be known, in order to discharge its duties  
30 with respect to valuation and assessment of the property of such  
31 company, and the department shall add to the value so ascertained  
32 twenty-five percent as a penalty for such failure or refusal and such  
33 company shall be estopped to question or impeach the assessment of  
34 the department in any hearing or proceeding thereafter. Such penalty  
35 shall be in lieu of the penalty provided for in subsection (1) of  
36 this section.

37 (3) The department shall waive or cancel the penalty imposed  
38 under subsection (1) of this section for good cause shown.

1 (4) The department shall waive or cancel the penalty imposed  
2 under subsection (1) of this section when the circumstances under  
3 which the failure to materially comply with the provisions of RCW  
4 84.12.230 do not qualify for waiver or cancellation under subsection  
5 (3) of this section if:

6 (a) The company fully complies with the reporting provisions of  
7 RCW 84.12.230 within thirty days of the due date or any extension  
8 granted by the department; and

9 (b) The company has timely complied with the provisions of RCW  
10 84.12.230 for the previous two calendar years. The requirement that a  
11 company has timely complied with the provisions of RCW 84.12.230 for  
12 the previous two calendar years is waived for any calendar year in  
13 which the company was not required to comply with the provisions of  
14 RCW 84.12.230.

15 **Sec. 361.** RCW 84.12.270 and 2017 c 323 s 529 are each amended to  
16 read as follows:

17 The department of (~~revenue~~) taxation must annually make an  
18 assessment of the operating property of all companies. Between the  
19 fifteenth day of March and the first day of July of each year the  
20 department must prepare an initial assessment roll upon which the  
21 department must enter and assess the true and fair value of all the  
22 operating property of each of such companies as of the first day of  
23 January of the year in which the assessment is made. The department  
24 must finalize the assessment roll by the twentieth day of August of  
25 each year. For the purpose of determining the true and fair value of  
26 such property the department of (~~revenue~~) taxation may inspect the  
27 property belonging to the companies and may take into consideration  
28 any information or knowledge obtained by the department from an  
29 examination and inspection of such property, or of the books,  
30 records, and accounts of such companies, the statements filed as  
31 required by this chapter, the reports, statements, or returns of such  
32 companies filed in the office of any board, office, or commission of  
33 this state or any county thereof, the earnings and earning power of  
34 such companies, the franchises owned or used by such companies, the  
35 true and fair valuation of any and all property of such companies,  
36 whether operating or nonoperating property, and whether situated  
37 within or outside the state, and any other facts, evidence, or  
38 information that may be obtainable bearing upon the value of the  
39 operating property. However, in no event may any statement or report

1 required from any company by this chapter be conclusive upon the  
2 department of (~~revenue~~) taxation in determining the amount,  
3 character, and true and fair value of the operating property of such  
4 company.

5 **Sec. 362.** RCW 84.12.300 and 1975 1st ex.s. c 278 s 166 are each  
6 amended to read as follows:

7 In determining the value of the operating property within this  
8 state of any company, the properties of which lie partly within and  
9 partly without this state, the department of (~~revenue~~) taxation  
10 may, among other things, take into consideration the value of the  
11 whole system as a unit, and for such purpose may determine, insofar  
12 as the same is reasonably ascertainable, the salvage value, the  
13 actual cost new, the cost of reproduction new less depreciation and  
14 plus appreciation, the par value, actual value and market value of  
15 the company's outstanding stocks and bonds during one or more  
16 preceding years, the past, present and prospective gross and net  
17 earnings of the whole system as a unit.

18 In apportioning such system value to the state, the department  
19 of (~~revenue~~) taxation shall consider relative costs, relative  
20 reproduction cost, relative future prospects and relative track  
21 mileage and the distribution of terminal properties within and  
22 without the state and such other matters and things as the  
23 department may deem pertinent.

24 The department may also take into consideration the actual cost,  
25 cost of reproduction new, and cost of reproduction new less  
26 depreciation, earning capacity and future prospects of the property,  
27 located within the state and all other matters and things deemed  
28 pertinent by the department of (~~revenue~~) taxation.

29 **Sec. 363.** RCW 84.12.310 and 2001 c 187 s 5 are each amended to  
30 read as follows:

31 For the purpose of determining the system value of the operating  
32 property of any such company, the department of (~~revenue~~) taxation  
33 shall deduct from the true and fair value of the total assets of such  
34 company, the actual cash value of all nonoperating property owned by  
35 such company. For such purpose the department of (~~revenue~~) taxation  
36 may require of the assessors of the various counties within this  
37 state a detailed list of such company's properties assessed by them,  
38 together with the assessable or assessed value thereof: PROVIDED,

1 That such assessed or assessable value shall be advisory only and not  
2 conclusive on the department of (~~revenue~~) taxation as to the value  
3 thereof.

4 **Sec. 364.** RCW 84.12.330 and 2017 c 323 s 530 are each amended to  
5 read as follows:

6 Upon the assessment roll must be placed after the name of each  
7 company a general description of the operating property of the  
8 company, which is considered sufficient if described in the language  
9 of RCW 84.12.200(8), as applied to the company, following which must  
10 be entered the true and fair value of the operating property as  
11 determined by the department of (~~revenue~~) taxation. No assessment  
12 may be invalidated by reason of a mistake in the name of the company  
13 assessed, or the omission of the name of the owner or by the entry as  
14 owner of a name other than that of the true owner. When the  
15 department of (~~revenue~~) taxation has prepared the assessment roll  
16 and entered thereon the true and fair value of the operating property  
17 of the company, as herein required, the department must notify the  
18 company by mail of the valuation determined by it and entered upon  
19 the roll.

20 **Sec. 365.** RCW 84.12.340 and 1994 c 124 s 14 are each amended to  
21 read as follows:

22 Following the making of an assessment, every company may present  
23 a motion for a hearing on the assessment with the department of  
24 (~~revenue~~) taxation within the first ten working days of July. The  
25 hearing on this motion shall be held within ten working days  
26 following the hearing request period. During this hearing, the  
27 company may present evidence relating to the value of its operating  
28 property and to the value of other taxable property in the counties  
29 in which its operating property is situate. Upon request in writing  
30 for such hearing, the department shall appoint a time and place  
31 therefor, within the period aforesaid, the hearing to be conducted in  
32 such manner as the department shall direct. Hearings provided for in  
33 this section may be held at such times and in such places throughout  
34 the state as the department may deem proper or necessary, may be  
35 adjourned from time to time and from place to place and may be  
36 conducted by the department of (~~revenue~~) taxation or by such member  
37 or members thereof as may be duly delegated to act for it. Testimony  
38 taken at this hearing shall be recorded.

1       **Sec. 366.** RCW 84.12.350 and 2001 c 187 s 7 are each amended to  
2 read as follows:

3       Upon determination by the department of (~~revenue~~) taxation of  
4 the true and fair value of the property appearing on such rolls it  
5 shall apportion such value to the respective counties entitled  
6 thereto, as hereinafter provided, and shall determine the equalized  
7 assessed valuation of such property in each such county and in the  
8 several taxing districts therein, by applying to such actual  
9 apportioned value the same ratio as the ratio of assessed to actual  
10 value of the general property in such county: PROVIDED, That,  
11 whenever the amount of the true and fair value of the operating  
12 property of any company otherwise apportionable to any county or  
13 other taxing district shall be less than two hundred fifty dollars,  
14 such amount need not be apportioned to such county or taxing district  
15 but may be added to the amount apportioned to an adjacent county or  
16 taxing district.

17       **Sec. 367.** RCW 84.12.360 and 2001 c 187 s 8 are each amended to  
18 read as follows:

19       The true and fair value of the operating property assessed to a  
20 company, as fixed and determined by the department of (~~revenue~~)  
21 taxation, shall be apportioned by the department of (~~revenue~~)  
22 taxation to the respective counties and to the taxing districts  
23 thereof wherein such property is located in the following manner:

24       (1) Property of all railroad companies other than street railroad  
25 companies, telegraph companies and pipe line companies—upon the basis  
26 of that proportion of the value of the total operating property  
27 within the state which the mileage of track, as classified by the  
28 department of (~~revenue~~) taxation (in case of railroads), mileage of  
29 wire (in the case of telegraph companies), and mileage of pipe line  
30 (in the case of pipe line companies) within each county or taxing  
31 district bears to the total mileage thereof within the state, at the  
32 end of the calendar year last past. For the purpose of such  
33 apportionment the department may classify railroad track.

34       (2) Property of street railroad companies, telephone companies,  
35 electric light and power companies, and gas companies—upon the basis  
36 of relative value of the operating property within each county and  
37 taxing district to the value of the total operating property within  
38 the state to be determined by such factors as the department of  
39 (~~revenue~~) taxation shall deem proper.

1 (3) Planes or other aircraft of airplane companies—upon the basis  
2 of such factor or factors of allocation, to be determined by the  
3 department of (~~revenue~~) taxation, as will secure a substantially  
4 fair and equitable division between counties and other taxing  
5 districts.

6 All other property of airplane companies—upon the basis set forth  
7 in subsection (2) of this section.

8 The basis of apportionment with reference to all public utility  
9 companies above prescribed shall not be deemed exclusive and the  
10 department of (~~revenue~~) taxation in apportioning values of such  
11 companies may also take into consideration such other information,  
12 facts, circumstances, or allocation factors as will enable it to make  
13 a substantially just and correct valuation of the operating property  
14 of such companies within the state and within each county thereof.

15 **Sec. 368.** RCW 84.12.370 and 1994 c 301 s 25 are each amended to  
16 read as follows:

17 When the department of (~~revenue~~) taxation shall have determined  
18 the equalized assessed value of the operating property of each  
19 company in each of the respective counties and in the taxing  
20 districts thereof, as hereinabove provided, the department of  
21 (~~revenue~~) taxation shall certify such equalized assessed value to  
22 the county assessor of the proper county. The county assessor shall  
23 enter the company's real operating property upon the real property  
24 tax rolls and the company's personal operating property upon the  
25 personal property tax rolls of the county, together with the values  
26 so apportioned, and the same shall be and constitute the assessed  
27 valuation of the operating property of the company in such county and  
28 the taxing districts therein for that year, upon which taxes shall be  
29 levied and collected in the same manner as on the general property of  
30 such county.

31 **Sec. 369.** RCW 84.12.390 and 1975 1st ex.s. c 278 s 172 are each  
32 amended to read as follows:

33 The department of (~~revenue~~) taxation shall have the power to  
34 make such rules and regulations, not inconsistent herewith, as may be  
35 convenient and necessary to enforce and carry out the provisions of  
36 this chapter.



1       **Sec. 370.** RCW 84.14.020 and 2007 c 430 s 4 are each amended to  
2 read as follows:

3       (1)(a) The value of new housing construction, conversion, and  
4 rehabilitation improvements qualifying under this chapter is exempt  
5 from ad valorem property taxation, as follows:

6       (i) For properties for which applications for certificates of tax  
7 exemption eligibility are submitted under chapter 84.14 RCW before  
8 July 22, 2007, the value is exempt for ten successive years beginning  
9 January 1 of the year immediately following the calendar year of  
10 issuance of the certificate; and

11       (ii) For properties for which applications for certificates of  
12 tax exemption eligibility are submitted under chapter 84.14 RCW on or  
13 after July 22, 2007, the value is exempt:

14       (A) For eight successive years beginning January 1st of the year  
15 immediately following the calendar year of issuance of the  
16 certificate; or

17       (B) For twelve successive years beginning January 1st of the year  
18 immediately following the calendar year of issuance of the  
19 certificate, if the property otherwise qualifies for the exemption  
20 under chapter 84.14 RCW and meets the conditions in this subsection  
21 (1)(a)(ii)(B). For the property to qualify for the twelve-year  
22 exemption under this subsection, the applicant must commit to renting  
23 or selling at least twenty percent of the multifamily housing units  
24 as affordable housing units to low and moderate-income households,  
25 and the property must satisfy that commitment and any additional  
26 affordability and income eligibility conditions adopted by the local  
27 government under this chapter. In the case of projects intended  
28 exclusively for owner occupancy, the minimum requirement of this  
29 subsection (1)(a)(ii)(B) may be satisfied solely through housing  
30 affordable to moderate-income households.

31       (b) The exemptions provided in (a)(i) and (ii) of this subsection  
32 do not include the value of land or nonhousing-related improvements  
33 not qualifying under this chapter.

34       (2) When a local government adopts guidelines pursuant to RCW  
35 84.14.030(2) and includes conditions that must be satisfied with  
36 respect to individual dwelling units, rather than with respect to the  
37 multiple-unit housing as a whole or some minimum portion thereof, the  
38 exemption may, at the local government's discretion, be limited to  
39 the value of the qualifying improvements allocable to those dwelling  
40 units that meet the local guidelines.

1 (3) In the case of rehabilitation of existing buildings, the  
2 exemption does not include the value of improvements constructed  
3 prior to the submission of the application required under this  
4 chapter. The incentive provided by this chapter is in addition to any  
5 other incentives, tax credits, grants, or other incentives provided  
6 by law.

7 (4) This chapter does not apply to increases in assessed  
8 valuation made by the assessor on nonqualifying portions of building  
9 and value of land nor to increases made by lawful order of a county  
10 board of equalization, the department of (~~revenue~~) taxation, or a  
11 county, to a class of property throughout the county or specific area  
12 of the county to achieve the uniformity of assessment or appraisal  
13 required by law.

14 (5) At the conclusion of the exemption period, the new or  
15 rehabilitated housing cost shall be considered as new construction  
16 for the purposes of chapter 84.55 RCW.

17 **Sec. 371.** RCW 84.16.010 and 1975 1st ex.s. c 278 s 173 are each  
18 amended to read as follows:

19 For the purposes of this chapter and unless otherwise required by  
20 the context:

21 (1) The term "department" without other designation means the  
22 department of (~~revenue~~) taxation of the state of Washington.

23 (2) The term "private car company" or "company" shall mean and  
24 include any person, copartnership, association, company or  
25 corporation owning, controlling, operating or managing stock cars,  
26 furniture cars, refrigerator cars, fruit cars, poultry cars, tank  
27 cars or any other kind of cars, used for transportation of property,  
28 by or upon railroad lines running in, into or through the state of  
29 Washington when such railroad lines are not owned or leased by such  
30 person, copartnership, association, company or corporation; or  
31 owning, controlling, operating or managing sleeping cars, parlor  
32 cars, buffet cars, tourist cars or any other kind of cars, used for  
33 transportation of persons by or upon railroads on lines running in,  
34 into or through the state of Washington, when such railroad lines are  
35 not owned or leased by such person, copartnership, association,  
36 company or corporation and upon which an extra charge in addition to  
37 the railroad transportation fare is made.

38 (3) The term "operating property" shall mean and include all  
39 rolling stock and car equipment owned by any private car company, or

1 held by it as occupant, lessee or otherwise, including its franchises  
2 used and reasonably necessary in carrying on the business of such  
3 company; and in the case of rolling stock and car equipment used  
4 partly within and partly without the state, shall mean and include a  
5 proportion of such rolling stock and car equipment to be determined  
6 as in this chapter provided; and all such property shall, for the  
7 purposes of this chapter be deemed personal property.

8 **Sec. 372.** RCW 84.16.020 and 1975 1st ex.s. c 278 s 174 are each  
9 amended to read as follows:

10 Every private car company shall annually on or before the first  
11 day of May, make and file with the department of (~~revenue~~) taxation  
12 in such form and upon such blanks as the department of (~~revenue~~)  
13 taxation may provide and furnish, a statement, for the year ending  
14 December thirty-first next preceding, under the oath of the  
15 president, secretary, treasurer, superintendent or chief officer of  
16 such company, containing the following facts:

17 (1) The name of the company, the nature of the business conducted  
18 by the company, and under the laws of what state or country  
19 organized; the location of its principal office; the name and post  
20 office address of its president, secretary, auditor, treasurer,  
21 superintendent and general manager; the name and post office address  
22 of the chief officer or managing agent or attorney-in-fact in  
23 Washington.

24 (2) The total number of cars of every class used in transacting  
25 business on all lines of railroad, within the state and outside the  
26 state; together with the original cost and the fair average value per  
27 car of all cars of each of such classes.

28 (3) The total number of miles of railroad main track over which  
29 such cars were used within this state and within each county in this  
30 state.

31 (4) The total number of car miles made by all cars on each of the  
32 several lines of railroad in this state, and the total number of car  
33 miles made by all cars on all railroads within and without the state  
34 during the year.

35 (5) A statement in detail of the entire gross receipts and net  
36 earnings of the company during the year within the state and of the  
37 entire system, from all sources.

1 (6) Such other facts or information as the department of  
2 (~~revenue~~) taxation may require in the form of return prescribed by  
3 it.

4 The department of (~~revenue~~) taxation shall have power to  
5 prescribe directions, rules and regulations to be followed in making  
6 the report required herein.

7 **Sec. 373.** RCW 84.16.030 and 1975 1st ex.s. c 278 s 175 are each  
8 amended to read as follows:

9 The president or other officer of every railroad company whose  
10 lines run in, into or through this state, shall, on or before the  
11 first day of April in each year, furnish to the department of  
12 (~~revenue~~) taxation a statement, verified by the affidavit of the  
13 officer making the same, showing as to every private car company  
14 respectively, the name of the company, the class of car and the total  
15 number of miles made by each class of cars, and the total number of  
16 miles made by all cars on its lines, branches, sidings, spurs or  
17 warehouse tracks, within this state during the year ending on the  
18 thirty-first day of December next preceding.

19 **Sec. 374.** RCW 84.16.032 and 2013 c 23 s 347 are each amended to  
20 read as follows:

21 The department of (~~revenue~~) taxation shall have access to all  
22 books, papers, documents, statements, and accounts on file or of  
23 record in any of the departments of the state; and shall have the  
24 power, by summons signed by director and served in a like manner as a  
25 subpoena issued from courts of record, to compel witnesses to appear  
26 and give evidence and to produce books and papers. The director or  
27 any employee officially designated by the director is authorized to  
28 administer oaths to witnesses. The attendance of any witness may be  
29 compelled by attachment issued out of any superior court upon  
30 application to said court by the department, upon a proper showing  
31 that such witness has been duly served with a summons and has refused  
32 to appear before the said department. In case of the refusal of a  
33 witness to produce books, papers, documents, or accounts or to give  
34 evidence on matters material to the hearing, the department may  
35 institute proceedings in the proper superior court to compel such  
36 witness to testify, or to produce such books or papers and to punish  
37 him or her for the refusal. All summons and process issued by the  
38 department shall be served by the sheriff of the proper county and

1 such service certified by him or her to the department of (~~revenue~~)  
2 taxation without any compensation therefor. Persons appearing before  
3 the department in obedience to a summons, shall, in the discretion of  
4 the department, receive the same compensation as witnesses in the  
5 superior court. The records, books, accounts, and papers of each  
6 company shall be subject to visitation, investigation, or examination  
7 by the department, or any employee thereof officially designated by  
8 the director. All real and/or personal property of any company shall  
9 be subject to visitation, investigation, examination, and/or listing  
10 at any and all times by the department, or any person employed by the  
11 department.

12 **Sec. 375.** RCW 84.16.034 and 1975 1st ex.s. c 278 s 177 are each  
13 amended to read as follows:

14 The department of (~~revenue~~) taxation in any matter material to  
15 the valuation, assessment or taxation of the property of any company,  
16 may cause the deposition of witnesses residing without the state or  
17 absent therefrom, to be taken upon notice to the company interested  
18 in like manner as the deposition of witnesses are taken in civil  
19 actions in the superior court.

20 **Sec. 376.** RCW 84.16.036 and 2007 c 111 s 202 are each amended to  
21 read as follows:

22 (1) If any company shall fail to comply with the provisions of  
23 RCW 84.16.020, the department shall add to the value of such company,  
24 as a penalty for such failure, five percent for every thirty days or  
25 fraction thereof, not to exceed ten percent, that the company fails  
26 to comply.

27 (2) If any company, or its officer or agent, shall refuse or  
28 neglect to make any report required by this chapter, or by the  
29 department of (~~revenue~~) taxation, or shall refuse or neglect to  
30 permit an inspection and examination of its records, books, accounts,  
31 papers or property requested by the department of (~~revenue~~)  
32 taxation, or shall refuse or neglect to appear before the department  
33 in obedience to a summons, the department shall inform itself the  
34 best it may of the matters to be known, in order to discharge its  
35 duties with respect to valuation and assessment of the property of  
36 such company; and the department shall add to the value so  
37 ascertained twenty-five percent as a penalty for the failure or  
38 refusal of such company to make its report and such company shall be

1 estopped to question or impeach the assessment of the department of  
2 ((~~revenue~~)) taxation in any hearing or proceeding thereafter. Such  
3 penalty shall be in lieu of the penalty provided for in subsection  
4 (1) of this section.

5 (3) The department shall waive or cancel the penalty imposed  
6 under subsection (1) of this section for good cause shown.

7 (4) The department shall waive or cancel the penalty imposed  
8 under subsection (1) of this section when the circumstances under  
9 which the failure to materially comply with the provisions of RCW  
10 84.16.020 do not qualify for waiver or cancellation under subsection  
11 (3) of this section if:

12 (a) The company fully complies with the reporting provisions of  
13 RCW 84.16.020 within thirty days of the due date; and

14 (b) The company has timely complied with the provisions of RCW  
15 84.16.020 for the previous two calendar years. The requirement that a  
16 company has timely complied with the provisions of RCW 84.16.020 for  
17 the previous two calendar years is waived for any calendar year in  
18 which the company was not required to comply with the provisions of  
19 RCW 84.16.020.

20 **Sec. 377.** RCW 84.16.040 and 2017 c 323 s 531 are each amended to  
21 read as follows:

22 The department of ((~~revenue~~)) taxation must annually make an  
23 assessment of the operating property of each private car company.  
24 Between the first day of May and the first day of July of each year  
25 the department must prepare an initial assessment roll upon which the  
26 department must enter and assess the true and fair value of all the  
27 operating property of each of such companies as of the first day of  
28 January of the year in which the assessment is made. The department  
29 must finalize the assessment roll by the twentieth day of August of  
30 each year. For the purpose of determining the true and fair value of  
31 such property the department of ((~~revenue~~)) taxation may take into  
32 consideration any information or knowledge obtained by the department  
33 from an examination and inspection of such property, or of the books,  
34 records, and accounts of such companies, the statements filed as  
35 required by this chapter, the reports, statements, or returns of such  
36 companies filed in the office of any board, office, or commission of  
37 this state or any county thereof, the earnings and earning power of  
38 such companies, the franchises owned or used by such companies, the  
39 true and fair valuation of any and all property of such companies,

1 whether operating property or nonoperating property, and whether  
2 situated within or without the state, and any other facts, evidences,  
3 or information that may be obtainable bearing upon the value of the  
4 operating property. However, in no event may any statement or report  
5 required from any company by this chapter be conclusive upon the  
6 department of (~~revenue~~) taxation in determining the amount,  
7 character, and true and fair value of the operating property of such  
8 company.

9 **Sec. 378.** RCW 84.16.050 and 2001 c 187 s 10 are each amended to  
10 read as follows:

11 The department of (~~revenue~~) taxation may, in determining the  
12 true and fair value of the operating property to be placed on the  
13 assessment roll value the entire property as a unit. If the company  
14 owns, leases, operates or uses property partly within and partly  
15 without the state, the department of (~~revenue~~) taxation may  
16 determine the value of the operating property within this state by  
17 the proportion that the value of such property bears to the value of  
18 the entire operating property of the company, both within and without  
19 this state. In determining the operating property which is located  
20 within this state the department of (~~revenue~~) taxation may consider  
21 and base such determination on the proportion which the number of car  
22 miles of the various classes of cars made in this state bears to the  
23 total number of car miles made by the same cars within and without  
24 this state, or to the total number of car miles made by all cars of  
25 the various classes within and without this state. If the value of  
26 the operating property of the company cannot be fairly determined in  
27 such manner the department of (~~revenue~~) taxation may use any other  
28 reasonable and fair method to determine the value of the operating  
29 property of the company within this state.

30 **Sec. 379.** RCW 84.16.090 and 2017 c 323 s 532 are each amended to  
31 read as follows:

32 Upon the assessment roll must be placed after the name of each  
33 company a general description of the operating property of the  
34 company, which is considered sufficient if described in the language  
35 of RCW 84.16.010(3) or otherwise, following which must be entered the  
36 true and fair value of the operating property as determined by the  
37 department of (~~revenue~~) taxation. No assessment is invalid by a  
38 mistake in the name of the company assessed, by omission of the name

1 of the owner or by the entry of a name other than that of the true  
2 owner. When the department of (~~revenue~~) taxation has prepared the  
3 initial assessment roll and entered thereon the true and fair value  
4 of the operating property of the company, as required, the department  
5 must notify the company by mail of the valuation determined by it and  
6 entered upon the roll; and thereupon such valuation must become the  
7 true and fair value of the operating property of the company, subject  
8 to revision or correction by the department of (~~revenue~~) taxation  
9 as hereinafter provided; and must be the valuation upon which, after  
10 equalization by the department of (~~revenue~~) taxation as hereinafter  
11 provided, the taxes of such company are based and computed.

12 **Sec. 380.** RCW 84.16.100 and 1994 c 124 s 15 are each amended to  
13 read as follows:

14 Every company assessed under the provisions of this chapter shall  
15 be entitled on its own motion to a hearing and to present evidence  
16 before the department of (~~revenue~~) taxation, within the ten working  
17 days following the hearing request period, relating to the value of  
18 the operating property of such company and to the value of the other  
19 taxable property in the counties in which the operating property of  
20 such company is situate. Upon request in writing for such hearing,  
21 which must be presented to the department of (~~revenue~~) taxation  
22 within the first ten working days of July following the making of the  
23 assessment, the department shall appoint a time and place therefor,  
24 within the respective periods aforesaid, the hearing to be conducted  
25 in such manner as the department shall direct. Hearings provided for  
26 in this section may be held at such times and in such places  
27 throughout the state as the department may deem proper or necessary  
28 and may be adjourned from time to time and from place to place.

29 **Sec. 381.** RCW 84.16.110 and 2001 c 187 s 12 are each amended to  
30 read as follows:

31 Upon determination by the department of (~~revenue~~) taxation of  
32 the true and fair value of the property appearing on such rolls the  
33 department shall apportion such value to the respective counties  
34 entitled thereto as hereinafter provided, and shall determine the  
35 equalized or assessed valuation of such property in such counties by  
36 applying to such actual apportioned value the same ratio as the ratio  
37 of assessed to actual value of the general property of the respective  
38 counties: PROVIDED, That, whenever the amount of the true and fair



1 value of the operating property of any company otherwise  
2 apportionable to any county shall be less than two hundred fifty  
3 dollars, such amount need not be apportioned to such county but may  
4 be added to the amount apportioned to an adjacent county.

5 **Sec. 382.** RCW 84.16.120 and 2001 c 187 s 13 are each amended to  
6 read as follows:

7 The true and fair value of the property of each company as fixed  
8 and determined by the department of (~~revenue~~) taxation as herein  
9 provided shall be apportioned to the respective counties in the  
10 following manner:

11 (1) If all the operating property of the company is situated  
12 entirely within a county and none of such property is located within,  
13 extends into, or through or is operated into or through any other  
14 county, the entire value thereof shall be apportioned to the county  
15 within which such property is situated, located, and operated.

16 (2) If the operating property of any company is situated or  
17 located within, extends into or is operated into or through more than  
18 one county, the value thereof shall be apportioned to the respective  
19 counties into or through which its cars are operated in the  
20 proportion that the length of main line track of the respective  
21 railroads moving such cars in such counties bears to the total length  
22 of main line track of such respective railroads in this state.

23 (3) If the property of any company is of such character that it  
24 will not be reasonable, feasible or fair to apportion the value as  
25 hereinabove provided, the value thereof shall be apportioned between  
26 the respective counties into or through which such property extends  
27 or is operated or in which the same is located in such manner as may  
28 be reasonable, feasible and fair.

29 **Sec. 383.** RCW 84.16.130 and 1994 c 301 s 31 are each amended to  
30 read as follows:

31 When the department of (~~revenue~~) taxation shall have determined  
32 the equalized or assessed value of the operating property of each  
33 company in the respective counties as hereinabove provided, the  
34 department of (~~revenue~~) taxation shall certify such equalized or  
35 assessed value to the county assessor of the proper county; and the  
36 county assessor shall apportion and distribute such assessed or  
37 equalized valuation to and between the several taxing districts of  
38 the county entitled to a proportionate value thereof in the manner

1 prescribed in RCW 84.16.120 for apportionment of values between  
2 counties. The county assessor shall enter such assessment upon the  
3 personal property tax rolls of the county, together with the values  
4 so apportioned, and the same shall be and constitute the assessed  
5 valuation of the operating company in such county for that year, upon  
6 which taxes shall be levied and collected the same as on general  
7 property of the county.

8 **Sec. 384.** RCW 84.25.040 and 2015 1st sp.s. c 9 s 4 are each  
9 amended to read as follows:

10 (1) (a) The value of new construction of industrial/manufacturing  
11 facilities qualifying under this chapter is exempt from property  
12 taxation under this title, as provided in this section. The value of  
13 new construction of industrial/manufacturing facilities is exempt  
14 from taxation for properties for which an application for a  
15 certificate of tax exemption is submitted under this chapter before  
16 December 31, 2022. The value is exempt under this section for ten  
17 successive years beginning January 1st of the year immediately  
18 following the calendar year of issuance of the certificate.

19 (b) The exemption provided in this section does not include the  
20 value of land or nonindustrial/manufacturing-related improvements not  
21 qualifying under this chapter.

22 (2) The exemption provided in this section is in addition to any  
23 other exemptions, deferrals, credits, grants, or other tax incentives  
24 provided by law.

25 (3) This chapter does not apply to state levies or increases in  
26 assessed valuation made by the assessor on nonqualifying portions of  
27 buildings and value of land nor to increases made by lawful order of  
28 a county board of equalization, the department of (~~revenue~~)  
29 taxation, or a county, to a class of property throughout the county  
30 or specific area of the county to achieve the uniformity of  
31 assessment or appraisal required by law.

32 (4) This exemption does not apply to any county property taxes  
33 unless the governing body of the county adopts a resolution and  
34 notifies the governing authority of its intent to allow the property  
35 to be exempted from county property taxes.

36 (5) At the conclusion of the exemption period, the new  
37 industrial/manufacturing facilities cost must be considered as new  
38 construction for the purposes of chapter 84.55 RCW.

1       **Sec. 385.** RCW 84.26.040 and 1986 c 221 s 3 are each amended to  
2 read as follows:

3       An owner of property desiring special valuation under this  
4 chapter shall apply to the assessor of the county in which the  
5 property is located upon forms prescribed by the department of  
6 (~~revenue~~) taxation and supplied by the county assessor. The  
7 application form shall include a statement that the applicant is  
8 aware of the potential tax liability involved when the property  
9 ceases to be eligible for special valuation. Applications shall be  
10 made no later than October 1 of the calendar year preceding the first  
11 assessment year for which classification is requested. The assessor  
12 may charge only such fees as are necessary to process and record  
13 documents pursuant to this chapter.

14       **Sec. 386.** RCW 84.26.080 and 2000 c 103 s 22 are each amended to  
15 read as follows:

16       (1) When property has once been classified and valued as eligible  
17 historic property, it shall remain so classified and be granted the  
18 special valuation provided by RCW 84.26.070 for ten years or until  
19 the property is disqualified by:

20       (a) Notice by the owner to the assessor to remove the special  
21 valuation;

22       (b) Sale or transfer to an ownership making it exempt from  
23 property taxation; or

24       (c) Removal of the special valuation by the assessor upon  
25 determination by the local review board that the property no longer  
26 qualifies as historic property or that the owner has failed to comply  
27 with the conditions established under RCW 84.26.050.

28       (2) The sale or transfer to a new owner or transfer by reason of  
29 death of a former owner to a new owner does not disqualify the  
30 property from the special valuation provided by RCW 84.26.070 if:

31       (a) The property continues to qualify as historic property; and

32       (b) The new owner files a notice of compliance with the assessor  
33 of the county in which the property is located. Notice of compliance  
34 forms shall be prescribed by the state department of (~~revenue~~)  
35 taxation and supplied by the county assessor. The notice shall  
36 contain a statement that the new owner is aware of the special  
37 valuation and of the potential tax liability involved when the  
38 property ceases to be valued as historic property under this chapter.  
39 The signed notice of compliance shall be attached to the real estate

1 excise tax affidavit provided for in RCW 82.45.150. If the notice of  
2 compliance is not signed by the new owner and attached to the real  
3 estate excise tax affidavit, all additional taxes calculated pursuant  
4 to RCW 84.26.090 shall become due and payable by the seller or  
5 transferor at time of sale. The county auditor shall not accept an  
6 instrument of conveyance of specially valued historic property for  
7 filing or recording unless the new owner has signed the notice of  
8 compliance or the additional tax has been paid, as evidenced by the  
9 real estate excise tax stamp affixed thereto by the treasurer.

10 (3) When the property ceases to qualify for the special valuation  
11 the owner shall immediately notify the state or local review board.

12 (4) Before the additional tax or penalty imposed by RCW 84.26.090  
13 is levied, in the case of disqualification, the assessor shall notify  
14 the taxpayer by mail, return receipt requested, of the  
15 disqualification.

16 **Sec. 387.** RCW 84.33.051 and 2004 c 177 s 2 are each amended to  
17 read as follows:

18 (1) The legislative body of any county may impose a tax upon  
19 every person engaging in the county in business as a harvester  
20 effective October 1, 1984. The tax shall be equal to the stumpage  
21 value of timber harvested from privately owned land multiplied by a  
22 rate of 4 percent; and equal to the stumpage value of timber  
23 harvested from publicly owned land multiplied by the following rates:

24 (a) For timber harvested January 1, 2005, through December 31,  
25 2005, 1.2 percent;

26 (b) For timber harvested January 1, 2006, through December 31,  
27 2006, 1.5 percent;

28 (c) For timber harvested January 1, 2007, through December 31,  
29 2007, 1.8 percent;

30 (d) For timber harvested January 1, 2008, through December 31,  
31 2008, 2.1 percent;

32 (e) For timber harvested January 1, 2009, through December 31,  
33 2009, 2.4 percent;

34 (f) For timber harvested January 1, 2010, through December 31,  
35 2010, 2.7 percent;

36 (g) For timber harvested January 1, 2011, through December 31,  
37 2011, 3.1 percent;

38 (h) For timber harvested January 1, 2012, through December 31,  
39 2012, 3.4 percent;

1 (i) For timber harvested January 1, 2013, through December 31,  
2 2013, 3.7 percent;

3 (j) For timber harvested January 1, 2014, and thereafter, 4.0  
4 percent.

5 (2) Before the effective date of any ordinance imposing a tax  
6 under this section, the county shall contract with the department of  
7 (~~revenue~~) taxation for administration and collection of the tax.  
8 The tax collected by the department of (~~revenue~~) taxation under  
9 this section shall be deposited by the department in the timber tax  
10 distribution account. Moneys in the account may be spent only for  
11 distributions to counties under RCW 84.33.081 and, after  
12 appropriation by the legislature, for the activities undertaken by  
13 the department of (~~revenue~~) taxation relating to the collection and  
14 administration of the taxes imposed under this section and RCW  
15 84.33.041. Appropriations are not required for distributions to  
16 counties under RCW 84.33.081.

17 **Sec. 388.** RCW 84.33.074 and 1984 c 204 s 19 are each amended to  
18 read as follows:

19 (1) A small harvester may elect to calculate the tax imposed by  
20 this chapter in the manner provided in this section.

21 (2) Timber shall be considered harvested at the time when in the  
22 ordinary course of business the quantity thereof by species is first  
23 definitely determined. The amount harvested shall be determined by  
24 the Scribner Decimal C Scale or other prevalent measuring practice  
25 adjusted to arrive at substantially equivalent measurements, as  
26 approved by the department of (~~revenue~~) taxation.

27 (3) Timber values shall be determined by either of the following  
28 methods, whichever is most appropriate to the circumstances of the  
29 harvest:

30 (a) When standing timber is sold on the stump, the taxable value  
31 is the actual gross receipts received by the landowner from the sale  
32 of the standing timber.

33 (b) When timber is sold after it has been harvested, the taxable  
34 value is the actual gross receipts from sale of the harvested timber  
35 minus the costs of harvesting and marketing the timber. When the  
36 taxpayer is unable to provide documented proof of harvesting and  
37 marketing costs, this deduction for harvesting and marketing costs  
38 shall be a percentage of the gross receipts from sale of the

1 harvested timber as determined by the department of (~~revenue~~)  
2 taxation but in no case less than twenty-five percent.

3 (4) The department of (~~revenue~~) taxation shall prescribe a  
4 short filing form which shall be as simple as possible.

5 **Sec. 389.** RCW 84.33.075 and 1984 c 204 s 20 are each amended to  
6 read as follows:

7 The excise tax imposed by this chapter shall not apply to any  
8 timber harvested by a nonprofit organization, association, or  
9 corporation from forestlands owned by it, where such lands are exempt  
10 from property taxes under RCW 84.36.030, and where all of the income  
11 and receipts of the nonprofit organization, association, or  
12 corporation derived from such timber sales are used solely for the  
13 expense of promoting, operating, and maintaining youth programs which  
14 are equally available to all, regardless of race, color, national  
15 origin, ancestry, or religious belief.

16 In order to determine whether the harvesting of timber by a  
17 nonprofit organization, association, or corporation is exempt, the  
18 director of the department of (~~revenue~~) taxation shall have access  
19 to its books.

20 For the purposes of this section, a "nonprofit" organization,  
21 association, or corporation is one: (1) Which pays no part of its  
22 income directly or indirectly to its members, stockholders, officers,  
23 directors, or trustees except in the form of services rendered by the  
24 organization, association, or corporation in accordance with its  
25 purposes and bylaws; and (2) which pays salary or compensation to its  
26 officers only for actual services rendered, and at levels comparable  
27 to the salary or compensation of like positions within the public  
28 services of the state.

29 **Sec. 390.** RCW 84.33.0775 and 2010 c 210 s 35 are each amended to  
30 read as follows:

31 (1) A taxpayer is allowed a credit against the tax imposed under  
32 RCW 84.33.041 for timber harvested on and after January 1, 2000,  
33 under a forest practices notification filed or application approved  
34 under RCW 76.09.050 and subject to enhanced aquatic resources  
35 requirements.

36 (2) (a) For a person other than a small harvester who elects to  
37 calculate tax under RCW 84.33.074, the credit is equal to the

1 stumpage value of timber harvested for sale or for commercial or  
2 industrial use multiplied by eight-tenths of one percent.

3 (b) For a small harvester who elects to calculate tax under RCW  
4 84.33.074, the credit is equal to sixteen percent of the tax imposed  
5 under this chapter.

6 (c) The amount of credit claimed by a taxpayer under this section  
7 shall be reduced by the amount of any compensation received from the  
8 federal government for reduced timber harvest due to enhanced aquatic  
9 resource requirements. If the amount of compensation from the federal  
10 government exceeds the amount of credit available to a taxpayer in  
11 any reporting period, the excess shall be carried forward and applied  
12 against credits in future reporting periods. This subsection does not  
13 apply to small harvesters as defined in RCW 84.33.073.

14 (d) Refunds may not be given in place of credits. Credit may not  
15 be claimed in excess of tax owed. The department of (~~revenue~~)  
16 taxation shall disallow any credits, used or unused, upon written  
17 notification from the department of natural resources of a final  
18 decision that timber for which credit was claimed was not harvested  
19 under a forest practices notification filed or application approved  
20 under RCW 76.09.050 and subject to enhanced aquatic resources  
21 requirements.

22 (3) As used in this section, a forest practices notification or  
23 application is subject to enhanced aquatic resource requirements if  
24 it includes, in whole or in part, riparian area, wetland, or steep or  
25 unstable slope from which the operator is limited, by rule adopted  
26 under RCW 76.09.055, 34.05.090, 43.21C.250, and 76.09.370, or any  
27 federally approved habitat conservation plan or department of natural  
28 resources approved watershed analysis, from harvesting timber, or if  
29 a road is included within or adjacent to the area covered by such  
30 notification or application and the road is covered by a road  
31 maintenance plan approved by the department of natural resources  
32 under rules adopted under chapter 76.09 RCW, the forest practices  
33 act, or a federally approved habitat conservation plan.

34 (4) For forest practices notification or applications submitted  
35 after January 1, 2000, the department of natural resources shall  
36 indicate whether the notification or application is subject to  
37 enhanced aquatic resource requirements and, unless notified of a  
38 contrary determination by the pollution control hearings board, the  
39 department of (~~revenue~~) taxation shall use such indication in  
40 determining the credit to be allowed against the tax assessed under

1 RCW 84.33.041. The department of natural resources shall develop  
2 revisions to the form of the forest practices notifications and  
3 applications to provide a space for the applicant to indicate and the  
4 department of natural resources to confirm or not confirm, whether  
5 the notification or application is subject to enhanced aquatic  
6 resource requirements. For forest practices notifications or  
7 applications submitted before January 1, 2000, the applicant may  
8 submit the approved notification or application to the department of  
9 natural resources for confirmation that the notification or  
10 application is subject to enhanced aquatic resource requirements.  
11 Upon any such submission, the department of natural resources will  
12 within thirty days confirm or deny that the notification or  
13 application is subject to enhanced aquatic resource requirements and  
14 will forward separate evidence of each confirmation to the department  
15 of ((~~revenue~~)) taxation. Unless notified of a contrary ruling by the  
16 pollution control hearings board, the department of ((~~revenue~~))  
17 taxation shall use the separate confirmations in determining the  
18 credit to be allowed against the tax assessed under RCW 84.33.041.

19 (5) A refusal by the department of natural resources to confirm  
20 that a notification or application is subject to enhanced aquatic  
21 resources requirements may be appealed to the pollution control  
22 hearings board.

23 (6) A person receiving approval of credit must keep records  
24 necessary for the department of ((~~revenue~~)) taxation to verify  
25 eligibility under this section.

26 **Sec. 391.** RCW 84.33.086 and 1987 c 166 s 1 are each amended to  
27 read as follows:

28 (1) The taxes imposed under this chapter shall be computed with  
29 respect to timber harvested each calendar quarter and shall be due  
30 and payable in quarterly installments. Remittance shall be made on or  
31 before the last day of the month next succeeding the end of the  
32 quarterly period in which the tax accrues. The taxpayer on or before  
33 such date shall make out a return, upon such forms and setting forth  
34 such information as the department of ((~~revenue~~)) taxation may  
35 require, showing the amount of tax for which the taxpayer is liable  
36 for the preceding quarterly period and shall sign and transmit the  
37 same to the department of ((~~revenue~~)) taxation, together with a  
38 remittance for the amount of tax.



1 (2) The taxes imposed by this chapter are in addition to any  
2 taxes imposed upon the same persons under chapter 82.04 RCW.

3 (3) Any harvester incurring less than fifty dollars tax liability  
4 under this section in any calendar quarter is excused from the  
5 payment of such tax, but may be required by the department of  
6 (~~revenue~~) taxation to file a return even though no tax may be due.

7 **Sec. 392.** RCW 84.33.091 and 1998 c 311 s 13 are each amended to  
8 read as follows:

9 (1) The department of (~~revenue~~) taxation shall designate areas  
10 containing timber having similar growing, harvesting, and marketing  
11 conditions to be used as units for the preparation and application of  
12 stumpage values. Each year on or before December 31 for use the  
13 following January through June 30, and on or before June 30 for use  
14 the following July through December 31, the department shall prepare  
15 tables of stumpage values of each species or subclassification of  
16 timber within these units. The stumpage value shall be the amount  
17 that each such species or subclassification would sell for at a  
18 voluntary sale made in the ordinary course of business for purposes  
19 of immediate harvest. These stumpage values, expressed in terms of a  
20 dollar amount per thousand board feet or other unit measure, shall be  
21 determined in a manner which makes reasonable and adequate allowances  
22 for age, size, quality, costs of removal, accessibility to point of  
23 conversion, market conditions, and all other relevant factors from:

24 (a) Gross proceeds from sales on the stump of similar timber of  
25 like quality and character at similar locations, and in similar  
26 quantities;

27 (b) Gross proceeds from sales of logs adjusted to reflect only  
28 the portion of such proceeds attributable to value on the stump  
29 immediately prior to harvest; or

30 (c) A combination of (a) and (b) of this subsection.

31 (2) Upon application from any person who plans to harvest damaged  
32 timber, the stumpage values for which have been materially reduced  
33 from the values shown in the applicable tables due to damage  
34 resulting from fire, blow down, ice storm, flood, or other sudden  
35 unforeseen cause, the department shall revise the stumpage value  
36 tables for any area in which such timber is located and shall specify  
37 any additional accounting or other requirements to be complied with  
38 in reporting and paying the tax.

1 (3) The preliminary area designations and stumpage value tables  
2 and any revisions thereof are subject to review by the ways and means  
3 committees of the house of representatives and senate prior to  
4 finalization. Tables of stumpage values shall be signed by the  
5 director or the director's designee. A copy thereof shall be mailed  
6 to anyone who has submitted to the department a written request for a  
7 copy.

8 (4) On or before the sixtieth day after the date of final  
9 adoption of any stumpage value tables, any harvester may appeal to  
10 the board of tax appeals for a revision of stumpage values for an  
11 area determined pursuant to subsection (3) of this section.

12 **Sec. 393.** RCW 84.33.200 and 2001 c 320 s 17 are each amended to  
13 read as follows:

14 (1) The legislature shall review the system of distribution and  
15 allocation of all timber excise tax revenues in January 1975 and each  
16 year thereafter to provide a uniform and equitable distribution and  
17 allocation of such revenues to the state and local taxing districts.

18 (2) In order to allow legislative review of the rules to be  
19 adopted by the department of (~~revenue~~) taxation establishing the  
20 stumpage values provided for in RCW 84.33.091, such rules shall be  
21 effective not less than thirty days after transmitting to the staffs  
22 of the senate and house ways and means committees (or their successor  
23 committees) the same proposed rules as have been previously filed  
24 with the office of the code reviser pursuant to RCW 34.05.320.

25 (3) The department of (~~revenue~~) taxation and the department of  
26 natural resources shall make available to the revenue committees of  
27 the senate and house of representatives of the state legislature  
28 information and data, as it may be available, pertaining to the  
29 status of forestland grading throughout the state, the collection of  
30 timber excise tax revenues, the distribution and allocation of timber  
31 excise tax revenues to the state and local taxing districts, and any  
32 other information as may be necessary for the proper legislative  
33 review and implementation of the timber excise tax system, and in  
34 addition, the departments shall provide an annual report of such  
35 matters in January of each year to such committees.

36 **Sec. 394.** RCW 84.34.030 and 2014 c 137 s 6 are each amended to  
37 read as follows:

1 (1) An owner of land desiring current use classification under  
2 RCW 84.34.020 must make application as follows:

3 (a) Application for classification under RCW 84.34.020(2) must be  
4 made to the county assessor upon forms prepared by the state  
5 department of ((~~revenue~~)) taxation and supplied by the county  
6 assessor.

7 (b) Application for classification under:

8 (i) RCW 84.34.020(1); or

9 (ii) RCW 84.34.020(3), unless the timberland classification and  
10 designated forestland program are merged under RCW 84.34.400 must be  
11 made, for (b)(i) or (ii) of this subsection, to the county  
12 legislative authority upon forms prepared by the state department of  
13 ((~~revenue~~)) taxation and supplied by the county assessor.

14 (2) The application must be accompanied by a reasonable  
15 processing fee if a processing fee is established by the city or  
16 county legislative authority. The application may require only such  
17 information reasonably necessary to properly classify an area of land  
18 under this chapter with a notarized verification of the truth thereof  
19 and must include a statement that the applicant is aware of the  
20 potential tax liability involved when the land ceases to be  
21 classified as open space, farm and agricultural or timberland.  
22 Applications must be made during the calendar year preceding that in  
23 which classification is to begin.

24 (3) The assessor must make necessary information, including  
25 copies of this chapter and applicable regulations, readily available  
26 to interested parties, and must render reasonable assistance to such  
27 parties upon request.

28 **Sec. 395.** RCW 84.34.041 and 2014 c 137 s 7 are each amended to  
29 read as follows:

30 (1) An application for current use classification or  
31 reclassification under RCW 84.34.020(3) must be made to the county  
32 legislative authority.

33 The application must be made upon forms prepared by the  
34 department of ((~~revenue~~)) taxation and supplied by the granting  
35 authority and must include the following elements that constitute a  
36 timber management plan:

37 (a) A legal description of, or assessor's parcel numbers for, all  
38 land the applicant desires to be classified as timberland;

39 (b) The date or dates of acquisition of the land;

1 (c) A brief description of the timber on the land, or if the  
2 timber has been harvested, the owner's plan for restocking;

3 (d) Whether there is a forest management plan for the land;

4 (e) If so, the nature and extent of implementation of the plan;

5 (f) Whether the land is used for grazing;

6 (g) Whether the land has been subdivided or a plat filed with  
7 respect to the land;

8 (h) Whether the land and the applicant are in compliance with the  
9 restocking, forest management, fire protection, insect and disease  
10 control, weed control, and forest debris provisions of Title 76 RCW  
11 or applicable rules under Title 76 RCW;

12 (i) Whether the land is subject to forest fire protection  
13 assessments pursuant to RCW 76.04.610;

14 (j) Whether the land is subject to a lease, option, or other  
15 right that permits it to be used for a purpose other than growing and  
16 harvesting timber;

17 (k) A summary of the past experience and activity of the  
18 applicant in growing and harvesting timber;

19 (l) A summary of current and continuing activity of the applicant  
20 in growing and harvesting timber;

21 (m) A statement that the applicant is aware of the potential tax  
22 liability involved when the land ceases to be classified as  
23 timberland.

24 (2) An application made for classification of land under RCW  
25 84.34.020(3) must be acted upon after a public hearing and after  
26 notice of the hearing is given by one publication in a newspaper of  
27 general circulation in the area at least ten days before the hearing.  
28 Application for classification of land in an incorporated area must  
29 be acted upon by: (a) A granting authority composed of three members  
30 of the county legislative body and three members of the city  
31 legislative body in which the land is located in a meeting where  
32 members may be physically absent but participating through telephonic  
33 connection; or (b) separate affirmative acts by both the county and  
34 city legislative bodies where both bodies affirm the entirety of an  
35 application without modification or both bodies affirm an application  
36 with identical modifications.

37 (3) The granting authority must act upon the application with due  
38 regard to all relevant evidence and without any one or more items of  
39 evidence necessarily being determinative, except that the application

1 may be denied for one of the following reasons, without regard to  
2 other items:

3 (a) The land does not contain a stand of timber as defined in  
4 chapter 76.09 RCW and applicable rules, except this reason alone is  
5 not sufficient to deny the application (i) if the land has been  
6 recently harvested or supports a growth of brush or noncommercial  
7 type timber, and the application includes a plan for restocking  
8 within three years or the longer period necessitated by  
9 unavailability of seed or seedlings, or (ii) if only isolated areas  
10 within the land do not meet minimum standards due to rock  
11 outcroppings, swamps, unproductive soil, or other natural conditions;

12 (b) The applicant, with respect to the land, has failed to comply  
13 with a final administrative or judicial order with respect to a  
14 violation of the restocking, forest management, fire protection,  
15 insect and disease control, weed control, and forest debris  
16 provisions of Title 76 RCW or applicable rules under Title 76 RCW;

17 (c) The land abuts a body of salt water and lies between the line  
18 of ordinary high tide and a line paralleling the ordinary high tide  
19 line and two hundred feet horizontally landward from the high tide  
20 line.

21 (4)(a) The timber management plan must be filed with the county  
22 legislative authority either: (i) When an application for  
23 classification under this chapter is submitted; (ii) when a sale or  
24 transfer of timberland occurs and a notice of continuance is signed;  
25 or (iii) within sixty days of the date the application for  
26 reclassification under this chapter or from designated forestland is  
27 received. The application for reclassification must be accepted, but  
28 may not be processed until the timber management plan is received. If  
29 the timber management plan is not received within sixty days of the  
30 date the application for reclassification is received, the  
31 application for reclassification must be denied.

32 (b) If circumstances require it, the county assessor may allow in  
33 writing an extension of time for submitting a timber management plan  
34 when an application for classification or reclassification or notice  
35 of continuance is filed. When the assessor approves an extension of  
36 time for filing the timber management plan, the county legislative  
37 authority may delay processing an application until the timber  
38 management plan is received. If the timber management plan is not  
39 received by the date set by the assessor, the application or the  
40 notice of continuance must be denied.

1 (c) The granting authority may approve the application with  
2 respect to only part of the land that is described in the  
3 application, and if any part of the application is denied, the  
4 applicant may withdraw the entire application. The granting  
5 authority, in approving in part or whole an application for land  
6 classified pursuant to RCW 84.34.020(3), may also require that  
7 certain conditions be met.

8 (d) Granting or denial of an application for current use  
9 classification is a legislative determination and is reviewable only  
10 for arbitrary and capricious actions. The granting authority may not  
11 require the granting of easements for land classified pursuant to RCW  
12 84.34.020(3).

13 (e) The granting authority must approve or disapprove an  
14 application made under this section within six months following the  
15 date the application is received.

16 (5) No application may be approved under this section, and land  
17 may not otherwise be classified or reclassified under RCW  
18 84.34.020(3), if the timberland classification and designated  
19 forestland program are merged under RCW 84.34.400.

20 **Sec. 396.** RCW 84.34.065 and 2014 c 97 s 310 are each amended to  
21 read as follows:

22 (1) The true and fair value of farm and agricultural land shall  
23 be determined by consideration of the earning or productive capacity  
24 of comparable lands from crops grown most typically in the area  
25 averaged over not less than five years, capitalized at indicative  
26 rates. The earning or productive capacity of farm and agricultural  
27 lands is the "net cash rental," capitalized at a "rate of interest"  
28 charged on long term loans secured by a mortgage on farm or  
29 agricultural land plus a component for property taxes. The current  
30 use value of land under RCW 84.34.020(2)(f) must be established as:  
31 The prior year's average value of open space farm and agricultural  
32 land used in the county plus the value of land improvements such as  
33 septic, water, and power used to serve the residence. This may not be  
34 interpreted to require the assessor to list improvements to the land  
35 with the value of the land.

36 (2) For the purposes of the above computation:

37 (a)(i) The term "net cash rental" means the average rental paid  
38 on an annual basis, in cash, for the land being appraised and other  
39 farm and agricultural land of similar quality and similarly situated

1 that is available for lease for a period of at least three years to  
2 any reliable person without unreasonable restrictions on its use for  
3 production of agricultural crops. There is allowed as a deduction  
4 from the rental received or computed any costs of crop production  
5 charged against the landlord if the costs are such as are customarily  
6 paid by a landlord. If "net cash rental" data is not available, the  
7 earning or productive capacity of farm and agricultural lands is  
8 determined by the cash value of typical or usual crops grown on land  
9 of similar quality and similarly situated averaged over not less than  
10 five years. Standard costs of production are allowed as a deduction  
11 from the cash value of the crops.

12 (ii) The current "net cash rental" or "earning capacity" is  
13 determined by the assessor with the advice of the advisory committee  
14 as provided in RCW 84.34.145, and through a continuing internal  
15 study, assisted by studies of the department of (~~revenue~~) taxation.  
16 This net cash rental figure as it applies to any farm and  
17 agricultural land may be challenged before the same boards or  
18 authorities as would be the case with regard to assessed values on  
19 general property.

20 (b) (i) The term "rate of interest" means the rate of interest  
21 charged by the farm credit administration and other large financial  
22 institutions regularly making loans secured by farm and agricultural  
23 lands through mortgages or similar legal instruments, averaged over  
24 the immediate past five years.

25 (ii) The "rate of interest" must be determined annually by a rule  
26 adopted by the department of (~~revenue~~) taxation and such rule must  
27 be published in the state register not later than January 1 of each  
28 year for use in that assessment year. The department of (~~revenue~~)  
29 taxation determination may be appealed to the state board of tax  
30 appeals within thirty days after the date of publication by any owner  
31 of farm or agricultural land or the assessor of any county containing  
32 farm and agricultural land.

33 (c) The "component for property taxes" is a figure obtained by  
34 dividing the assessed value of all property in the county into the  
35 property taxes levied within the county in the year preceding the  
36 assessment and multiplying the quotient obtained by one hundred.

37 **Sec. 397.** RCW 84.34.141 and 1998 c 311 s 16 are each amended to  
38 read as follows:

1 The department of (~~revenue~~) taxation of the state of Washington  
2 shall make such rules and regulations consistent with this chapter as  
3 shall be necessary or desirable to permit its effective  
4 administration.

5 **Sec. 398.** RCW 84.34.145 and 1998 c 311 s 17 are each amended to  
6 read as follows:

7 The county legislative authority shall appoint a five member  
8 committee representing the active farming community within the county  
9 to serve in an advisory capacity to the assessor in implementing  
10 assessment guidelines as established by the department of (~~revenue~~)  
11 taxation for the assessment of open space, farms and agricultural  
12 lands, and timberlands classified under this chapter.

13 **Sec. 399.** RCW 84.34.160 and 1992 c 69 s 16 are each amended to  
14 read as follows:

15 The department of (~~revenue~~) taxation and each granting  
16 authority is hereby directed to publicize the qualifications and  
17 manner of making applications for classification. Notice of the  
18 qualifications, method of making applications, and availability of  
19 further information on current use classification shall be included  
20 with every notice of change in valuation.

21 **Sec. 400.** RCW 84.34.310 and 2013 c 177 s 2 are each reenacted  
22 and amended to read as follows:

23 As used in RCW 84.34.300 through 84.34.380, unless a different  
24 meaning is required, the words defined in this section shall have the  
25 meanings indicated.

26 (1) The term "average rate of inflation" shall mean the annual  
27 rate of inflation as determined by the department of (~~revenue~~)  
28 taxation averaged over the period of time as provided in RCW  
29 84.34.330 (1) and (2). Such determination shall be published not  
30 later than January 1 of each year for use in that assessment year.

31 (2) "Farm and agricultural land" shall mean the same as defined  
32 in RCW 84.34.020(2).

33 (3) "Local government" shall mean any city, town, county, water-  
34 sewer district, public utility district, port district, flood control  
35 district, or any other municipal corporation, quasi-municipal  
36 corporation, or other political subdivision authorized to levy  
37 special benefit assessments for sanitary and/or storm sewerage



1 systems, domestic water supply and/or distribution systems, or road  
2 construction or improvement purposes. "Local government" does not  
3 include an irrigation district with respect to any local improvement  
4 district created or local improvement assessment levied by that  
5 irrigation district.

6 (4) "Local improvement district" shall mean any local improvement  
7 district, utility local improvement district, local utility district,  
8 road improvement district, or any similar unit created by a local  
9 government for the purpose of levying special benefit assessments  
10 against property specially benefited by improvements relating to such  
11 districts.

12 (5) "Owner" shall mean the same as defined in RCW 84.34.020(5) or  
13 the applicable statutes relating to special benefit assessments.

14 (6) "Special benefit assessments" shall mean special assessments  
15 levied or capable of being levied in any local improvement district  
16 or otherwise levied or capable of being levied by a local government  
17 to pay for all or part of the costs of a local improvement and which  
18 may be levied only for the special benefits to be realized by  
19 property by reason of that local improvement.

20 (7) "Timberland" shall mean the same as defined in RCW  
21 84.34.020(3).

22 **Sec. 401.** RCW 84.34.360 and 1992 c 69 s 18 and 1992 c 52 s 19  
23 are each reenacted and amended to read as follows:

24 The department of (~~revenue~~) taxation shall adopt rules it shall  
25 deem necessary to implement RCW 84.34.300 through 84.34.380 which  
26 shall include, but not be limited to, procedures to determine the  
27 extent to which a portion of the land otherwise exempt may be subject  
28 to a special benefit assessment for the actual connection to the  
29 domestic water system or sewerage facilities, and further to  
30 determine the extent to which all or a portion of such land may be  
31 subject to a special benefit assessment for access to the road  
32 improvement in relation to its value as farm and agricultural land or  
33 timberland as distinguished from its value under more intensive uses.  
34 The provision for limited special benefit assessments shall not  
35 relieve such land from liability for the amounts provided in RCW  
36 84.34.330 and 84.34.340 when such land is withdrawn or removed from  
37 its current use classification as farm and agricultural land or  
38 timberland.

1       **Sec. 402.** RCW 84.36.037 and 2014 c 99 s 8 are each amended to  
2 read as follows:

3       (1) Real or personal property owned by a nonprofit organization,  
4 association, or corporation in connection with the operation of a  
5 public assembly hall or meeting place is exempt from taxation. The  
6 area exempt under this section includes the building or buildings,  
7 the land under the buildings, and an additional area necessary for  
8 parking, not exceeding a total of one acre. When property for which  
9 exemption is sought is essentially unimproved except for restroom  
10 facilities and structures and this property has been used primarily  
11 for annual community celebration events for at least ten years, the  
12 exempt property shall not exceed twenty-nine acres.

13       (2) To qualify for this exemption the property must be used  
14 exclusively for public gatherings and be available to all  
15 organizations or persons desiring to use the property, but the owner  
16 may impose conditions and restrictions which are necessary for the  
17 safekeeping of the property and promote the purposes of this  
18 exemption. Membership shall not be a prerequisite for the use of the  
19 property.

20       (3) The use of the property for pecuniary gain or for business  
21 activities, except as provided in this section and RCW 84.36.805,  
22 nullifies the exemption otherwise available for the property for the  
23 assessment year. If all income received from rental or use of the  
24 exempt property is used for capital improvements to the exempt  
25 property, maintenance and operation of the exempt property, or exempt  
26 purposes, the exemption is not nullified as provided by RCW 84.36.805  
27 or by the use of the property, in a county with a population of less  
28 than twenty thousand, to promote the following business activities,  
29 if the rental income or donations, if any, are reasonable and do not  
30 exceed the maintenance and operation expenses attributable to the  
31 portion of the property loaned or rented: Dance lessons, art classes,  
32 or music lessons.

33       (4) The department of (~~revenue~~) taxation must narrowly construe  
34 this exemption.

35       **Sec. 403.** RCW 84.36.041 and 2015 c 86 s 312 are each amended to  
36 read as follows:

37       (1) All real and personal property used by a nonprofit home for  
38 the aging that is reasonably necessary for the purposes of the home

1 is exempt from taxation if the benefit of the exemption inures to the  
2 home and:

3 (a) At least fifty percent of the occupied dwelling units in the  
4 home are occupied by eligible residents; or

5 (b) The home is subsidized under a federal department of housing  
6 and urban development program. The department of (~~revenue~~) taxation  
7 must provide by rule a definition of homes eligible for exemption  
8 under this subsection (1)(b), consistent with the purposes of this  
9 section.

10 (2) All real and personal property used by a nonprofit home for  
11 the aging that is reasonably necessary for the purposes of the home  
12 is exempt from taxation if the benefit of the exemption inures to the  
13 home and the construction, rehabilitation, acquisition, or  
14 refinancing of the home is financed under a program using bonds  
15 exempt from federal income tax if at least seventy-five percent of  
16 the total amount financed uses the tax exempt bonds and the financing  
17 program requires the home to reserve a percentage of all dwelling  
18 units so financed for low-income residents. The initial term of the  
19 exemption under this subsection must equal the term of the tax exempt  
20 bond used in connection with the financing program, or the term of  
21 the requirement to reserve dwelling units for low-income residents,  
22 whichever is shorter. If the financing program involves less than the  
23 entire home, only those dwelling units included in the financing  
24 program are eligible for total exemption. The department of  
25 (~~revenue~~) taxation must provide by rule the requirements for  
26 monitoring compliance with the provisions of this subsection and the  
27 requirements for exemption including:

28 (a) The number or percentage of dwelling units required to be  
29 occupied by low-income residents, and a definition of low income;

30 (b) The type and character of the dwelling units, whether  
31 independent units or otherwise; and

32 (c) Any particular requirements for continuing care retirement  
33 communities.

34 (3) A home for the aging is eligible for a partial exemption on  
35 the real property and a total exemption for the home's personal  
36 property if the home does not meet the requirements of subsection (1)  
37 of this section because fewer than fifty percent of the occupied  
38 dwelling units are occupied by eligible residents, as follows:

1 (a) A partial exemption must be allowed for each dwelling unit in  
2 a home occupied by a resident requiring assistance with activities of  
3 daily living.

4 (b) A partial exemption must be allowed for each dwelling unit in  
5 a home occupied by an eligible resident.

6 (c) A partial exemption must be allowed for an area jointly used  
7 by a home for the aging and by a nonprofit organization, association,  
8 or corporation currently exempt from property taxation under one of  
9 the other provisions of this chapter. The shared area must be  
10 reasonably necessary for the purposes of the nonprofit organization,  
11 association, or corporation exempt from property taxation under one  
12 of the other provisions of this chapter, such as kitchen, dining, and  
13 laundry areas.

14 (d) The amount of exemption must be calculated by multiplying the  
15 assessed value of the property reasonably necessary for the purposes  
16 of the home, less the assessed value of any area exempt under (c) of  
17 this subsection, by a fraction. The numerator of the fraction is the  
18 number of dwelling units occupied by eligible residents and by  
19 residents requiring assistance with activities of daily living. The  
20 denominator of the fraction is the total number of occupied dwelling  
21 units as of December 31st of the first assessment year the home  
22 becomes operational for which exemption is claimed and January 1st of  
23 each subsequent assessment year for which exemption is claimed.

24 (4) To be exempt under this section, the property must be used  
25 exclusively for the purposes for which the exemption is granted,  
26 except as provided in RCW 84.36.805.

27 (5) A home for the aging is exempt from taxation only if the  
28 organization operating the home is exempt from income tax under  
29 section 501(c) of the federal internal revenue code as existing on  
30 January 1, 1989, or such subsequent date as the director may provide  
31 by rule consistent with the purposes of this section.

32 (6) In order for the home to be eligible for exemption under  
33 subsections (1)(a) and (3)(b) of this section, each eligible resident  
34 of a home for the aging must submit an income verification form to  
35 the county assessor by July 1st of the assessment year for which  
36 exemption is claimed. However, during the first year a home becomes  
37 operational, the county assessor must accept income verification  
38 forms from eligible residents up to December 31st of the assessment  
39 year. The income verification form must be prescribed and furnished  
40 by the department of (~~revenue~~) taxation. An eligible resident who

1 has filed a form for a previous year need not file a new form until  
2 there is a change in status affecting the person's eligibility.

3 (7) In determining the true and fair value of a home for the  
4 aging for purposes of the partial exemption provided by subsection  
5 (3) of this section, the assessor must apply the computation method  
6 provided by RCW 84.34.060 and may consider only the use to which such  
7 property is applied during the years for which such partial  
8 exemptions are available and may not consider potential uses of such  
9 property.

10 (8) As used in this section:

11 (a) "Eligible resident" means a person who:

12 (i) Occupied the dwelling unit as a principal place of residence  
13 as of December 31st of the first assessment year the home becomes  
14 operational. In each subsequent year, the eligible resident must  
15 occupy the dwelling unit as a principal place of residence as of  
16 January 1st of the assessment year for which the exemption is  
17 claimed. Confinement of the person to a hospital or nursing home does  
18 not disqualify the claim of exemption if the dwelling unit is  
19 temporarily unoccupied or if the dwelling unit is occupied by a  
20 spouse or a domestic partner, a person financially dependent on the  
21 claimant for support, or both; and

22 (ii) Is sixty-one years of age or older on December 31st of the  
23 year in which the exemption claim is filed, or is, at the time of  
24 filing, retired from regular gainful employment by reason of  
25 disability as defined in RCW 84.36.383. Any surviving spouse or  
26 surviving domestic partner of a person who was receiving an exemption  
27 at the time of the person's death qualifies if the surviving spouse  
28 or surviving domestic partner is fifty-seven years of age or older  
29 and otherwise meets the requirements of this subsection; and

30 (iii) Has a combined disposable income of no more than the  
31 greater of twenty-two thousand dollars or eighty percent of the  
32 median income adjusted for family size as most recently determined by  
33 the federal department of housing and urban development for the  
34 county in which the person resides. For the purposes of determining  
35 eligibility under this section, a "cotenant" means a person who  
36 resides with an eligible resident and who shares personal financial  
37 resources with the eligible resident.

38 (b) "Combined disposable income" means the disposable income of  
39 the person submitting the income verification form, plus the  
40 disposable income of his or her spouse or domestic partner, and the

1 disposable income of each cotenant occupying the dwelling unit for  
2 the preceding calendar year, less amounts paid by the person  
3 submitting the income verification form or his or her spouse or  
4 domestic partner or cotenant during the previous year for the  
5 treatment or care of either person received in the dwelling unit or  
6 in a nursing home. If the person submitting the income verification  
7 form was retired for two months or more of the preceding year, the  
8 combined disposable income of such person must be calculated by  
9 multiplying the average monthly combined disposable income of such  
10 person during the months such person was retired by twelve. If the  
11 income of the person submitting the income verification form is  
12 reduced for two or more months of the preceding year by reason of the  
13 death of the person's spouse or domestic partner, the combined  
14 disposable income of such person must be calculated by multiplying  
15 the average monthly combined disposable income of such person after  
16 the death of the spouse or domestic partner by twelve.

17 (c) "Disposable income" means adjusted gross income as defined in  
18 the federal internal revenue code, as amended prior to January 1,  
19 1989, or such subsequent date as the director may provide by rule  
20 consistent with the purpose of this section, plus all of the  
21 following items to the extent they are not included in or have been  
22 deducted from adjusted gross income:

23 (i) Capital gains, other than gain excluded from income under  
24 section 121 of the federal internal revenue code to the extent it is  
25 reinvested in a new principal residence;

26 (ii) Amounts deducted for loss;

27 (iii) Amounts deducted for depreciation;

28 (iv) Pension and annuity receipts;

29 (v) Military pay and benefits other than attendant-care and  
30 medical-aid payments;

31 (vi) Veterans benefits other than attendant-care and medical-aid  
32 payments;

33 (vii) Federal social security act and railroad retirement  
34 benefits;

35 (viii) Dividend receipts; and

36 (ix) Interest received on state and municipal bonds.

37 (d) "Resident requiring assistance with activities of daily  
38 living" means a person who requires significant assistance with the  
39 activities of daily living and who would be at risk of nursing home  
40 placement without this assistance.

1 (e) "Home for the aging" means a residential housing facility  
2 that (i) provides a housing arrangement chosen voluntarily by the  
3 resident, the resident's guardian or conservator, or another  
4 responsible person; (ii) has only residents who are at least sixty-  
5 one years of age or who have needs for care generally compatible with  
6 persons who are at least sixty-one years of age; and (iii) provides  
7 varying levels of care and supervision, as agreed to at the time of  
8 admission or as determined necessary at subsequent times of  
9 reappraisal.

10 (9) A for-profit home for the aging that converts to nonprofit  
11 status after June 11, 1992, and would otherwise be eligible for tax  
12 exemption under this section may not receive the tax exemption until  
13 five years have elapsed since the conversion. The exemption must then  
14 be ratably granted over the next five years.

15 **Sec. 404.** RCW 84.36.049 and 2018 c 103 s 2 are each amended to  
16 read as follows:

17 (1) All real property owned by a nonprofit entity for the purpose  
18 of developing or redeveloping on the real property one or more  
19 residences to be sold to low-income households including land to be  
20 leased as provided in subsection (8)(d)(ii) of this section, is  
21 exempt from state and local property taxes.

22 (2) The exemption provided in this section expires on or at the  
23 earlier of:

24 (a) The date on which the nonprofit entity transfers title to the  
25 single-family dwelling unit;

26 (b) The date on which the nonprofit entity executes a lease of  
27 land described in subsection (8)(d)(ii) of this section;

28 (c) The end of the seventh consecutive property tax year for  
29 which the property is granted an exemption under this section or, if  
30 the nonprofit entity has claimed an extension under subsection (3) of  
31 this section, the end of the tenth consecutive property tax year for  
32 which the property is granted an exemption under this section; or

33 (d) The property is no longer held for the purpose for which the  
34 exemption was granted.

35 (3) If the nonprofit entity believes that title to the single-  
36 family dwelling unit will not be transferred by the end of the sixth  
37 consecutive property tax year, the nonprofit entity may claim a  
38 three-year extension of the exemption period by:

1 (a) Filing a notice of extension with the department on or before  
2 March 31st of the sixth consecutive property tax year; and

3 (b) Providing a filing fee equal to the greater of two hundred  
4 dollars or one-tenth of one percent of the real market value of the  
5 property as of the most recent assessment date with the notice of  
6 extension. The filing fee must be deposited into the state general  
7 fund.

8 (4)(a) If the nonprofit entity has not transferred title to the  
9 single-family dwelling unit to a low-income household within the  
10 applicable period described in subsection (2)(c) of this section, or  
11 if the nonprofit entity has converted the property to a purpose other  
12 than the purpose for which the exemption was granted, the property is  
13 disqualified from the exemption.

14 (b) Upon disqualification, the county treasurer must collect an  
15 additional tax equal to all taxes that would have been paid on the  
16 property but for the existence of the exemption, plus interest at the  
17 same rate and computed in the same way as that upon delinquent  
18 property taxes.

19 (c) The additional tax must be distributed by the county  
20 treasurer in the same manner in which current property taxes  
21 applicable to the subject property are distributed. The additional  
22 taxes and interest are due in full thirty days following the date on  
23 which the treasurer's statement of additional tax due is issued.

24 (d) The additional tax and interest is a lien on the property.  
25 The lien for additional tax and interest has priority to and must be  
26 fully paid and satisfied before any recognizance, mortgage, judgment,  
27 debt, obligation, or responsibility to or with which the property may  
28 become charged or liable. If a nonprofit entity sells or transfers  
29 real property subject to a lien for additional taxes under this  
30 subsection, such unpaid additional taxes must be paid by the  
31 nonprofit entity at the time of sale or transfer. The county auditor  
32 may not accept an instrument of conveyance unless the additional tax  
33 has been paid. The nonprofit entity or the new owner may appeal the  
34 assessed values upon which the additional tax is based to the county  
35 board of equalization in accordance with the provisions of RCW  
36 84.40.038.

37 (5) Nonprofit entities receiving an exemption under this section  
38 must immediately notify the department when the exempt real property  
39 becomes occupied. The notice of occupancy made to the department must  
40 include a certification by the nonprofit entity that the occupants



1 are a low-income household and a date when the title to the single-  
2 family dwelling unit was or is anticipated to be transferred. The  
3 department of (~~revenue~~) taxation must make the notices of occupancy  
4 available to the joint legislative audit and review committee, upon  
5 request by the committee, in order for the committee to complete its  
6 review of the tax preference in this section.

7 (6) Upon cessation of the exemption, the value of new  
8 construction and improvements to the property, not previously  
9 considered as new construction, must be considered as new  
10 construction for purposes of calculating levies under chapter 84.55  
11 RCW. The assessed value of the property as it was valued prior to the  
12 beginning of the exemption may not be considered as new construction  
13 upon cessation of the exemption.

14 (7) Nonprofit entities receiving an exemption under this section  
15 must provide annual financial statements to the joint legislative  
16 audit and review committee, upon request by the committee, for the  
17 years that the exemption has been claimed. The nonprofit entity must  
18 identify the line or lines on the financial statements that comprise  
19 the percentage of revenues dedicated to the development of affordable  
20 housing.

21 (8) The definitions in this subsection apply throughout this  
22 section unless the context clearly requires otherwise.

23 (a) "Financial statements" means an audited annual financial  
24 statement and a completed United States treasury internal revenue  
25 service return form 990 for organizations exempt from income tax.

26 (b) "Low-income household" means a single person, family, or  
27 unrelated persons living together whose adjusted income is less than  
28 eighty percent of the median family income, adjusted for family size  
29 as most recently determined by the federal department of housing and  
30 urban development for the county in which the property is located.

31 (c) "Nonprofit entity" means a nonprofit as defined in RCW  
32 84.36.800 that is exempt from federal income taxation under 26 U.S.C.  
33 Sec. 501(c)(3) of the federal internal revenue code of 1986, as  
34 amended.

35 (d) "Residence" means:

36 (i) A single-family dwelling unit whether such unit be separate  
37 or part of a multiunit dwelling; and

38 (ii) The land on which a dwelling unit described in (d)(i) of  
39 this subsection (8) stands, whether to be sold, or to be leased for

1 life or ninety-nine years, to the low-income household owning such  
2 dwelling unit.

3 (9) The department may not accept applications for the initial  
4 exemption in this section after December 31, 2027. The exemption in  
5 this section may not be approved for and does not apply to taxes due  
6 in 2038 and thereafter.

7 (10) This section expires January 1, 2038.

8 **Sec. 405.** RCW 84.36.255 and 2013 c 236 s 1 are each amended to  
9 read as follows:

10 (1) All improvements to real and personal property that benefit  
11 fish and wildlife habitat, water quality, or water quantity are  
12 exempt from taxation if the improvements are included under a written  
13 conservation plan approved by a conservation district. The  
14 conservation districts must cooperate with the federal natural  
15 resource conservation service, other conservation districts, the  
16 department of ecology, the department of fish and wildlife, and  
17 nonprofit organizations to assist landowners by working with them to  
18 obtain approved conservation plans so as to qualify for the exemption  
19 provided for in this section. As provided in subsection (3) of this  
20 section and RCW 89.08.440(2), a conservation district must initially  
21 certify that the best management practice benefits fish and wildlife  
22 habitat, water quality, or water quantity. A habitat conservation  
23 plan under the terms of the federal endangered species act is not  
24 considered a conservation plan for purposes of this exemption.

25 (2) The exemption remains in effect only if improvements  
26 identified in the written best management practices agreement are  
27 maintained as originally approved or amended. Improvements made as a  
28 requirement to mitigate for impacts to fish and wildlife habitat,  
29 water quality, or water quantity are not eligible for exemption under  
30 this section.

31 (3) A claim for exemption under this section must be filed  
32 annually with the county assessor on or before October 31st during  
33 the year for exemption from taxes levied for collection in the  
34 following year when submitted on forms prescribed by the department  
35 of ~~((revenue))~~ taxation developed in consultation with the  
36 conservation district. The landowner must certify each subsequent  
37 year that the improvements for which exemption is sought are  
38 maintained as originally approved or amended in the written  
39 conservation plan. In the first filing year, the claim must contain

1 the initial certification by the conservation district that the  
2 improvements for which exemption is sought were included under a  
3 written conservation plan approved by the conservation district  
4 including best management practices that benefit fish and wildlife  
5 habitat, water quality, or water quantity. Each subsequent filing  
6 year, the claim must contain a copy of the conservation district's  
7 initial certification made in the first filing year, along with the  
8 landowner's own certification for the current filing year.

9       **Sec. 406.** RCW 84.36.260 and 2014 c 99 s 11 are each amended to  
10 read as follows:

11       (1) All real property interests, including fee simple or any  
12 lesser interest, development rights, easements, covenants and  
13 conservation futures, as that latter term is defined in RCW 84.34.220  
14 as now or hereafter amended, used exclusively for the conservation of  
15 ecological systems, natural resources, or open space, including  
16 parklands, held by any nonprofit corporation or association the  
17 primary purpose of which is the conducting or facilitating of  
18 scientific research or the conserving of natural resources or open  
19 space for the general public, shall be exempt from ad valorem  
20 taxation if either of the following conditions are met:

21       (a) To the extent feasible considering the nature of the property  
22 interest involved, such property interests shall be used and  
23 effectively dedicated primarily for the purpose of providing  
24 scientific research or educational opportunities for the general  
25 public or the preservation of native plants or animals, or biotic  
26 communities, or works of ancient human beings or geological or  
27 geographical formations, of distinct scientific and educational  
28 interest, and not for the pecuniary benefit of any person or company,  
29 as defined in RCW 82.04.030, and shall be open to the general public  
30 for educational and scientific research purposes subject to  
31 reasonable restrictions designed for its protection; or

32       (b) Such property interests are subject to an option, accepted in  
33 writing by the state, a city or a county, or department of the United  
34 States government, for the purchase thereof by the state, a city or a  
35 county, or the United States, at a price not exceeding the lesser of  
36 the following amounts: (i) The sum of the original purchase cost to  
37 such nonprofit corporation or association plus interest from the date  
38 of acquisition by such corporation or association at the rate of six  
39 percent per annum compounded annually to the date of the exercise of

1 the option; or (ii) the appraised value of the property at the time  
2 of the granting of the option, as determined by the department of  
3 (~~revenue~~) taxation or when the option is held by the United States,  
4 or by an appropriate agency thereof.

5 (2) To be exempt under this section, the property must be used  
6 exclusively for the purposes for which exemption is granted, except  
7 as provided by RCW 84.36.805.

8 **Sec. 407.** RCW 84.36.264 and 2014 c 99 s 12 are each amended to  
9 read as follows:

10 Owners of property desiring tax exempt status pursuant to the  
11 provisions of RCW 84.36.260 must make an application for the  
12 exemption with the department. If such property qualifies pursuant to  
13 RCW 84.36.260(1)(b), a copy of the option must also be submitted to  
14 the department. Such option must clearly state the purchase price  
15 pursuant to the option or the appraisal value as determined by the  
16 department of (~~revenue~~) taxation.

17 **Sec. 408.** RCW 84.36.310 and 2003 c 302 s 6 are each amended to  
18 read as follows:

19 Any person claiming the exemption provided for in RCW 84.36.300  
20 shall file such claim with his or her listing of personal property as  
21 provided by RCW 84.40.040. The claim shall be in the form prescribed  
22 by the department of (~~revenue~~) taxation, and shall require such  
23 information as the department deems necessary to substantiate the  
24 claim.

25 **Sec. 409.** RCW 84.36.383 and 2012 c 10 s 74 are each amended to  
26 read as follows:

27 As used in RCW 84.36.381 through 84.36.389, except where the  
28 context clearly indicates a different meaning:

29 (1) The term "residence" means a single-family dwelling unit  
30 whether such unit be separate or part of a multiunit dwelling,  
31 including the land on which such dwelling stands not to exceed one  
32 acre, except that a residence includes any additional property up to  
33 a total of five acres that comprises the residential parcel if this  
34 larger parcel size is required under land use regulations. The term  
35 also includes a share ownership in a cooperative housing association,  
36 corporation, or partnership if the person claiming exemption can  
37 establish that his or her share represents the specific unit or

1 portion of such structure in which he or she resides. The term also  
2 includes a single-family dwelling situated upon lands the fee of  
3 which is vested in the United States or any instrumentality thereof  
4 including an Indian tribe or in the state of Washington, and  
5 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a  
6 residence is deemed real property.

7 (2) The term "real property" also includes a mobile home which  
8 has substantially lost its identity as a mobile unit by virtue of its  
9 being fixed in location upon land owned or leased by the owner of the  
10 mobile home and placed on a foundation (posts or blocks) with fixed  
11 pipe, connections with sewer, water, or other utilities. A mobile  
12 home located on land leased by the owner of the mobile home is  
13 subject, for tax billing, payment, and collection purposes, only to  
14 the personal property provisions of chapter 84.56 RCW and RCW  
15 84.60.040.

16 (3) "Department" means the state department of (~~revenue~~)  
17 taxation.

18 (4) "Combined disposable income" means the disposable income of  
19 the person claiming the exemption, plus the disposable income of his  
20 or her spouse or domestic partner, and the disposable income of each  
21 cotenant occupying the residence for the assessment year, less  
22 amounts paid by the person claiming the exemption or his or her  
23 spouse or domestic partner during the assessment year for:

24 (a) Drugs supplied by prescription of a medical practitioner  
25 authorized by the laws of this state or another jurisdiction to issue  
26 prescriptions;

27 (b) The treatment or care of either person received in the home  
28 or in a nursing home, assisted living facility, or adult family home;  
29 and

30 (c) Health care insurance premiums for medicare under Title XVIII  
31 of the social security act.

32 (5) "Disposable income" means adjusted gross income as defined in  
33 the federal internal revenue code, as amended prior to January 1,  
34 1989, or such subsequent date as the director may provide by rule  
35 consistent with the purpose of this section, plus all of the  
36 following items to the extent they are not included in or have been  
37 deducted from adjusted gross income:

38 (a) Capital gains, other than gain excluded from income under  
39 section 121 of the federal internal revenue code to the extent it is  
40 reinvested in a new principal residence;

- 1 (b) Amounts deducted for loss;  
2 (c) Amounts deducted for depreciation;  
3 (d) Pension and annuity receipts;  
4 (e) Military pay and benefits other than attendant-care and  
5 medical-aid payments;  
6 (f) Veterans benefits, other than:  
7 (i) Attendant-care payments;  
8 (ii) Medical-aid payments;  
9 (iii) Disability compensation, as defined in Title 38, part 3,  
10 section 3.4 of the code of federal regulations, as of January 1,  
11 2008; and  
12 (iv) Dependency and indemnity compensation, as defined in Title  
13 38, part 3, section 3.5 of the code of federal regulations, as of  
14 January 1, 2008;  
15 (g) Federal social security act and railroad retirement benefits;  
16 (h) Dividend receipts; and  
17 (i) Interest received on state and municipal bonds.  
18 (6) "Cotenant" means a person who resides with the person  
19 claiming the exemption and who has an ownership interest in the  
20 residence.  
21 (7) "Disability" has the same meaning as provided in 42 U.S.C.  
22 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such  
23 subsequent date as the department may provide by rule consistent with  
24 the purpose of this section.

25 **Sec. 410.** RCW 84.36.385 and 2011 c 174 s 106 are each amended to  
26 read as follows:

27 (1) A claim for exemption under RCW 84.36.381 as now or hereafter  
28 amended, may be made and filed at any time during the year for  
29 exemption from taxes payable the following year and thereafter and  
30 solely upon forms as prescribed and furnished by the department of  
31 (~~revenue~~) taxation. However, an exemption from tax under RCW  
32 84.36.381 continues for no more than six years unless a renewal  
33 application is filed as provided in subsection (3) of this section.

34 (2) A person granted an exemption under RCW 84.36.381 must inform  
35 the county assessor of any change in status affecting the person's  
36 entitlement to the exemption on forms prescribed and furnished by the  
37 department of (~~revenue~~) taxation.

38 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and  
39 thereafter, must file with the county assessor a renewal application

1 not later than December 31 of the year the assessor notifies such  
2 person of the requirement to file the renewal application. Renewal  
3 applications must be on forms prescribed and furnished by the  
4 department of (~~revenue~~) taxation.

5 (4) At least once every six years, the county assessor must  
6 notify those persons receiving an exemption from taxes under RCW  
7 84.36.381 of the requirement to file a renewal application. The  
8 county assessor may also require a renewal application following an  
9 amendment of the income requirements set forth in RCW 84.36.381.

10 (5) If the assessor finds that the applicant does not meet the  
11 qualifications as set forth in RCW 84.36.381, as now or hereafter  
12 amended, the claim or exemption must be denied but such denial is  
13 subject to appeal under the provisions of RCW 84.48.010 and in  
14 accordance with the provisions of RCW 84.40.038. If the applicant had  
15 received exemption in prior years based on erroneous information, the  
16 taxes must be collected subject to penalties as provided in RCW  
17 84.40.130 for a period of not to exceed five years.

18 (6) The department and each local assessor is hereby directed to  
19 publicize the qualifications and manner of making claims under RCW  
20 84.36.381 through 84.36.389, through communications media, including  
21 such paid advertisements or notices as it deems appropriate. Notice  
22 of the qualifications, method of making applications, the penalties  
23 for not reporting a change in status, and availability of further  
24 information must be included on or with property tax statements and  
25 revaluation notices for all residential property including mobile  
26 homes, except rental properties.

27 **Sec. 411.** RCW 84.36.387 and 2003 c 53 s 408 are each amended to  
28 read as follows:

29 (1) All claims for exemption shall be made and signed by the  
30 person entitled to the exemption, by his or her attorney-in-fact or  
31 in the event the residence of such person is under mortgage or  
32 purchase contract requiring accumulation of reserves out of which the  
33 holder of the mortgage or contract is required to pay real estate  
34 taxes, by such holder or by the owner, either before two witnesses or  
35 the county assessor or his or her deputy in the county where the real  
36 property is located: PROVIDED, That if a claim for exemption is made  
37 by a person living in a cooperative housing association, corporation,  
38 or partnership, such claim shall be made and signed by the person

1 entitled to the exemption and by the authorized agent of such  
2 cooperative.

3 (2) If the taxpayer is unable to submit his or her own claim, the  
4 claim shall be submitted by a duly authorized agent or by a guardian  
5 or other person charged with the care of the person or property of  
6 such taxpayer.

7 (3) All claims for exemption and renewal applications shall be  
8 accompanied by such documented verification of income as shall be  
9 prescribed by rule adopted by the department of (~~revenue~~) taxation.

10 (4) Any person signing a false claim with the intent to defraud  
11 or evade the payment of any tax is guilty of perjury under chapter  
12 9A.72 RCW.

13 (5) The tax liability of a cooperative housing association,  
14 corporation, or partnership shall be reduced by the amount of tax  
15 exemption to which a claimant residing therein is entitled and such  
16 cooperative shall reduce any amount owed by the claimant to the  
17 cooperative by such exact amount of tax exemption or, if no amount be  
18 owed, the cooperative shall make payment to the claimant of such  
19 exact amount of exemption.

20 (6) A remainderman or other person who would have otherwise paid  
21 the tax on real property that is the subject of an exemption granted  
22 under RCW 84.36.381 for an estate for life shall reduce the amount  
23 which would have been payable by the life tenant to the remainderman  
24 or other person to the extent of the exemption. If no amount is owed  
25 or separately stated as an obligation between these persons, the  
26 remainderman or other person shall make payment to the life tenant in  
27 the exact amount of the exemption.

28 **Sec. 412.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each  
29 amended to read as follows:

30 (1) The director of the department of (~~revenue~~) taxation shall  
31 adopt such rules and regulations and prescribe such forms as may be  
32 necessary and appropriate for implementation and administration of  
33 this chapter subject to chapter 34.05 RCW, the administrative  
34 procedure act.

35 (2) The department may conduct such audits of the administration  
36 of RCW 84.36.381 through 84.36.389 and the claims for exemption filed  
37 thereunder as it considers necessary. The powers of the department  
38 under chapter 84.08 RCW apply to these audits.



1 (3) Any information or facts concerning confidential income data  
2 obtained by the assessor or the department, or their agents or  
3 employees, under subsection (2) of this section shall be used only to  
4 administer RCW 84.36.381 through 84.36.389. Notwithstanding any  
5 provision of law to the contrary, absent written consent by the  
6 person about whom the information or facts have been obtained, the  
7 confidential income data shall not be disclosed by the assessor or  
8 the assessor's agents or employees to anyone other than the  
9 department or the department's agents or employees nor by the  
10 department or the department's agents or employees to anyone other  
11 than the assessor or the assessor's agents or employees except in a  
12 judicial proceeding pertaining to the taxpayer's entitlement to the  
13 tax exemption under RCW 84.36.381 through 84.36.389. Any violation of  
14 this subsection is a misdemeanor.

15 **Sec. 413.** RCW 84.36.400 and 2013 c 23 s 350 are each amended to  
16 read as follows:

17 Any physical improvement to single-family dwellings upon real  
18 property shall be exempt from taxation for the three assessment years  
19 subsequent to the completion of the improvement to the extent that  
20 the improvement represents thirty percent or less of the value of the  
21 original structure. A taxpayer desiring to obtain the exemption  
22 granted by this section must file notice of his or her intention to  
23 construct the improvement prior to the improvement being made on  
24 forms prescribed by the department of ((~~revenue~~)) taxation and  
25 furnished to the taxpayer by the county assessor: PROVIDED, That this  
26 exemption cannot be claimed more than once in a five-year period.

27 The department of ((~~revenue~~)) taxation shall promulgate such  
28 rules and regulations as are necessary and convenient to properly  
29 administer the provisions of this section.

30 **Sec. 414.** RCW 84.36.590 and 2000 c 246 s 1 are each amended to  
31 read as follows:

32 (1)(a) Beginning with taxes levied for collection in calendar  
33 year 2006, all personal property located on land owned by the United  
34 States, or an instrumentality of the United States, at the Hanford  
35 reservation that is used exclusively in the performance of a  
36 privatization contract to pretreat, treat, vitrify, and immobilize  
37 tank waste under subsection (2) of this section is exempt from  
38 taxation.

1 (b) Beginning with taxes levied for collection in calendar year  
2 2002, and until the application of (a) of this subsection, all  
3 personal property located on land owned by the United States, or an  
4 instrumentality of the United States, at the Hanford reservation that  
5 is used exclusively in the performance of a privatization contract to  
6 pretreat, treat, vitrify, and immobilize tank waste under subsection  
7 (3) of this section is exempt from taxes levied by the state.

8 (2) To qualify for the exemption provided in subsection (1)(a) of  
9 this section, the personal property must be owned by a person that  
10 has a privatization contract to pretreat, treat, vitrify, and  
11 immobilize tank waste located at the Hanford reservation. For the  
12 purposes of this section, a privatization contract means a contract  
13 in which the United States, or an instrumentality of the United  
14 States, has designated the other contracting party as a party  
15 responsible for carrying out tank waste clean-up operations at the  
16 Hanford reservation.

17 (3) To qualify for the exemption provided in subsection (1)(b) of  
18 this section, the personal property must be owned by a person that  
19 has, and complies with, a privatization contract to pretreat, treat,  
20 vitrify, and immobilize tank waste located at the Hanford  
21 reservation. The personal property must be acquired or constructed,  
22 and operated, in compliance with the tank waste treatment complex  
23 requirements of the Hanford federal facility agreement and consent  
24 order, including schedules for tank waste treatment complex start of  
25 construction, initiation of hot commissioning, and schedules for tank  
26 waste pretreatment processing and vitrification. The privatization  
27 contractor shall submit annually, on or before August 1st, a progress  
28 report to the Washington state department of ecology documenting  
29 compliance with the requirements of the agreement and consent order  
30 and the terms of the privatization contract. The department of  
31 ecology shall annually issue, on or before October 1st, a  
32 determination to the department of (~~revenue~~) taxation indicating  
33 whether the privatization contractor is in compliance with the  
34 requirements of the agreement and consent order.

35 (4) An inadvertent use of property, which otherwise qualifies for  
36 an exemption under this section, in a manner inconsistent with the  
37 purpose for which the exemption is granted, does not nullify the  
38 exemption if the inadvertent use is not part of a pattern of use. A  
39 pattern of use is presumed when an inadvertent use is repeated in the  
40 same assessment year or in two or more successive assessment years.

1       **Sec. 415.** RCW 84.36.630 and 2017 3rd sp.s. c 13 s 312 are each  
2 amended to read as follows:

3       (1) All machinery and equipment owned by a farmer that is  
4 personal property is exempt from property taxes levied for any state  
5 purpose, including the additional state property tax imposed under  
6 RCW 84.52.065(2), if it is used exclusively in growing and producing  
7 agricultural products during the calendar year for which the claim  
8 for exemption is made.

9       (2) "Farmer" and "agricultural product" have the same meaning as  
10 defined in RCW 82.04.213.

11       (3) A claim for exemption under this section must be filed with  
12 the county assessor together with the statement required under RCW  
13 84.40.190, for exemption from taxes payable the following year. The  
14 claim must be made solely upon forms as prescribed and furnished by  
15 the department of (~~revenue~~) taxation.

16       **Sec. 416.** RCW 84.36.635 and 2018 c 164 s 8 are each amended to  
17 read as follows:

18       (1) For the purposes of this section, "anaerobic digester" has  
19 the same meaning as provided in RCW 82.08.900.

20       (2) All buildings, machinery, equipment, and other personal  
21 property which are used primarily for the operation of an anaerobic  
22 digester, the land upon which this property is located, and land that  
23 is reasonably necessary in the operation of an anaerobic digester,  
24 are exempt from property taxation for the six assessment years  
25 following the date on which the facility or the addition to the  
26 existing facility becomes operational.

27       (3) Claims for exemptions authorized by this section must be  
28 filed with the county assessor on forms prescribed by the department  
29 of (~~revenue~~) taxation and furnished by the assessor. Once filed,  
30 the exemption is valid for six assessment years following the date on  
31 which the facility or the addition to the existing facility becomes  
32 operational and may not be renewed. The assessor must verify and  
33 approve claims as the assessor determines to be justified and in  
34 accordance with this section. No claims may be filed after December  
35 31, 2024.

36       (4) The department of (~~revenue~~) taxation may promulgate such  
37 rules, pursuant to chapter 34.05 RCW, as necessary to properly  
38 administer this section.

1       **Sec. 417.** RCW 84.36.640 and 2010 1st sp.s. c 11 s 5 are each  
2 amended to read as follows:

3       (1) For the purposes of this section, "wood biomass fuel" means a  
4 pyrolytic liquid fuel or synthesis gas-derived liquid fuel, used in  
5 internal combustion engines, and produced from wood, forest, or field  
6 residue, or dedicated energy crops that do not include wood pieces  
7 that have been treated with chemical preservatives such as creosote,  
8 pentachlorophenol, or copper-chrome-arsenic.

9       (2)(a) All buildings, machinery, equipment, and other personal  
10 property which is used primarily for the manufacturing of wood  
11 biomass fuel, the land upon which this property is located, and land  
12 that is reasonably necessary in the manufacturing of wood biomass  
13 fuel, but not land necessary for growing of crops, which together  
14 comprise a new manufacturing facility or an addition to an existing  
15 manufacturing facility, are exempt from property taxation for the six  
16 assessment years following the date on which the facility or the  
17 addition to the existing facility becomes operational.

18       (b) For manufacturing facilities which produce products in  
19 addition to wood biomass fuel, the amount of the property tax  
20 exemption is based upon the annual percentage of the total value of  
21 all products manufactured that is the value of the wood biomass fuel  
22 manufactured.

23       (3) Claims for exemptions authorized by this section must be  
24 filed with the county assessor on forms prescribed by the department  
25 of (~~revenue~~) taxation and furnished by the assessor. Once filed,  
26 the exemption is valid for six years and may not be renewed. The  
27 assessor must verify and approve claims as the assessor determines to  
28 be justified and in accordance with this section. No claims may be  
29 filed after December 31, 2015.

30       The department of (~~revenue~~) taxation may promulgate such rules,  
31 pursuant to chapter 34.05 RCW, as necessary to properly administer  
32 this section.

33       **Sec. 418.** RCW 84.36.660 and 2007 c 434 s 3 are each amended to  
34 read as follows:

35       (1) Prior to installation of an automatic sprinkler system under  
36 RCW 19.27.500 through 19.27.520, an owner or lessee of property who  
37 meets the requirements of this section may apply to the assessor of  
38 the county in which the property is located for a special property  
39 tax exemption. This application shall be made upon forms prescribed

1 by the department of (~~revenue~~) taxation and supplied by the county  
2 assessor.

3 (a) (i) If a lessee of the property has paid for all expenses  
4 associated with the installation and purchase of the automatic  
5 sprinkler system, then the benefit of the exemption must inure to the  
6 lessee.

7 (ii) A lessee, otherwise eligible to receive the benefit of the  
8 exemption under this section, is entitled to receive such benefit  
9 only to the extent that the lessee maintains a valid lease agreement  
10 with the property owner for the property in which the automatic  
11 sprinkler system was installed pursuant to RCW 19.27.500.

12 (b) An exemption may be granted under this section only to the  
13 property owner or lessee that pays for all expenses associated with  
14 the installation and purchase of the automatic sprinkler system. In  
15 no event may both the property owner and the lessee receive an  
16 exemption under this section in the same calendar year for the  
17 installation and purchase of the same automatic sprinkler system.

18 (c) After December 31, 2009, no new application for a special tax  
19 exemption under this section may be: Made by a property owner or  
20 lessee; or accepted by the county assessor.

21 (2) As used in this chapter, "special property tax exemption"  
22 means the determination of the assessed value of the property  
23 subtracting, for ten years, the increase in value attributable to the  
24 installation of an automatic sprinkler system under RCW 19.27.500  
25 through 19.27.520.

26 (3) The county assessor shall, for ten consecutive assessment  
27 years following the calendar year in which application is made, place  
28 a special property tax exemption on property classified as eligible.

29 **Sec. 419.** RCW 84.36.812 and 2001 c 185 s 9 are each amended to  
30 read as follows:

31 All additional taxes imposed under RCW 84.36.262 or 84.36.810  
32 shall become due and payable by the seller or transferor at the time  
33 of sale. The county auditor shall not accept an instrument of  
34 conveyance unless the additional tax has been paid or the department  
35 of (~~revenue~~) taxation has determined that the property is not  
36 subject to RCW 84.36.262 or 84.36.810. The seller, the transferor, or  
37 the new owner may appeal the assessed values upon which the  
38 additional tax is based to the county board of equalization in  
39 accordance with the provisions of RCW 84.40.038.

1       **Sec. 420.** RCW 84.36.813 and 2013 c 23 s 351 are each amended to  
2 read as follows:

3       An exempt property owner shall notify the department of  
4 (~~revenue~~) taxation of any change of use prior to each assessment  
5 year. Any other person believing that a change in the use of exempt  
6 property has occurred shall report same to the county assessor, who  
7 shall examine the property and if the use is not in compliance with  
8 chapter 84.36 RCW he or she shall report the information to the  
9 department with a recommendation that the exempt status be canceled.  
10 The final determination shall be made by the department.

11       **Sec. 421.** RCW 84.36.815 and 2016 c 217 s 4 are each amended to  
12 read as follows:

13       (1) In order to qualify for exempt status for any real or  
14 personal property under this chapter except personal property under  
15 RCW 84.36.600, all foreign national governments; cemeteries;  
16 nongovernmental nonprofit corporations, organizations, and  
17 associations; hospitals owned and operated by a public hospital  
18 district for purposes of exemption under RCW 84.36.040(2); and soil  
19 and water conservation districts must file an initial application on  
20 or before March 31st with the state department of (~~revenue~~)  
21 taxation. However, the initial application deadline for the exemption  
22 provided in RCW 84.36.049 is July 1st for 2016 and March 31st for  
23 2017 and thereafter. All applications must be filed on forms  
24 prescribed by the department and must be signed by an authorized  
25 agent of the applicant.

26       (2) In order to requalify for exempt status, all applicants  
27 except nonprofit cemeteries and nonprofits receiving the exemption  
28 under RCW 84.36.049 must file an annual renewal declaration on or  
29 before March 31st each year. The renewal declaration must be on forms  
30 prescribed by the department of (~~revenue~~) taxation and must contain  
31 a statement certifying the exempt status of the real or personal  
32 property owned by the exempt organization. This renewal declaration  
33 may be submitted electronically in a format provided or approved by  
34 the department. Information may also be required with the renewal  
35 declaration to assist the department in determining whether the  
36 property tax exemption should continue.

37       (3) When an organization acquires real property qualified for  
38 exemption or converts real property to exempt status, the  
39 organization must file an initial application for the property within

1 sixty days following the acquisition or conversion in accordance with  
2 all applicable provisions of subsection (1) of this section. If the  
3 application is filed after the expiration of the sixty-day period, a  
4 late filing penalty is imposed under RCW 84.36.825.

5 (4) When organizations acquire real property qualified for  
6 exemption or convert real property to an exempt use, the property,  
7 upon approval of the application for exemption, is entitled to a  
8 property tax exemption for property taxes due and payable the  
9 following year. If the owner has paid taxes for the year following  
10 the year the property qualified for exemption, the owner is entitled  
11 to a refund of the amount paid on the property so acquired or  
12 converted.

13 (5) The department must share approved initial applications for  
14 the tax preference provided in RCW 84.36.049 with the joint  
15 legislative audit and review committee, upon request by the  
16 committee, in order for the committee to complete its review of the  
17 tax preference provided in RCW 84.36.049.

18 **Sec. 422.** RCW 84.36.820 and 2016 c 217 s 5 are each amended to  
19 read as follows:

20 On or before January 1st of each year, the department of  
21 (~~revenue~~) taxation must notify the owners of record of property  
22 exempted from property taxation at their last known address about the  
23 obligation to file an annual renewal declaration for continued  
24 exemption. When a continued exemption is not approved, the department  
25 must notify the assessor of the county in which the property is  
26 located who, in turn, must remove the tax exemption from the  
27 property. The failure to file an annual renewal declaration for  
28 continued exemption and subsequent removal of the exemption is not  
29 subject to review as provided in RCW 84.36.850. The department of  
30 (~~revenue~~) taxation must review applications received after the due  
31 date required under RCW 84.36.815, but these applications are subject  
32 to late filing penalties provided in RCW 84.36.825.

33 **Sec. 423.** RCW 84.36.830 and 2007 c 111 s 304 are each amended to  
34 read as follows:

35 (1) The department of (~~revenue~~) taxation shall review each  
36 application for exemption and approve or deny the application before  
37 August 1st of the assessment year for which the application is made.  
38 However, exemption applications received after March 31st shall be

1 reviewed and determination made thereon within thirty days of the  
2 date received or by August 1st, whichever is later.

3 (2) The department may request additional relevant information as  
4 it deems necessary. The department may also physically inspect the  
5 property and satisfy itself as to the use of all parcels before  
6 approving or denying the application. After approving an application,  
7 the department may also physically inspect the property at regular  
8 intervals to ensure compliance with this chapter.

9 (3) When the department has examined the application and, if  
10 applicable, the subject property, it shall either approve or deny the  
11 request and clearly state the reasons for denial in written  
12 notification by mail to the applicant. The department shall also  
13 notify the assessor of the county in which the property is located.  
14 The county assessor shall place the property on the assessment roll  
15 for the current year.

16 **Sec. 424.** RCW 84.36.835 and 1998 c 311 s 29 are each amended to  
17 read as follows:

18 On or before August 31st, the department of (~~revenue~~) taxation  
19 shall prepare a list by county of those properties exempted by the  
20 department under this chapter and shall forward a list to each county  
21 assessor of the property exempt in that county.

22 **Sec. 425.** RCW 84.36.840 and 2016 c 217 s 6 are each amended to  
23 read as follows:

24 (1) In order to determine whether organizations, associations,  
25 corporations, or institutions, except those exempted under RCW  
26 84.36.020, 84.36.049, and 84.36.030, are exempt from property taxes,  
27 and before the exemption is allowed for any year, the superintendent  
28 or manager or other proper officer of the organization, association,  
29 corporation, or institution claiming exemption from taxation must  
30 file with the department of (~~revenue~~) taxation a statement  
31 certifying that the income and the receipts thereof, including  
32 donations to it, have been applied to the actual expenses of  
33 operating and maintaining it, or for its capital expenditures, and to  
34 no other purpose. This report must also include a statement of the  
35 receipts and disbursements of the exempt organization, association,  
36 corporation, or institution.

37 (2) Educational institutions claiming exemption under RCW  
38 84.36.050 must also file a list of all property claimed to be exempt,



1 the purpose for which it is used, the revenue derived from it for the  
2 preceding year, the use to which the revenue was applied, the number  
3 of students who attended the school or college, the total revenues of  
4 the institution with the source from which they were derived, and the  
5 purposes to which the revenues were applied, listing the items of  
6 such revenues and expenditures in detail.

7 (3) The reports required under subsections (1) and (2) of this  
8 section may be submitted electronically, in a format provided or  
9 approved by the department, or mailed to the department. The reports  
10 must be submitted on or before March 31st of each year. The  
11 department must remove the tax exemption from the property of any  
12 organization, association, corporation, or institution that does not  
13 file the required report with the department on or before the due  
14 date. However, the department must allow a reasonable extension of  
15 time for filing upon receipt of a written request on or before the  
16 required filing date and for good cause shown therein.

17 **Sec. 426.** RCW 84.36.850 and 2013 c 23 s 352 are each amended to  
18 read as follows:

19 Any applicant aggrieved by the department of (~~revenue's~~)  
20 taxation's denial of an exemption application may petition the state  
21 board of tax appeals to review an application for either real or  
22 personal property tax exemption and the board shall consider any  
23 appeals to determine (1) if the property is entitled to an exemption,  
24 and (2) the amount or portion thereof.

25 A county assessor of the county in which the exempted property is  
26 located shall be empowered to appeal to the state board of tax  
27 appeals to review any real or personal property tax exemption  
28 approved by the department of (~~revenue~~) taxation which he or she  
29 feels is not warranted.

30 Appeals from a department of (~~revenue~~) taxation decision must  
31 be made within thirty days after the mailing of the approval or  
32 denial.

33 **Sec. 427.** RCW 84.36.860 and 1973 2nd ex.s. c 40 s 18 are each  
34 amended to read as follows:

35 Each county assessor and the director of the department of  
36 (~~revenue~~) taxation shall each issue public notice of the provisions  
37 of chapter 40, Laws of 1973 2nd ex. sess. in such a manner as will  
38 give constructive notice to all taxpayers of that county or of the

1 state, as the case may be, prior to the first year in which an  
2 application for exemption is required by RCW 84.36.815 through  
3 84.36.845.

4 **Sec. 428.** RCW 84.36.865 and 1975 1st ex.s. c 291 s 20 are each  
5 amended to read as follows:

6 The department of (~~revenue~~) taxation of the state of Washington  
7 shall make such rules and regulations consistent with chapter 34.05  
8 RCW and the provisions of this chapter as shall be necessary or  
9 desirable to permit its effective administration.

10 **Sec. 429.** RCW 84.37.070 and 2013 c 221 s 7 are each amended to  
11 read as follows:

12 Whenever a person's special assessment or real property tax  
13 obligation, or both, is deferred under this chapter, the amount  
14 deferred and required to be paid pursuant to RCW 84.38.120 becomes a  
15 lien in favor of the state upon his or her property and has priority  
16 as provided in chapters 35.49, 35.50, 36.35, and 84.60 RCW. However,  
17 the interest of a mortgage or purchase contract holder who requires  
18 an accumulation of reserves out of which real estate taxes are paid  
19 has priority to said deferred lien. This lien may accumulate up to  
20 forty percent of the amount of the claimant's equity value in the  
21 property and the rate of interest must be an average of the federal  
22 short-term rate as defined in 26 U.S.C. Sec. 1274(d) plus two  
23 percentage points. The rate set for each new year is computed by  
24 taking an arithmetical average to the nearest percentage point of the  
25 federal short-term rate, compounded annually. That average must be  
26 calculated using the rates from four months: January, April, and July  
27 of the calendar year immediately preceding the new year, and October  
28 of the previous preceding year. The interest is calculated from the  
29 time it could have been paid before delinquency until such obligation  
30 is paid or the date that the obligation is charged off as finally  
31 uncollectible. In the case of a mobile home, the department of  
32 licensing must show the state's lien on the certificate of title for  
33 the mobile home. In the case of all other property, the department of  
34 (~~revenue~~) taxation must file a notice of the deferral with the  
35 county recorder or auditor.

36 **Sec. 430.** RCW 84.38.020 and 2006 c 62 s 2 are each amended to  
37 read as follows:

1 Unless a different meaning is plainly required by the context,  
2 the following words and phrases as hereinafter used in this chapter  
3 shall have the following meanings:

4 (1) "Claimant" means a person who either elects or is required  
5 under RCW 84.64.050 to defer payment of the special assessments  
6 and/or real property taxes accrued on the claimant's residence by  
7 filing a declaration to defer as provided by this chapter.

8 When two or more individuals of a household file or seek to file  
9 a declaration to defer, they may determine between them as to who the  
10 claimant shall be.

11 (2) "Department" means the state department of (~~revenue~~)  
12 taxation.

13 (3) "Equity value" means the amount by which the fair market  
14 value of a residence as determined from the records of the county  
15 assessor exceeds the total amount of any liens or other obligations  
16 against the property.

17 (4) "Local government" means any city, town, county, water-sewer  
18 district, public utility district, port district, irrigation  
19 district, flood control district, or any other municipal corporation,  
20 quasi-municipal corporation, or other political subdivision  
21 authorized to levy special assessments.

22 (5) "Real property taxes" means ad valorem property taxes levied  
23 on a residence in this state in the preceding calendar year.

24 (6) "Residence" has the meaning given in RCW 84.36.383.

25 (7) "Special assessment" means the charge or obligation imposed  
26 by a local government upon property specially benefited.

27 **Sec. 431.** RCW 84.38.050 and 1979 ex.s. c 214 s 8 are each  
28 amended to read as follows:

29 (1)(a) Declarations to defer property taxes for all years  
30 following the first year may be made by filing with the county  
31 assessor no later than thirty days before the tax is due a renewal  
32 form in duplicate, prescribed by the department of (~~revenue~~)  
33 taxation and supplied by the county assessor, which affirms the  
34 continued eligibility of the claimant.

35 (b) In January of each year, the county assessor shall send to  
36 each claimant who has been granted deferral of ad valorem taxes for  
37 the previous year renewal forms and notice to renew.

38 (2) Declarations to defer special assessments shall be made by  
39 filing with the assessor no later than thirty days before the special

1 assessment is due on a form to be prescribed by the department of  
2 (~~revenue~~) taxation and supplied by the county assessor. Upon  
3 approval, the full amount of special assessments upon such claimant's  
4 residence shall be deferred but not to exceed an amount equal to  
5 eighty percent of the claimant's equity value in said property.

6 **Sec. 432.** RCW 84.38.100 and 2013 c 221 s 8 are each amended to  
7 read as follows:

8 Whenever a person's special assessment and/or real property tax  
9 obligation is deferred under the provisions of this chapter, the  
10 amount deferred and required to be paid pursuant to RCW 84.38.120  
11 becomes a lien in favor of the state upon his or her property and has  
12 priority as provided in chapters 35.49, 35.50, 36.35, and 84.60 RCW.  
13 However, the interest of a mortgage or purchase contract holder who  
14 is required to cosign a declaration of deferral under RCW 84.38.090,  
15 has priority to such deferred lien. This lien may accumulate up to  
16 eighty percent of the amount of the claimant's equity value in the  
17 property and must bear interest at the rate of five percent per year  
18 from the time it could have been paid before delinquency until said  
19 obligation is paid. However, when taxes are deferred as provided in  
20 RCW 84.64.050, the amount must bear interest at the rate of five  
21 percent per year from the date the declaration is filed until the  
22 obligation is paid or the date that the obligation is charged off as  
23 finally uncollectible. In the case of a mobile home, the department  
24 of licensing must show the state's lien on the certificate of title  
25 for the mobile home. In the case of all other property, the  
26 department of (~~revenue~~) taxation must file a notice of the deferral  
27 with the county recorder or auditor.

28 **Sec. 433.** RCW 84.38.110 and 1984 c 220 s 24 are each amended to  
29 read as follows:

30 The county assessor shall:

31 (1) Immediately transmit one copy of each declaration to defer to  
32 the department of (~~revenue~~) taxation. The department may audit any  
33 declaration and shall notify the assessor as soon as possible of any  
34 claim where any factor appears to disqualify the claimant for the  
35 deferral sought.

36 (2) Transmit one copy of each declaration to defer a special  
37 assessment to the local improvement district which imposed such  
38 assessment.

1 (3) Compute the dollar tax rate for the county as if any  
2 deferrals provided by this chapter did not exist.

3 (4) As soon as possible notify the department of (~~revenue~~)  
4 taxation and the county treasurer of the amount of real property  
5 taxes deferred for that year and notify the department of (~~revenue~~)  
6 taxation and the respective treasurers of municipal corporations of  
7 the amount of special assessments deferred for each local improvement  
8 district within such unit.

9 **Sec. 434.** RCW 84.38.180 and 1975 1st ex.s. c 291 s 43 are each  
10 amended to read as follows:

11 The department of (~~revenue~~) taxation of the state of Washington  
12 shall devise the forms and make rules and regulations consistent with  
13 chapter 34.05 RCW and the provisions of this chapter as shall be  
14 necessary or desirable to permit its effective administration.

15 **Sec. 435.** RCW 84.40.025 and 1982 1st ex.s. c 46 s 10 are each  
16 amended to read as follows:

17 For the purpose of assessment and valuation of all taxable  
18 property in each county, any real or personal property in each county  
19 shall be subject to visitation, investigation, examination,  
20 discovery, and listing at any reasonable time by the county assessor  
21 of the county or by any employee thereof designated for this purpose  
22 by the assessor.

23 In any case of refusal to such access, the assessor shall request  
24 assistance from the department of (~~revenue~~) taxation which may  
25 invoke the power granted by chapter 84.08 RCW.

26 **Sec. 436.** RCW 84.40.038 and 2014 c 97 s 407 are each amended to  
27 read as follows:

28 (1) The owner or person responsible for payment of taxes on any  
29 property may petition the county board of equalization for a change  
30 in the assessed valuation placed upon such property by the county  
31 assessor or for any other reason specifically authorized by statute.  
32 Such petition must be made on forms prescribed or approved by the  
33 department of (~~revenue~~) taxation and any petition not conforming to  
34 those requirements or not properly completed may not be considered by  
35 the board. The petition must be filed with the board:

36 (a) On or before July 1st of the year of the assessment or  
37 determination;

1 (b) Within thirty days after the date the assessment, value  
2 change notice, or other notice was mailed;

3 (c) Within thirty days after the date that the assessor  
4 electronically (i) transmitted the assessment, value change notice,  
5 or other notice, or (ii) notified the owner or person responsible for  
6 payment of taxes that the assessment, value change notice, or other  
7 notice was available to be accessed by the owner or other person; or

8 (d) Within a time limit of up to sixty days adopted by the county  
9 legislative authority, whichever is later. If a county legislative  
10 authority sets a time limit, the authority may not change the limit  
11 for three years from the adoption of the limit.

12 (2) The board of equalization may waive the filing deadline if  
13 the petition is filed within a reasonable time after the filing  
14 deadline and the petitioner shows good cause for the late filing.  
15 However, the board of equalization must waive the filing deadline for  
16 the circumstance described under (f) of this subsection if the  
17 petition is filed within a reasonable time after the filing deadline.  
18 The decision of the board of equalization regarding a waiver of the  
19 filing deadline is final and not appealable under RCW 84.08.130. Good  
20 cause may be shown by one or more of the following events or  
21 circumstances:

22 (a) Death or serious illness of the taxpayer or his or her  
23 immediate family;

24 (b) The taxpayer was absent from the address where the taxpayer  
25 normally receives the assessment or value change notice, was absent  
26 for more than fifteen days of the days allowed in subsection (1) of  
27 this section before the filing deadline, and the filing deadline is  
28 after July 1;

29 (c) Incorrect written advice regarding filing requirements  
30 received from board of equalization staff, county assessor's staff,  
31 or staff of the property tax advisor designated under RCW 84.48.140;

32 (d) Natural disaster such as flood or earthquake;

33 (e) Delay or loss related to the delivery of the petition by the  
34 postal service, and documented by the postal service;

35 (f) The taxpayer was not sent a revaluation notice under RCW  
36 84.40.045 for the current assessment year and the taxpayer can  
37 demonstrate both of the following:

38 (i) The taxpayer's property value did not change from the  
39 previous year; and

1 (ii) The taxpayer's property is located in an area revalued by  
2 the assessor for the current assessment year; or

3 (g) Other circumstances as the department may provide by rule.

4 (3) The owner or person responsible for payment of taxes on any  
5 property may request that the appeal be heard by the state board of  
6 tax appeals without a hearing by the county board of equalization  
7 when the assessor, the owner or person responsible for payment of  
8 taxes on the property, and a majority of the county board of  
9 equalization agree that a direct appeal to the state board of tax  
10 appeals is appropriate. The state board of tax appeals may reject the  
11 appeal, in which case the county board of equalization must consider  
12 the appeal under RCW 84.48.010. Notice of such a rejection, together  
13 with the reason therefor, must be provided to the affected parties  
14 and the county board of equalization within thirty days of receipt of  
15 the direct appeal by the state board.

16 **Sec. 437.** RCW 84.40.040 and 2003 c 302 s 1 are each amended to  
17 read as follows:

18 The assessor shall begin the preliminary work for each assessment  
19 not later than the first day of December of each year in all counties  
20 in the state. The assessor shall also complete the duties of listing  
21 and placing valuations on all property by May 31st of each year,  
22 except that the listing and valuation of construction and mobile  
23 homes under RCW 36.21.080 and 36.21.090 shall be completed by August  
24 31st of each year, and in the following manner, to wit:

25 The assessor shall actually determine as nearly as practicable  
26 the true and fair value of each tract or lot of land listed for  
27 taxation and of each improvement located thereon and shall enter one  
28 hundred percent of the true and fair value of such land and value of  
29 such improvements, together with the total of such one hundred  
30 percent valuations, opposite each description of property on the  
31 assessment list and tax roll.

32 The assessor shall make an alphabetical list of the names of all  
33 persons in the county liable to assessment of personal property, and  
34 require each person to make a correct list and statement of such  
35 property according to the standard form prescribed by the department  
36 of (~~revenue~~) taxation, which statement and list shall include, if  
37 required by the form, the year of acquisition and total original cost  
38 of personal property in each category of the prescribed form.  
39 However, the assessor may list and value improvements on publicly

1 owned land in the same manner as real property is listed and valued,  
2 including conformance with the revaluation program required under  
3 chapter 84.41 RCW. Such list and statement shall be filed on or  
4 before the last day of April. The assessor shall on or before the 1st  
5 day of January of each year mail, or electronically transmit, a  
6 notice to all such persons at their last known address that such  
7 statement and list is required. This notice must be accompanied by  
8 the form on which the statement or list is to be made. The notice  
9 mailed, or electronically transmitted, by the assessor to each  
10 taxpayer each year shall, if practicable, include the statement and  
11 list of personal property of the taxpayer for the preceding year.  
12 Upon receipt of such statement and list the assessor shall thereupon  
13 determine the true and fair value of the property included in such  
14 statement and enter one hundred percent of the same on the assessment  
15 roll opposite the name of the party assessed; and in making such  
16 entry in the assessment list, the assessor shall give the name and  
17 post office address of the party listing the property, and if the  
18 party resides in a city the assessor shall give the street and number  
19 or other brief description of the party's residence or place of  
20 business. The assessor may, after giving written notice of the action  
21 to the person to be assessed, add to the assessment list any taxable  
22 property which should be included in such list.

23 **Sec. 438.** RCW 84.40.065 and 1993 c 33 s 2 are each amended to  
24 read as follows:

25 (1) Every individual, corporation, association, partnership,  
26 trust, and estate shall list with the department of (~~revenue~~)  
27 taxation all ships and vessels which are subject to their ownership,  
28 possession, or control and which are not entirely exempt from  
29 property taxation, and such listing shall be subject to the same  
30 requirements and penalties provided in this chapter for all other  
31 personal property in the same manner as provided in this chapter,  
32 except as may be specifically provided otherwise with respect to  
33 ships and vessels.

34 (2) The listing of ships and vessels shall be accomplished in the  
35 manner and upon forms prescribed by the department. Upon listing, the  
36 department shall assign a tax identification number for each vessel  
37 listed.

38 (3) The department shall assess all ships and vessels and shall,  
39 on or before January 31st of each year, mail to the owner of a ship



1 or vessel, or to the person listing the ship or vessel if different  
2 from the owner, a notice showing the valuation of the ship or vessel  
3 assessed. Taxes due the following year shall be based upon the  
4 valuation. On or after February 15, but no later than thirty days  
5 before April 30, the department shall mail to the owner of a ship or  
6 vessel, or to the person listing the ship or vessel if different from  
7 the owner, a tax statement showing the valuation for the previous  
8 year of the ship or vessel assessed and the amount of tax owed for  
9 the current year.

10 (4) Any ship or vessel owner, or person listing the ship or  
11 vessel if different from the owner, disputing the assessment or  
12 disputing whether the ship or vessel is subject to taxation under  
13 this section shall have the same rights of review as any other ship  
14 or vessel owner subject to the excise tax contained in chapter 82.49  
15 RCW in accordance with RCW 82.49.060.

16 **Sec. 439.** RCW 84.40.190 and 2003 c 302 s 4 are each amended to  
17 read as follows:

18 Every person required by this title to list property shall make  
19 out and deliver to the assessor, or to the department as required by  
20 RCW 84.40.065, either in person, by mail, or by electronic  
21 transmittal if available, a statement of all the personal property in  
22 his or her possession or under his or her control, and which, by the  
23 provisions of this title, he or she is required to list for taxation,  
24 either as owner or holder thereof. When any list, schedule, or  
25 statement is made, the principal required to make out and deliver the  
26 same shall be responsible for the contents and the filing thereof and  
27 shall be liable for the penalties imposed pursuant to RCW 84.40.130.  
28 No person shall be required to list for taxation in his statement to  
29 the assessor any share or portion of the capital stock, or of any of  
30 the property of any company, association or corporation, which such  
31 person may hold in whole or in part, where such company, being  
32 required so to do, has listed for assessment and taxation its capital  
33 stock and property with the department of (~~revenue~~) taxation, or as  
34 otherwise required by law.

35 **Sec. 440.** RCW 84.40.320 and 2016 c 202 s 49 are each amended to  
36 read as follows:

37 The assessor shall add up and note the amount of each column in  
38 the detail and assessment lists in such manner as prescribed or

1 approved by the state department of (~~revenue~~) taxation, as will  
2 provide a convenient and permanent record of assessment. The assessor  
3 shall also make, under proper headings, a certification of the  
4 assessment rolls and on the 15th day of July shall file the same with  
5 the clerk of the county board of equalization for the purpose of  
6 equalization by the said board. Such certificate shall be verified by  
7 an affidavit, substantially in the following form:

8 State of Washington, . . . . . County, ss.

9 I, . . . . ., Assessor . . . . ., do solemnly swear that the  
10 assessment rolls and this certificate contain a correct and full list  
11 of all the real and personal property subject to taxation in this  
12 county for the assessment year (year) . . . ., so far as I have been  
13 able to ascertain the same; and that the assessed value set down in  
14 the proper column, opposite the several kinds and descriptions of  
15 property, is in each case, except as otherwise provided by law, one  
16 hundred percent of the true and fair value of such property, to the  
17 best of my knowledge and belief, and that the assessment rolls and  
18 this certificate are correct, as I verily believe.

19 . . . . ., Assessor.

20 Subscribed and sworn to before me this . . . . day  
21 of . . . ., (year) . . . .  
22 (L. S.) . . . ., Auditor of . . . . county.

23 PROVIDED, That the failure of the assessor to complete the  
24 certificate shall in nowise invalidate the assessment. After the same  
25 has been duly equalized by the county board of equalization, the same  
26 shall be delivered to the county assessor.

27 **Sec. 441.** RCW 84.40.340 and 2003 c 53 s 410 are each amended to  
28 read as follows:

29 (1) For the purpose of verifying any list, statement, or schedule  
30 required to be furnished to the assessor by any taxpayer, any  
31 assessor or his or her trained and qualified deputy at any reasonable  
32 time may visit, investigate and examine any personal property, and  
33 for this purpose the records, accounts and inventories also shall be  
34 subject to any such visitation, investigation and examination which  
35 shall aid in determining the amount and valuation of such property.  
36 Such powers and duties may be performed at any office of the taxpayer  
37 in this state, and the taxpayer shall furnish or make available all  
38 such information pertaining to property in this state to the assessor

1 although the records may be maintained at any office outside this  
2 state.

3 (2) Any information or facts obtained pursuant to this section  
4 shall be used by the assessor only for the purpose of determining the  
5 assessed valuation of the taxpayer's property: PROVIDED, That such  
6 information or facts shall also be made available to the department  
7 of (~~revenue~~) taxation upon request for the purpose of determining  
8 any sales or use tax liability with respect to personal property, and  
9 except in a civil or criminal judicial proceeding or an  
10 administrative proceeding in respect to penalties imposed pursuant to  
11 RCW 84.40.130, to such sales or use taxes, or to the assessment or  
12 valuation for tax purposes of the property to which such information  
13 and facts relate, shall not be disclosed by the assessor or the  
14 department of (~~revenue~~) taxation without the permission of the  
15 taxpayer to any person other than public officers or employees whose  
16 duties relate to valuation of property for tax purposes or to the  
17 imposition and collection of sales and use taxes, and any violation  
18 of this secrecy provision is a gross misdemeanor.

19 **Sec. 442.** RCW 84.40.405 and 2001 c 187 s 20 are each amended to  
20 read as follows:

21 The department of (~~revenue~~) taxation shall promulgate such  
22 rules and regulations, and prescribe such procedures as it deems  
23 necessary to carry out RCW 84.36.470 and 84.36.477.

24 **Sec. 443.** RCW 84.41.041 and 2017 c 323 s 507 are each amended to  
25 read as follows:

26 (1) Each county assessor must cause taxable real property to be  
27 physically inspected and valued at least once every six years in  
28 accordance with RCW 84.41.030, and in accordance with a plan filed  
29 with and approved by the department of (~~revenue~~) taxation. Such  
30 revaluation plan must provide that all taxable real property within a  
31 county must be revalued and these newly determined values placed on  
32 the assessment rolls each year. Property must be valued at one  
33 hundred percent of its true and fair value and assessed on the same  
34 basis, in accordance with RCW 84.40.030, unless specifically provided  
35 otherwise by law. During the intervals between each physical  
36 inspection of real property, the valuation of such property must be  
37 adjusted to its current true and fair value, such adjustments to be

1 made once each year and to be based upon appropriate statistical  
2 data.

3 (2) The assessor may require property owners to submit pertinent  
4 data respecting taxable property in their control including data  
5 respecting any sale or purchase of said property within the past five  
6 years, the cost and characteristics of any improvement on the  
7 property and other facts necessary for appraisal of the property.

8 **Sec. 444.** RCW 84.41.060 and 1975 1st ex.s. c 278 s 197 are each  
9 amended to read as follows:

10 Any county assessor may request special assistance from the  
11 department of ((~~revenue~~)) taxation in the valuation of property which  
12 either (1) requires specialized knowledge not otherwise available to  
13 the assessor's staff, or (2) because of an inadequate staff, cannot  
14 be completed by the assessor within the time required by this  
15 chapter. After consideration of such request the department of  
16 ((~~revenue~~)) taxation shall advise the assessor that such request is  
17 either approved or rejected in whole or in part. Upon approval of  
18 such request, the department of ((~~revenue~~)) taxation may assist the  
19 assessor in the valuation of such property in such manner as the  
20 department of ((~~revenue~~)) taxation, in its discretion, considers  
21 proper and adequate.

22 **Sec. 445.** RCW 84.41.070 and 1994 c 301 s 40 are each amended to  
23 read as follows:

24 If the department of ((~~revenue~~)) taxation finds upon its own  
25 investigation, or upon a showing by others, that the revaluation  
26 program for any county is not proceeding for any reason as herein  
27 directed, the department of ((~~revenue~~)) taxation shall advise both  
28 the county legislative authority and the county assessor of such  
29 finding. Within thirty days after receiving such advice, the county  
30 legislative authority, at regular or special session, either (1)  
31 shall authorize such expenditures as will enable the assessor to  
32 complete the revaluation program as herein directed, or (2) shall  
33 direct the assessor to request special assistance from the department  
34 of ((~~revenue~~)) taxation for aid in effectuating the county's  
35 revaluation program.

36 **Sec. 446.** RCW 84.41.080 and 2013 c 23 s 365 are each amended to  
37 read as follows:

1        Upon receiving a request from the county assessor, either upon  
2 his or her initiation or at the direction of the board of county  
3 commissioners, for special assistance in the county's revaluation  
4 program, the department of (~~revenue~~) taxation may, before  
5 undertaking to render such special assistance, negotiate a contract  
6 with the board of county commissioners of the county concerned. Such  
7 contracts as are negotiated shall provide that the county will  
8 reimburse the state for fifty percent of the costs of such special  
9 assistance within three years of the date of expenditure of such  
10 costs. All such reimbursements shall be paid to the department of  
11 (~~revenue~~) taxation for deposit to the state general fund. The  
12 department of (~~revenue~~) taxation shall keep complete records of  
13 such contracts, including costs incurred, payments received, and  
14 services performed thereunder.

15        **Sec. 447.** RCW 84.41.090 and 1982 1st ex.s. c 46 s 3 are each  
16 amended to read as follows:

17        The department of (~~revenue~~) taxation shall by rule establish  
18 appropriate statistical methods for use by assessors in adjusting the  
19 valuation of property between physical inspections. The department of  
20 (~~revenue~~) taxation shall make and publish such additional rules,  
21 regulations and guides which it determines are needed to supplement  
22 materials presently published by the department of (~~revenue~~)  
23 taxation for the general guidance and assistance of county assessors.  
24 Each assessor is hereby directed and required to value property in  
25 accordance with the standards established by RCW 84.40.030 and in  
26 accordance with the applicable rules, regulations and valuation  
27 manuals published by the department of (~~revenue~~) taxation.

28        **Sec. 448.** RCW 84.41.110 and 1975 1st ex.s. c 278 s 201 are each  
29 amended to read as follows:

30        Appraisers whose services may be obtained by contract or who may  
31 be assigned by the department of (~~revenue~~) taxation to assist any  
32 county assessor shall act in an advisory capacity only, and  
33 valuations made by them shall not in any manner be binding upon the  
34 assessor, it being the intent herein that all valuations made  
35 pursuant to this chapter shall be made and entered by the assessor  
36 pursuant to law as directed herein.

1       **Sec. 449.** RCW 84.41.120 and 2013 c 23 s 366 are each amended to  
2 read as follows:

3       Each county assessor shall keep such books and records as are  
4 required by the rules and regulations of the department of  
5 (~~revenue~~) taxation and shall comply with any lawful order, rule, or  
6 regulation of the department of (~~revenue~~) taxation.

7       Whenever it appears to the department of (~~revenue~~) taxation  
8 that any assessor has failed to comply with any of the provisions of  
9 this chapter relating to his or her duties or the rules of the  
10 department of (~~revenue~~) taxation made in pursuance thereof, the  
11 department of (~~revenue~~) taxation, after a hearing on the facts, may  
12 issue an order directing such assessor to comply with such provisions  
13 of this chapter or rules of the department of (~~revenue~~) taxation.  
14 Such order shall be mailed by registered mail to the assessor at the  
15 county courthouse. If, upon the expiration of fifteen days from the  
16 date such order is mailed, the assessor has not complied therewith or  
17 has not taken measures that will insure compliance within a  
18 reasonable time, the department of (~~revenue~~) taxation may apply to  
19 a judge of the superior court or court commissioner of the county in  
20 which such assessor holds office, for an order returnable within five  
21 days from the date thereof to compel him or her to comply with such  
22 provisions of law or of the order of the department of (~~revenue~~)  
23 taxation or to show cause why he or she should not be compelled so to  
24 do. Any order issued by the judge pursuant to such order to show  
25 cause shall be final. The remedy herein provided shall be cumulative  
26 and shall not exclude the department of (~~revenue~~) taxation from  
27 exercising any powers or rights otherwise granted.

28       **Sec. 450.** RCW 84.41.130 and 1998 c 245 s 171 are each amended to  
29 read as follows:

30       Each county assessor, before October 15th each year, shall  
31 prepare and submit to the department of (~~revenue~~) taxation a  
32 detailed report of the progress made in the revaluation program in  
33 his or her county to the date of the report and be made a matter of  
34 public record. Such report shall be submitted upon forms supplied by  
35 the department of (~~revenue~~) taxation and shall consist of such  
36 information as the department of (~~revenue~~) taxation requires.

37       **Sec. 451.** RCW 84.44.090 and 1975 1st ex.s. c 278 s 205 are each  
38 amended to read as follows:

1 In all questions that may arise under this title as to the proper  
2 place to list personal property, or where the same cannot be listed  
3 as stated in this title, if between several places in the same  
4 county, or between different counties, or places in different  
5 counties, the place for listing and assessing shall be determined and  
6 fixed by the department of (~~revenue~~) taxation; and when fixed in  
7 either case shall be as binding as if fixed by this title.

8 **Sec. 452.** RCW 84.48.010 and 2017 c 155 s 1 are each amended to  
9 read as follows:

10 (1) Prior to July 15th, the county legislative authority must  
11 form a board for the equalization of the assessment of the property  
12 of the county. The members of the board must receive a per diem  
13 amount as set by the county legislative authority for each day of  
14 actual attendance of the meeting of the board of equalization to be  
15 paid out of the current expense fund of the county. However, when the  
16 county legislative authority constitutes the board they may only  
17 receive their compensation as members of the county legislative  
18 authority. The board of equalization must meet in open session for  
19 this purpose annually on the 15th day of July or within fourteen days  
20 of certification of the county assessment rolls, whichever is later,  
21 and, having each taken an oath fairly and impartially to perform  
22 their duties as members of such board, they must examine and compare  
23 the returns of the assessment of the property of the county and  
24 proceed to equalize the same, so that each tract or lot of real  
25 property and each article or class of personal property must be  
26 entered on the assessment list at its true and fair value, according  
27 to the measure of value used by the county assessor in such  
28 assessment year, which is presumed to be correct under RCW  
29 84.40.0301, and subject to the following rules:

30 (a) They must raise the valuation of each tract or lot or item of  
31 real property which is returned below its true and fair value to such  
32 price or sum as to be the true and fair value thereof, after at least  
33 five days' notice must have been given in writing to the owner or  
34 agent.

35 (b) They must reduce the valuation of each tract or lot or item  
36 which is returned above its true and fair value to such price or sum  
37 as to be the true and fair value thereof.

38 (c) They must raise the valuation of each class of personal  
39 property which is returned below its true and fair value to such

1 price or sum as to be the true and fair value thereof, and they must  
2 raise the aggregate value of the personal property of each individual  
3 whenever the aggregate value is less than the true valuation of the  
4 taxable personal property possessed by such individual, to such sum  
5 or amount as to be the true value thereof, after at least five days'  
6 notice must have been given in writing to the owner or agent thereof.

7 (d) They must reduce the valuation of each class of personal  
8 property enumerated on the detail and assessment list of the current  
9 year, which is returned above its true and fair value, to such price  
10 or sum as to be the true and fair value thereof; and they must reduce  
11 the aggregate valuation of the personal property of such individual  
12 who has been assessed at too large a sum to such sum or amount as was  
13 the true and fair value of the personal property.

14 (e) The board may review all claims for either real or personal  
15 property tax exemption as determined by the county assessor, and must  
16 consider any taxpayer appeals from the decision of the assessor  
17 thereon to determine (i) if the taxpayer is entitled to an exemption,  
18 and (ii) if so, the amount thereof.

19 (2) The board must notify the taxpayer and assessor of the  
20 board's decision within forty-five days of any hearing on the  
21 taxpayer's appeal of the assessor's valuation of real or personal  
22 property.

23 (3) The clerk of the board must keep an accurate journal or  
24 record of the proceedings and orders of the board showing the facts  
25 and evidence upon which their action is based, and the record must be  
26 published the same as other proceedings of county legislative  
27 authority, and must make a true record of the changes of the  
28 descriptions and assessed values ordered by the county board of  
29 equalization. The assessor must correct the real and personal  
30 assessment rolls in accordance with the changes made by the county  
31 board of equalization.

32 (4) The county board of equalization must meet on the 15th day of  
33 July or within fourteen days of certification of the county  
34 assessment rolls, whichever is later, and may continue in session and  
35 adjourn from time to time during a period not to exceed four weeks,  
36 but must remain in session not less than three days. However, the  
37 county board of equalization with the approval of the county  
38 legislative authority may convene at any time when petitions filed  
39 exceed twenty-five, or ten percent of the number of appeals filed in  
40 the preceding year, whichever is greater.



1 (5) No taxes, except special taxes, may be extended upon the tax  
2 rolls until the property valuations are equalized by the department  
3 of (~~revenue~~) taxation for the purpose of raising the state revenue.

4 (6) County legislative authorities as such have at no time any  
5 authority to change the valuation of the property of any person or to  
6 release or commute in whole or in part the taxes due on the property  
7 of any person.

8 **Sec. 453.** RCW 84.48.014 and 1988 c 222 s 21 are each amended to  
9 read as follows:

10 The board of equalization of each county shall consist of not  
11 less than three nor more than seven members including alternates.  
12 Such members shall be appointed by a majority of the members of the  
13 county legislative authority, and shall be selected based upon the  
14 qualifications established by rule by the department of (~~revenue~~)  
15 taxation and shall not be a holder of any elective office nor be an  
16 employee of any elected official: PROVIDED, HOWEVER, The county  
17 legislative authority may itself constitute the board at its  
18 discretion. Any member who does not attend the school required by RCW  
19 84.48.042 within one year of appointment or reappointment shall be  
20 barred from serving as a member of the board of equalization unless  
21 this requirement is waived for the member by the department for just  
22 cause.

23 **Sec. 454.** RCW 84.48.032 and 1994 c 124 s 29 are each amended to  
24 read as follows:

25 The board may hire one or more appraisers accredited by the  
26 department of (~~revenue~~) taxation or certified by the Washington  
27 state department of licensing, society of real estate appraisers,  
28 American institute of real estate appraisers, or international  
29 association of assessing officers, and not otherwise employed by the  
30 county, and other necessary personnel for the purpose of aiding the  
31 board and carrying out its functions and duties. In addition, the  
32 boards of the various counties may make reciprocal arrangements for  
33 the exchange of the appraisers with other counties. Such appraisers  
34 need not be residents of the county.

35 **Sec. 455.** RCW 84.48.042 and 1988 c 222 s 22 are each amended to  
36 read as follows:

1       The department of (~~revenue~~) taxation shall establish a school  
2 for the training of members of the several boards of equalization  
3 throughout the state. Sessions of such schools shall, so far as  
4 practicable, be held in each district of the Washington state  
5 association of counties. Every member of the board of equalization of  
6 each county shall attend such school within one year following  
7 appointment or reappointment.

8       **Sec. 456.** RCW 84.48.046 and 1970 ex.s. c 55 s 12 are each  
9 amended to read as follows:

10       The department of (~~revenue~~) taxation shall provide a manual for  
11 the operation procedures of the several boards of equalization so  
12 that uniformity of assessment may be obtained throughout the state,  
13 and the several boards of equalization shall follow such manual in  
14 all of its operations and procedures.

15       **Sec. 457.** RCW 84.48.050 and 2010 c 106 s 311 are each amended to  
16 read as follows:

17       (1) The county assessor must, on or before the fifteenth day of  
18 January in each year, prepare a complete abstract of the tax rolls of  
19 the county, showing the number of acres that have been assessed and  
20 the total value of the real property, including the structures on the  
21 real property; the total value of all taxable personal property in  
22 the county; the aggregate amount of all taxable property in the  
23 county; the total amount as equalized and the total amount of taxes  
24 levied in the county for state, county, city, and other taxing  
25 district purposes, for that year.

26       (2) If an assessor of any county fails to transmit to the  
27 department of (~~revenue~~) taxation the abstract provided for in RCW  
28 84.48.010, and if a county fails to collect and pay to the state its  
29 due proportion of the state tax for any year because of that failure,  
30 the department of (~~revenue~~) taxation must ascertain what amount of  
31 state tax the county failed to collect. The department must certify  
32 to the county auditor the amount of state tax the county failed to  
33 collect. This sum is due and payable immediately by warrant in favor  
34 of the state on the current expense fund of the county.

35       **Sec. 458.** RCW 84.48.075 and 2001 c 187 s 24 are each amended to  
36 read as follows:

1 (1) The department of (~~revenue~~) taxation shall annually, prior  
2 to the first Monday in September, determine and submit to each  
3 assessor a preliminary indicated ratio for each county: PROVIDED,  
4 That the department shall establish rules and regulations pertinent  
5 to the determination of the indicated ratio, the indicated real  
6 property ratio and the indicated personal property ratio: PROVIDED  
7 FURTHER, That these rules and regulations may provide that data, as  
8 is necessary for said determination, which is available from the  
9 county assessor of any county and which has been audited as to its  
10 validity by the department, shall be utilized by the department in  
11 determining the indicated ratio.

12 (2) To such extent as is reasonable, the department may define  
13 use classes of property for the purposes of determination of the  
14 indicated ratio. Such use classes may be defined with respect to  
15 property use and may include agricultural, open space, timber and  
16 forestlands.

17 (3) The department shall review each county's preliminary ratio  
18 with the assessor, a landowner, or an owner of an intercounty public  
19 utility or private car company of that county, if requested by the  
20 assessor, a landowner, or an owner of an intercounty public utility  
21 or private car company of that county, respectively, between the  
22 first and third Mondays of September. Prior to equalization of  
23 assessments pursuant to RCW 84.48.080 and after the third Monday of  
24 September, the department shall certify to each county assessor the  
25 real and personal property ratio for that county.

26 (4) The department of (~~revenue~~) taxation shall also examine  
27 procedures used by the assessor to assess real and personal property  
28 in the county, including calculations, use of prescribed value  
29 schedules, and efforts to locate all taxable property in the county.  
30 If any examination by the department discloses other than market  
31 value is being listed on the county assessment rolls of the county by  
32 the assessor and, after due notification by the department, is not  
33 corrected, the department of (~~revenue~~) taxation shall, in  
34 accordance with rules adopted by the department, adjust the ratio of  
35 that type of property, which adjustment shall be used for determining  
36 the county's indicated ratio.

37 **Sec. 459.** RCW 84.48.080 and 2017 3rd sp.s. c 13 s 305 are each  
38 amended to read as follows:

1 (1) Annually during the months of September and October, the  
2 department of (~~revenue~~) taxation shall examine and compare the  
3 returns of the assessment of the property in the several counties of  
4 the state, and the assessment of the property of railroad and other  
5 companies assessed by the department, and proceed to equalize the  
6 same, so that each county in the state shall pay its due and just  
7 proportion of the taxes for state purposes for such assessment year,  
8 according to the ratio the valuation of the property in each county  
9 bears to the total valuation of all property in the state.

10 (a) The department shall classify all property, real and  
11 personal, and shall raise and lower the valuation of any class of  
12 property in any county to a value that shall be equal, so far as  
13 possible, to the true and fair value of such class as of January 1st  
14 of the current year for the purpose of ascertaining the just amount  
15 of tax due from each county for state purposes. In equalizing  
16 personal property as of January 1st of the current year, the  
17 department shall use valuation data with respect to personal property  
18 from the three years immediately preceding the current assessment  
19 year in a manner it deems appropriate. Such classification may be on  
20 the basis of types of property, geographical areas, or both. For  
21 purposes of this section, for each county that has not provided the  
22 department with an assessment return by December 1st, the department  
23 shall proceed, using facts and information and in a manner it deems  
24 appropriate, to estimate the value of each class of property in the  
25 county.

26 (b) The department shall keep a full record of its proceedings  
27 and the same shall be published annually by the department.

28 (2) The department shall levy the state taxes authorized by law.  
29 The amount levied in any one year for general state purposes shall  
30 not exceed the lawful dollar rate on the dollar of the assessed value  
31 of the property of the entire state, which assessed value shall be  
32 one hundred percent of the true and fair value of the property in  
33 money.

34 (a) The department shall apportion the amount of tax for state  
35 purposes levied under RCW 84.52.065 (1) and (2) by the department,  
36 among the several counties, in proportion to the valuation of the  
37 taxable property of the county for the year as equalized by the  
38 department; however, for purposes of this apportionment, the  
39 department shall recompute the previous year's levies imposed under  
40 RCW 84.52.065 (1) and (2) and the apportionment thereof to correct

1 for changes and errors in taxable values reported to the department  
2 after October 1 of the preceding year and shall adjust the  
3 apportioned amount of the current year's state levy under RCW  
4 84.52.065 (1) and (2) for each county by the difference between the  
5 apportioned amounts established by the original and revised levy  
6 computations for the previous year's levies under RCW 84.52.065 (1)  
7 and (2).

8 (b) For purposes of this section, changes in taxable values mean  
9 a final adjustment made by a county board of equalization, the state  
10 board of tax appeals, or a court of competent jurisdiction and shall  
11 include additions of omitted property, other additions or deletions  
12 from the assessment or tax rolls, any assessment return provided by a  
13 county to the department subsequent to December 1st, or a change in  
14 the indicated ratio of a county. Errors in taxable values mean errors  
15 corrected by a final reviewing body.

16 (3) The department has authority to adopt rules and regulations  
17 to enforce obedience to its orders in all matters in relation to the  
18 returns of county assessments, the equalization of values, and the  
19 apportionment of the state levy by the department.

20 (4) After the completion of the duties prescribed in this  
21 section, the director of the department shall certify the record of  
22 the proceedings of the department under this section, the tax levies  
23 made for state purposes and the apportionment thereof among the  
24 counties, and the certification shall be available for public  
25 inspection.

26 **Sec. 460.** RCW 84.48.120 and 1994 c 301 s 45 and 1994 c 124 s 33  
27 are each reenacted and amended to read as follows:

28 It shall be the duty of the assessor of each county, when the  
29 assessor shall have received from the state department of ((~~revenue~~))  
30 taxation the assessed valuation of the property of railroad and other  
31 companies assessed by the department of ((~~revenue~~)) taxation and  
32 apportioned to the county, and placed the same on the tax rolls, and  
33 received the report of the department of ((~~revenue~~)) taxation of the  
34 amount of taxes levied for state purposes, to compute the required  
35 percent on the assessed value of property in the county, and such  
36 state taxes shall be extended on the tax rolls. The rates so computed  
37 shall not be such as to raise a surplus of more than five percent  
38 over the total amount required by the department of ((~~revenue~~))

1 taxation. Any surplus raised shall be remitted to the state in  
2 accordance with RCW 84.56.280.

3 **Sec. 461.** RCW 84.48.130 and 1994 c 124 s 34 are each amended to  
4 read as follows:

5 It shall be the duty of the assessor of each county, when the  
6 assessor shall have received from the state department of (~~revenue~~)  
7 taxation the certificate of the assessed valuation of the property of  
8 railroad and/or other companies assessed by the department of  
9 (~~revenue~~) taxation and apportioned to the county, and shall have  
10 distributed the value so certified, to the several taxing districts  
11 in the county entitled to a proportionate value thereof, and placed  
12 the same upon the tax rolls of the county, to certify to the county  
13 legislative authority and to the officers authorized by law to  
14 estimate expenditures and/or levy taxes for any taxing district  
15 coextensive with the county, the total assessed value of property in  
16 the county as shown by the completed tax rolls, and to certify to the  
17 officers authorized by law to estimate expenditures and/or levy taxes  
18 for each taxing district in the county not coextensive with the  
19 county, the total assessed value of the property in such taxing  
20 district.

21 **Sec. 462.** RCW 84.48.200 and 1988 c 222 s 26 are each amended to  
22 read as follows:

23 The department of (~~revenue~~) taxation shall make such rules  
24 consistent with this chapter as shall be necessary or desirable to  
25 permit its effective administration. The rules may provide for  
26 changes of venue for the various boards of equalization.

27 **Sec. 463.** RCW 84.52.043 and 2017 3rd sp.s. c 13 s 304 are each  
28 amended to read as follows:

29 Within and subject to the limitations imposed by RCW 84.52.050 as  
30 amended, the regular ad valorem tax levies upon real and personal  
31 property by the taxing districts hereafter named are as follows:

32 (1) Levies of the senior taxing districts are as follows: (a) The  
33 levies by the state may not exceed the applicable aggregate rate  
34 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state  
35 equalized value in accordance with the indicated ratio fixed by the  
36 state department of (~~revenue~~) taxation to be used exclusively for  
37 the support of the common schools; (b) the levy by any county may not

1 exceed one dollar and eighty cents per thousand dollars of assessed  
2 value; (c) the levy by any road district may not exceed two dollars  
3 and twenty-five cents per thousand dollars of assessed value; and (d)  
4 the levy by any city or town may not exceed three dollars and thirty-  
5 seven and one-half cents per thousand dollars of assessed value.  
6 However any county is hereby authorized to increase its levy from one  
7 dollar and eighty cents to a rate not to exceed two dollars and  
8 forty-seven and one-half cents per thousand dollars of assessed value  
9 for general county purposes if the total levies for both the county  
10 and any road district within the county do not exceed four dollars  
11 and five cents per thousand dollars of assessed value, and no other  
12 taxing district has its levy reduced as a result of the increased  
13 county levy.

14 (2) The aggregate levies of junior taxing districts and senior  
15 taxing districts, other than the state, may not exceed five dollars  
16 and ninety cents per thousand dollars of assessed valuation. The term  
17 "junior taxing districts" includes all taxing districts other than  
18 the state, counties, road districts, cities, towns, port districts,  
19 and public utility districts. The limitations provided in this  
20 subsection do not apply to: (a) Levies at the rates provided by  
21 existing law by or for any port or public utility district; (b)  
22 excess property tax levies authorized in Article VII, section 2 of  
23 the state Constitution; (c) levies for acquiring conservation futures  
24 as authorized under RCW 84.34.230; (d) levies for emergency medical  
25 care or emergency medical services imposed under RCW 84.52.069; (e)  
26 levies to finance affordable housing for very low-income housing  
27 imposed under RCW 84.52.105; (f) the portions of levies by  
28 metropolitan park districts that are protected under RCW 84.52.120;  
29 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies  
30 for criminal justice purposes under RCW 84.52.135; (i) the portions  
31 of levies by fire protection districts and regional fire protection  
32 service authorities that are protected under RCW 84.52.125; (j)  
33 levies by counties for transit-related purposes under RCW 84.52.140;  
34 (k) the portion of the levy by flood control zone districts that are  
35 protected under RCW 84.52.816; and (l) levies imposed by a regional  
36 transit authority under RCW 81.104.175.

37 **Sec. 464.** RCW 84.52.0502 and 2000 c 103 s 29 are each amended to  
38 read as follows:

1 The department of (~~revenue~~) taxation shall adopt such rules  
2 consistent with chapter 274, Laws of 1988 as shall be necessary or  
3 desirable to permit its effective administration.

4 **Sec. 465.** RCW 84.52.063 and 2001 c 187 s 25 are each amended to  
5 read as follows:

6 A rural library district may impose a regular property tax levy  
7 in an amount equal to that which would be produced by a levy of fifty  
8 cents per thousand dollars of assessed value multiplied by an  
9 assessed valuation equal to one hundred percent of the true and fair  
10 value of the taxable property in the rural library district, as  
11 determined by the department of (~~revenue's~~) taxation's indicated  
12 county ratio: PROVIDED, That when any county assessor shall find that  
13 the aggregate rate of levy on any property will exceed the limitation  
14 set forth in RCW 84.52.043 and 84.52.050, as now or hereafter  
15 amended, before recomputing and establishing a consolidated levy in  
16 the manner set forth in RCW 84.52.010, the assessor shall first  
17 reduce the levy of any rural library district, by such amount as may  
18 be necessary, but the levy of any rural library district shall not be  
19 reduced to less than fifty cents per thousand dollars against the  
20 value of the taxable property, as determined by the county, prior to  
21 any further adjustments pursuant to RCW 84.52.010. For purposes of  
22 this section "regular property tax levy" shall mean a levy subject to  
23 the limitations provided for in Article VII, section 2 of the state  
24 Constitution and/or by statute.

25 **Sec. 466.** RCW 84.52.065 and 2018 c 295 s 1 are each amended to  
26 read as follows:

27 (1) Except as otherwise provided in this section, subject to the  
28 limitations in RCW 84.55.010, in each year the state must levy for  
29 collection in the following year for the support of common schools of  
30 the state a tax of three dollars and sixty cents per thousand dollars  
31 of assessed value upon the assessed valuation of all taxable property  
32 within the state adjusted to the state equalized value in accordance  
33 with the indicated ratio fixed by the state department of (~~revenue~~)  
34 taxation.

35 (2)(a) In addition to the tax authorized under subsection (1) of  
36 this section, the state must levy an additional property tax for the  
37 support of common schools of the state.



1 (i) For taxes levied for collection in calendar years 2018  
2 through 2021, the rate of tax is the rate necessary to bring the  
3 aggregate rate for state property tax levies levied under this  
4 subsection and subsection (1) of this section to a combined rate of  
5 two dollars and forty cents per thousand dollars of assessed value in  
6 calendar year 2019 and two dollars and seventy cents per thousand  
7 dollars of assessed value in calendar years 2018, 2020, and 2021. The  
8 state property tax levy rates provided in this subsection (2)(a)(i)  
9 are based upon the assessed valuation of all taxable property within  
10 the state adjusted to the state equalized value in accordance with  
11 the indicated ratio fixed by the state department of ((revenue))  
12 taxation.

13 (ii) For taxes levied for collection in calendar year 2022 and  
14 thereafter, the tax authorized under this subsection (2) is subject  
15 to the limitations of chapter 84.55 RCW.

16 (b)(i) Except as otherwise provided in this subsection, all taxes  
17 collected under this subsection (2) must be deposited into the state  
18 general fund.

19 (ii) For fiscal year 2019, nine hundred thirty-five million  
20 dollars of taxes collected under this subsection (2) must be  
21 deposited into the education legacy trust account for the support of  
22 common schools.

23 (3) For taxes levied for collection in calendar years 2019  
24 through 2021, the state property taxes levied under subsections (1)  
25 and (2) of this section are not subject to the limitations in chapter  
26 84.55 RCW.

27 (4) For taxes levied for collection in calendar year 2022 and  
28 thereafter, the aggregate rate limit for state property taxes levied  
29 under subsections (1) and (2) of this section is three dollars and  
30 sixty cents per thousand dollars of assessed value upon the assessed  
31 valuation of all taxable property within the state adjusted to the  
32 state equalized value in accordance with the indicated ratio fixed by  
33 the state department of ((revenue)) taxation.

34 (5) For property taxes levied for collection in calendar years  
35 2019 through 2021, the rate of tax levied under subsection (1) of  
36 this section is the actual rate that was levied for collection in  
37 calendar year 2018 under subsection (1) of this section.

38 (6) As used in this section, "the support of common schools"  
39 includes the payment of the principal and interest on bonds issued  
40 for capital construction projects for the common schools.

1       **Sec. 467.** RCW 84.55.060 and 1979 ex.s. c 218 s 6 are each  
2 amended to read as follows:

3       The department of (~~revenue~~) taxation shall adopt rules relating  
4 to the calculation of tax rates and the limitation in RCW 84.55.010,  
5 conduct an educational program on this subject, and take any other  
6 action necessary to insure compliance with the statutes and rules on  
7 this subject.

8       **Sec. 468.** RCW 84.55.100 and 1983 c 223 s 1 are each amended to  
9 read as follows:

10       The property tax limitation contained in this chapter shall be  
11 determined by the county assessors of the respective counties in  
12 accordance with the provisions of this chapter: PROVIDED, That the  
13 limitation for any state levy shall be determined by the department  
14 of (~~revenue~~) taxation and the limitation for any intercounty rural  
15 library district shall be determined by the library district in  
16 consultation with the respective county assessors.

17       **Sec. 469.** RCW 84.56.025 and 2014 c 13 s 2 are each amended to  
18 read as follows:

19       (1) The interest and penalties for delinquencies on property  
20 taxes must be waived by the county treasurer if the notice for these  
21 taxes due, as provided in RCW 84.56.050, was not sent to a taxpayer  
22 due to error by the county. Where waiver of interest and penalties  
23 has occurred, the full amount of interest and penalties must be  
24 reinstated if the taxpayer fails to pay the delinquent taxes within  
25 thirty days of receiving notice that the taxes are due. Each county  
26 treasurer must, subject to guidelines prepared by the department of  
27 (~~revenue~~) taxation, establish administrative procedures to  
28 determine if taxpayers are eligible for this waiver.

29       (2) In addition to the waiver under subsection (1) of this  
30 section, the interest and penalties for delinquencies on property  
31 taxes must be waived by the county treasurer under the following  
32 circumstances:

33       (a) The taxpayer fails to make one payment under RCW 84.56.020 by  
34 the due date on the taxpayer's personal residence because of hardship  
35 caused by the death of the taxpayer's spouse if the taxpayer notifies  
36 the county treasurer of the hardship within sixty days of the tax due  
37 date; or

1 (b) The taxpayer fails to make one payment under RCW 84.56.020 by  
2 the due date on the taxpayer's parent's or stepparent's personal  
3 residence because of hardship caused by the death of the taxpayer's  
4 parent or stepparent if the taxpayer notifies the county treasurer of  
5 the hardship within sixty days of the tax due date.

6 (3) In addition to the waivers under subsections (1) and (2) of  
7 this section, the county treasurer, at his or her discretion, may  
8 waive interest and penalties for delinquencies on property taxes  
9 where the taxpayer paid an erroneous amount due to apparent taxpayer  
10 error and the taxpayer pays the delinquent taxes within thirty days  
11 of receiving notice that the taxes are due.

12 (4) Before allowing a hardship waiver under subsection (2) of  
13 this section, the county treasurer may require a copy of the death  
14 certificate along with an affidavit signed by the taxpayer.

15 **Sec. 470.** RCW 84.56.290 and 1991 c 245 s 37 are each amended to  
16 read as follows:

17 Whenever any tax shall have been heretofore, or shall be  
18 hereafter, canceled, reduced or modified in any final judicial,  
19 county board of equalization, state board of tax appeals, or  
20 administrative proceeding; or whenever any tax shall have been  
21 heretofore, or shall be hereafter canceled by sale of property to any  
22 irrigation district under foreclosure proceedings for delinquent  
23 irrigation district assessments; or whenever any contracts or leases  
24 on public lands shall have been heretofore, or shall be hereafter,  
25 canceled and the tax thereon remains unpaid for a period of two  
26 years, the director of (~~revenue~~) taxation shall, upon receipt from  
27 the county treasurer of a certified copy of the final judgment,  
28 order, or decree canceling, reducing, or modifying taxes, or of a  
29 certificate from the county treasurer of the cancellation by sale to  
30 an irrigation district, or of a certificate from the commissioner of  
31 public lands and the county treasurer of the cancellation of public  
32 land contracts or leases and nonpayment of taxes thereon, as the case  
33 may be, make corresponding entries and corrections on the director's  
34 records of the state's portion of reduced or canceled tax.

35 Upon canceling taxes deemed uncollectible, the county  
36 commissioners shall notify the county treasurer of such action,  
37 whereupon the county treasurer shall deduct on the treasurer's  
38 records the amount of such uncollectible taxes due the various state  
39 funds and shall immediately notify the department of (~~revenue~~)

1 taxation of the treasurer's action and of the reason therefor; which  
2 uncollectible tax shall not then nor thereafter be due or owing the  
3 various state funds and the necessary corrections shall be made by  
4 the county treasurer upon the quarterly settlement next following.

5 When any assessment of property is made which does not appear on  
6 the assessment list certified by the county board of equalization to  
7 the department of ((~~revenue~~)) taxation the county assessor shall  
8 indicate to the county treasurer the assessments and the taxes due  
9 therefrom when the list is delivered to the county treasurer on  
10 December 15th. The county treasurer shall then notify the department  
11 of ((~~revenue~~)) taxation of the taxes due the state from the  
12 assessments which did not appear on the assessment list certified by  
13 the county board of equalization to the department of ((~~revenue~~))  
14 taxation. The county treasurer shall make proper accounting of all  
15 sums collected as either advance tax, compensating or additional tax,  
16 or supplemental or omitted tax and shall notify the department of  
17 ((~~revenue~~)) taxation of the amounts due the various state funds  
18 according to the levy used in extending such tax, and those amounts  
19 shall immediately become due and owing to the various state funds, to  
20 be paid to the state treasurer in the same manner as taxes extended  
21 on the regular tax roll.

22 **Sec. 471.** RCW 84.56.440 and 2014 c 195 s 403 are each amended to  
23 read as follows:

24 (1) The department of ((~~revenue~~)) taxation shall collect the  
25 derelict vessel removal fee imposed under RCW 79.100.180 and all ad  
26 valorem taxes upon ships and vessels listed with the department in  
27 accordance with RCW 84.40.065, and all applicable interest and  
28 penalties on such taxes and fees. The taxes and derelict vessel  
29 removal fee shall be due and payable to the department on or before  
30 the thirtieth day of April and shall be delinquent after that date.

31 (2) If payment of the tax, derelict vessel removal fee, or both,  
32 is not received by the department by the due date, there shall be  
33 imposed a penalty of five percent of the amount of the unpaid tax and  
34 fee; and if the tax and fee are not received within thirty days after  
35 the due date, there shall be imposed a total penalty of ten percent  
36 of the amount of the unpaid tax and fee; and if the tax and fee are  
37 not received within sixty days after the due date, there shall be  
38 imposed a total penalty of twenty percent of the amount of the unpaid  
39 tax and fee. No penalty so added shall be less than five dollars.

1 (3) Delinquent taxes under this section are subject to interest  
2 at the rate set forth in RCW 82.32.050 from the date of delinquency  
3 until paid. Delinquent derelict vessel removal fees are also subject  
4 to interest at the same rate and in the same manner as provided for  
5 delinquent taxes under RCW 82.32.050. Interest or penalties collected  
6 on delinquent taxes and derelict vessel removal fees under this  
7 section shall be paid by the department into the general fund of the  
8 state treasury.

9 (4) If upon information obtained by the department it appears  
10 that any ship or vessel required to be listed according to the  
11 provisions of RCW 84.40.065 is not so listed, the department shall  
12 value the ship or vessel and assess against the owner of the vessel  
13 the taxes and derelict vessel removal fees found to be due and shall  
14 add thereto interest at the rate set forth in RCW 82.32.050 from the  
15 original due date of the tax and fee until the date of payment. The  
16 department shall notify the vessel owner by mail of the amount and  
17 the same shall become due and shall be paid by the vessel owner  
18 within thirty days of the date of the notice. If payment is not  
19 received by the department by the due date specified in the notice,  
20 the department shall add a penalty of ten percent of the tax and fee  
21 found due. A person who willfully gives a false listing or willfully  
22 fails to list a ship or vessel as required by RCW 84.40.065 shall be  
23 subject to the penalty imposed by RCW 84.40.130(2), which shall be  
24 assessed and collected by the department.

25 (5) Delinquent taxes and fees under this section, along with all  
26 penalties and interest thereon, shall be collected by the department  
27 according to the procedures set forth in chapter 82.32 RCW for the  
28 filing and execution of tax warrants, including the imposition of  
29 warrant interest. In the event a warrant is issued by the department  
30 for the collection of taxes, derelict vessel removal fees, or both,  
31 under this section, the department shall add a penalty of five  
32 percent of the amount of the delinquent tax and fee, but not less  
33 than ten dollars.

34 (6) During a state of emergency declared under RCW 43.06.010(12),  
35 the department, on its own motion or at the request of any taxpayer  
36 affected by the emergency, may grant extensions of the due date of  
37 any taxes and fees payable under this section as the department deems  
38 proper.

39 (7) The department of (~~revenue~~) taxation must withhold the  
40 decals required under RCW 88.02.570(10) for failure to pay the state

1 property tax or derelict vessel removal fee collectible under this  
2 section.

3 **Sec. 472.** RCW 84.64.050 and 2013 c 221 s 12 are each amended to  
4 read as follows:

5 (1) After the expiration of three years from the date of  
6 delinquency, when any property remains on the tax rolls for which no  
7 certificate of delinquency has been issued, the county treasurer must  
8 proceed to issue certificates of delinquency on the property to the  
9 county for all years' taxes, interest, and costs. However, the county  
10 treasurer, with the consent of the county legislative authority, may  
11 elect to issue a certificate for fewer than all years' taxes,  
12 interest, and costs to a minimum of the taxes, interest, and costs  
13 for the earliest year.

14 (2) Certificates of delinquency are prima facie evidence that:

15 (a) The property described was subject to taxation at the time  
16 the same was assessed;

17 (b) The property was assessed as required by law;

18 (c) The taxes or assessments were not paid at any time before the  
19 issuance of the certificate;

20 (d) Such certificate has the same force and effect as a lis  
21 pendens required under chapter 4.28 RCW.

22 (3) The county treasurer may include in the certificate of  
23 delinquency any assessments which are due on the property and are the  
24 responsibility of the county treasurer to collect. However, if the  
25 department of (~~revenue~~) taxation has previously notified the county  
26 treasurer in writing that the property has a lien on it for deferred  
27 property taxes, the county treasurer must include in the certificate  
28 of delinquency any amounts deferred under chapters 84.37 and 84.38  
29 RCW that remain unpaid, including accrued interest and costs.

30 (4) The treasurer must file the certificates when completed with  
31 the clerk of the court at no cost to the treasurer, and the treasurer  
32 must thereupon, with legal assistance from the county prosecuting  
33 attorney, proceed to foreclose in the name of the county, the tax  
34 liens embraced in such certificates. Notice and summons must be  
35 served or notice given in a manner reasonably calculated to inform  
36 the owner or owners, and any person having a recorded interest in or  
37 lien of record upon the property, of the foreclosure action to appear  
38 within thirty days after service of such notice and defend such  
39 action or pay the amount due. Either (a) personal service upon the

1 owner or owners and any person having a recorded interest in or lien  
2 of record upon the property, or (b) publication once in a newspaper  
3 of general circulation, which is circulated in the area of the  
4 property and mailing of notice by certified mail to the owner or  
5 owners and any person having a recorded interest in or lien of record  
6 upon the property, or, if a mailing address is unavailable, personal  
7 service upon the occupant of the property, if any, is sufficient. If  
8 such notice is returned as unclaimed, the treasurer must send notice  
9 by regular first-class mail. The notice must include the legal  
10 description on the tax rolls, the year or years for which assessed,  
11 the amount of tax and interest due, and the name of owner, or reputed  
12 owner, if known, and the notice must include the local street  
13 address, if any, for informational purposes only. The certificates of  
14 delinquency issued to the county may be issued in one general  
15 certificate in book form including all property, and the proceedings  
16 to foreclose the liens against the property may be brought in one  
17 action and all persons interested in any of the property involved in  
18 the proceedings may be made codefendants in the action, and if  
19 unknown may be therein named as unknown owners, and the publication  
20 of such notice is sufficient service thereof on all persons  
21 interested in the property described therein, except as provided  
22 above. The person or persons whose name or names appear on the  
23 treasurer's rolls as the owner or owners of the property must be  
24 considered and treated as the owner or owners of the property for the  
25 purpose of this section, and if upon the treasurer's rolls it appears  
26 that the owner or owners of the property are unknown, then the  
27 property must be proceeded against, as belonging to an unknown owner  
28 or owners, as the case may be, and all persons owning or claiming to  
29 own, or having or claiming to have an interest therein, are hereby  
30 required to take notice of the proceedings and of any and all steps  
31 thereunder. However, prior to the sale of the property, the treasurer  
32 must order or conduct a title search of the property to be sold to  
33 determine the legal description of the property to be sold and the  
34 record title holder, and if the record title holder or holders differ  
35 from the person or persons whose name or names appear on the  
36 treasurer's rolls as the owner or owners, the record title holder or  
37 holders must be considered and treated as the owner or owners of the  
38 property for the purpose of this section, and are entitled to the  
39 notice provided for in this section. Such title search must be  
40 included in the costs of foreclosure.

1 (5) If the title search required by subsection (4) of this  
2 section reveals a lien in favor of the state for deferred taxes on  
3 the property under RCW 84.37.070 or 84.38.100 and such deferred taxes  
4 are not already included in the certificate of delinquency, the  
5 county treasurer must issue an amended certificate of delinquency on  
6 the property to include the outstanding amount of deferred taxes,  
7 including accrued interest. The amended certificate of delinquency  
8 must be filed with the clerk of the court as provided in subsection  
9 (4) of this section.

10 (6) The county treasurer may not sell property that is eligible  
11 for deferral of taxes under chapter 84.38 RCW but must require the  
12 owner of the property to file a declaration to defer taxes under  
13 chapter 84.38 RCW.

14 **Sec. 473.** RCW 84.68.120 and 2013 c 23 s 379 are each amended to  
15 read as follows:

16 Upon the filing of the petition with the county assessor that  
17 officer shall proceed forthwith to conduct such investigation as may  
18 be necessary to ascertain and determine whether or not the assessment  
19 in question was erroneous or whether or not the tax was incorrectly  
20 extended upon the tax rolls and if he or she finds there is probable  
21 cause to believe that the property was erroneously assessed, and that  
22 such erroneous assessment was due to an error in description, double  
23 assessment, or manifest error in assessment which does not involve a  
24 revaluation of the property, or that the tax was incorrectly extended  
25 upon the tax rolls, he or she shall endorse his or her findings upon  
26 the petition, and thereupon within ten days after the filing of the  
27 petition by the taxpayer forward the same to the county treasurer. If  
28 the assessor's findings be in favor of cancellation or reduction or  
29 correction he or she shall include therein a statement of the amount  
30 to which he or she recommends that the assessment and tax be reduced.  
31 It shall be the duty of the county treasurer, upon whom a petition  
32 with endorsed findings is served, as in RCW 84.68.110 through  
33 84.68.150 provided, to endorse thereon a statement whether or not the  
34 tax against which complaint is made has in fact been paid and, if  
35 paid, the amount thereof, whereupon the county treasurer shall  
36 immediately transmit the petition to the prosecuting attorney and the  
37 prosecuting attorney shall make such investigation as he or she deems  
38 necessary and, within ten days after receipt of the petition and  
39 findings by him or her, transmit the same to the state department of



1 ((~~revenue~~)) taxation with his or her recommendation in respect to the  
2 granting or denial of the petition.

3 **Sec. 474.** RCW 84.68.130 and 1975 1st ex.s. c 278 s 209 are each  
4 amended to read as follows:

5 Upon receipt of the petition, findings and recommendations the  
6 state department of ((~~revenue~~)) taxation shall proceed to consider  
7 the same, and it may require evidence to be submitted and make such  
8 investigation as it deems necessary and for such purpose the  
9 department of ((~~revenue~~)) taxation shall be empowered to subpoena  
10 witnesses in order that all material and relevant facts may be  
11 ascertained. Upon the conclusion of its consideration of the petition  
12 and within thirty days after receipt thereof, the department of  
13 ((~~revenue~~)) taxation shall enter an order either granting or denying  
14 the petition and if the petition be granted the department of  
15 ((~~revenue~~)) taxation may order the assessment canceled or reduced or  
16 the extended tax corrected upon the tax rolls in any amount it deems  
17 proper but in no event to exceed the amount of reduction or  
18 correction recommended by the county assessor.

19 **Sec. 475.** RCW 84.68.140 and 1989 c 378 s 31 are each amended to  
20 read as follows:

21 Certified copies of the order of the department of ((~~revenue~~))  
22 taxation shall be forwarded to the county assessor, the county  
23 auditor and the taxpayer, and the taxpayer shall immediately be  
24 entitled to a refund of the difference, if any, between the tax  
25 already paid and the canceled or reduced or corrected tax based upon  
26 the order of the department with interest on such amount from the  
27 date of payment of the original tax. Upon receipt of the order of the  
28 department the county auditor shall draw a warrant against the county  
29 tax refund fund in the amount of any tax reduction so ordered, plus  
30 interest at the rate specified in RCW 84.69.100 to the date such  
31 warrant is issued, and such warrant shall be paid by the county  
32 treasurer out of any moneys on hand in said fund. If no funds are  
33 available in the county tax refund fund for the payment of such  
34 warrant the warrant shall bear interest and shall be callable under  
35 such conditions as are provided by law for county warrants and such  
36 interest, if any, shall also be paid out of said fund. The order of  
37 the department shall for all purposes be considered as a judgment  
38 against the county tax refund fund and the obligation thereof shall

1 be discharged in the same manner as provided by law for the discharge  
2 of judgments against the county for excessive taxes under the  
3 provisions of RCW 84.68.010 through 84.68.070 or any act amendatory  
4 thereof.

5 **Sec. 476.** RCW 84.69.050 and 2003 c 23 s 6 are each amended to  
6 read as follows:

7 The part of the refund representing amounts paid to the state,  
8 including interest as provided in RCW 84.69.100, shall be paid from  
9 the county general fund and the department of (~~revenue~~) taxation  
10 shall, upon the next succeeding settlement with the county, certify  
11 this amount refunded to the county: PROVIDED, That when a refund of  
12 tax funds pursuant to state levies is required, the department of  
13 (~~revenue~~) taxation shall authorize adjustment procedures whereby  
14 counties may deduct from property tax remittances to the state the  
15 amount required to cover the state's portion of the refunds.

16 **Sec. 477.** RCW 84.69.100 and 2002 c 168 s 12 are each amended to  
17 read as follows:

18 Unless otherwise stated, refunds of taxes made pursuant to RCW  
19 84.69.010 through 84.69.090 shall include interest from the date of  
20 collection of the portion refundable: PROVIDED, That refunds on a  
21 state, county, or district-wide basis shall not commence to accrue  
22 interest until six months following the date of the final order of  
23 the court. No written protest by individual taxpayers need to be  
24 filed to receive a refund on a state, county, or district-wide basis.  
25 The rate of interest shall be the equivalent coupon issue yield (as  
26 published by the Board of Governors of the Federal Reserve System) of  
27 the average bill rate for twenty-six week treasury bills as  
28 determined at the first bill market auction conducted after June 30th  
29 of the calendar year preceding the date the taxes were paid. The  
30 department of (~~revenue~~) taxation shall adopt this rate of interest  
31 by rule.

32 **Sec. 478.** RCW 84.72.010 and 1975 1st ex.s. c 278 s 211 are each  
33 amended to read as follows:

34 The state treasurer is hereby authorized and directed to receive  
35 any moneys that may be paid to the state by the United States or any  
36 agency thereof in lieu of ad valorem property taxes, and to transfer  
37 the same to the respective county treasurers in compliance with

1 apportionments made by the state department of (~~revenue~~) taxation;  
2 and the state treasurer shall immediately notify the department of  
3 (~~revenue~~) taxation of the receipt of any such payment.

4 **Sec. 479.** RCW 84.72.020 and 1975 1st ex.s. c 278 s 212 are each  
5 amended to read as follows:

6 Any such moneys so paid to the state treasurer shall be  
7 apportioned to the state and to the taxing districts thereof that  
8 would be entitled to share in the property taxes in lieu of which  
9 such payments are made in the same proportion that the state and such  
10 taxing units would have shared in such property taxes if the same had  
11 been levied. The basis of apportionment shall be the same as that of  
12 property taxes first collectible in the year in which such lieu  
13 payment is made: PROVIDED, That if any such lieu payment cannot be so  
14 apportioned the apportionment shall be made on such basis as the  
15 department of (~~revenue~~) taxation shall deem equitable and proper.

16 **Sec. 480.** RCW 84.72.030 and 1975 1st ex.s. c 278 s 213 are each  
17 amended to read as follows:

18 The department of (~~revenue~~) taxation may indicate either the  
19 exact apportionment to taxing units or it may direct in general terms  
20 that county treasurers shall apportion any such lieu payment in the  
21 manner provided in RCW 84.72.020. In either event the department of  
22 (~~revenue~~) taxation shall certify to the state treasurer the basis  
23 of apportionment and the state treasurer shall thereupon forthwith  
24 transmit any such lieu payment, together with a statement of the  
25 basis of apportionment, to the county treasurer in accordance with  
26 such certification.

27 **Sec. 481.** RCW 88.02.370 and 2015 c 148 s 1 are each amended to  
28 read as follows:

29 (1) A vessel owner shall notify the department in writing within  
30 five business days after a vessel is or has been:

- 31 (a) Sold;
- 32 (b) Given as a gift to another person;
- 33 (c) Traded, either privately or to a vessel dealer;
- 34 (d) Donated to charity;
- 35 (e) Turned over to an insurance company or wrecking yard; or
- 36 (f) Disposed of.

1 (2) A report of sale is properly filed if it is received by the  
2 department within five business days after the date of sale or  
3 transfer and it includes:

4 (a) The date of sale or transfer;

5 (b) The owner's name and address;

6 (c) The name and address of the person acquiring the vessel;

7 (d) The vessel hull identification number and vessel registration  
8 number; and

9 (e) A date stamp by the department showing it was received on or  
10 before the fifth business day after the date of sale or transfer.

11 (3) The department shall:

12 (a) Provide or approve reports of sale forms;

13 (b) Provide a system enabling a vessel owner to submit reports of  
14 sale electronically;

15 (c) Immediately update the department's vessel record when a  
16 report of sale has been filed;

17 (d) Provide instructions on release of interest forms that allow  
18 the seller of a vessel to release their interest in a vessel at the  
19 same time a financial institution, as defined in RCW 30A.22.040,  
20 releases its lien on the vessel; and

21 (e) Send a report to the department of (~~revenue~~) taxation that  
22 lists vessels for which a report of sale has been received but no  
23 transfer of ownership has taken place. The department shall send the  
24 report once each quarter.

25 **Sec. 482.** RCW 88.02.420 and 2014 c 195 s 501 are each amended to  
26 read as follows:

27 (1) A moorage provider that provides long-term moorage must  
28 obtain the following information and documentation from persons  
29 entering into long-term moorage agreements with the moorage provider:

30 (a) The name of the legal owner of the vessel;

31 (b) A local contact person and that person's address and  
32 telephone number, if different than the owner;

33 (c) The owner's address and telephone number;

34 (d) The vessel's hull identification number;

35 (e) If applicable, the vessel's coast guard registration;

36 (f) The vessel's home port;

37 (g) The date on which the moorage began;

38 (h) The vessel's country or state of registration and  
39 registration number; and

1 (i) Proof of vessel registration, a written statement of the  
2 lessee's intent to register a vessel, or an affidavit in a form and  
3 manner approved by the department certifying that the vessel is  
4 exempt from state vessel registration requirements as provided by RCW  
5 88.02.570.

6 (2) For moorage agreements entered into effective on or after  
7 July 1, 2014, a long-term moorage agreement for vessels not  
8 registered in this state must include, in a form and manner approved  
9 by the department and the department of (~~revenue~~) taxation, notice  
10 of state vessel registration requirements as provided by this chapter  
11 and tax requirements as provided by chapters 82.08, 82.12, and 82.49  
12 RCW and listing requirements as provided by RCW 84.40.065.

13 (3) A moorage provider must maintain records of the information  
14 and documents required under this section for at least two years.  
15 Upon request, a moorage provider must:

16 (a) Permit any authorized agent of a requesting agency to:

17 (i) Inspect the moorage facility for vessels that are not  
18 registered as required by this chapter or listed as required under  
19 RCW 84.40.065; and

20 (ii) Inspect and copy records identified in subsection (1) of  
21 this section for vessels that the requesting agency determines are  
22 not properly registered or listed as required by law; or

23 (b) Provide to the requesting agency:

24 (i) Information as provided in subsection (1)(a), (c), (d), and  
25 (e) of this section; and

26 (ii) Information as provided in subsection (1)(b), (f), (g), (h),  
27 and (i) of this section for those vessels that the requesting agency  
28 subsequently determines are not registered as required by this  
29 chapter or listed as required under RCW 84.40.065.

30 (4) Requesting agencies must coordinate their requests to ensure  
31 that a moorage provider does not receive more than two requests per  
32 calendar year. For the purpose of enforcing vessel registration and  
33 vessel listing requirements, requesting agencies may share the  
34 results of information requests with each other.

35 (5) The information required to be collected under this section  
36 must be collected at the time the long-term moorage agreement is  
37 entered into and at the time of any renewals of the agreement. The  
38 moorage provider is not responsible for updating any changes in the  
39 information that occurs after the initial agreement is entered into  
40 or in the time period between agreement renewals.

1 (6) The definitions in this subsection apply throughout this  
2 section unless the context clearly requires otherwise.

3 (a) "Long-term moorage" means moorage provided for more than  
4 thirty consecutive days, unless the moorage is for a vessel that has  
5 been taken into custody under RCW 79.100.040.

6 (b) "Moorage facility" means any properties or facilities located  
7 in this state that are used for the moorage of vessels and are owned  
8 or operated by a moorage provider.

9 (c) "Moorage facility operator" has the same meaning as defined  
10 in RCW 53.08.310.

11 (d) "Moorage provider" means any public or private entity that  
12 owns or operates any moorage facility, including a moorage facility  
13 operator, private moorage facility operator, the state of Washington,  
14 or any other person.

15 (e) "Private moorage facility operator" has the same meaning as  
16 defined in RCW 88.26.010.

17 (f) "Requesting agency" means the department, the department of  
18 (~~revenue~~) taxation, or the department of natural resources.

19 **Sec. 483.** RCW 88.02.570 and 2016 c 114 s 2 are each amended to  
20 read as follows:

21 Vessel registration is required under this chapter except for the  
22 following:

23 (1) A military vessel owned by the United States government;

24 (2) A public vessel owned by the United States government, unless  
25 the vessel is a type used for recreation;

26 (3) A vessel clearly identified as being:

27 (a) Owned by a state, county, or city; and

28 (b) Used primarily for governmental purposes;

29 (4) A vessel either (a) registered or numbered under the laws of  
30 a country other than the United States or (b) having a valid United  
31 States customs service cruising license issued pursuant to 19 C.F.R.  
32 Sec. 4.94. Either vessel is exempt from registration only for the  
33 first sixty days of use on Washington state waters. On or before the  
34 sixty-first day of use on Washington state waters, any vessel in the  
35 state under this subsection must obtain a vessel visitor permit as  
36 required under RCW 88.02.610;

37 (5) A vessel that is currently registered or numbered under the  
38 laws of the state of principal operation or that has been issued a  
39 valid number under federal law. However, either vessel must be

1 registered in Washington state if the state of principal operation  
2 changes to Washington state by the sixty-first day after the vessel  
3 arrives in Washington state;

4 (6) A vessel owned by a nonresident if:

5 (a) The vessel is located upon the waters of this state  
6 exclusively for repairs, alteration, or reconstruction, or any  
7 testing related to these services;

8 (b) An employee of the facility providing these services is on  
9 board the vessel during any testing; and

10 (c) The nonresident files an affidavit with the department of  
11 (~~revenue~~) taxation by the sixty-first day verifying that the vessel  
12 is located upon the waters of this state for these services.

13 The nonresident shall continue to file an affidavit every sixty  
14 days thereafter, as long as the vessel is located upon the waters of  
15 this state exclusively for repairs, alteration, reconstruction, or  
16 testing;

17 (7) A vessel equipped with propulsion machinery of less than ten  
18 horsepower that:

19 (a) Is owned by the owner of a vessel for which a valid vessel  
20 number has been issued;

21 (b) Displays the number of that numbered vessel followed by the  
22 suffix "1" in the manner prescribed by the department; and

23 (c) Is used as a tender for direct transportation between the  
24 numbered vessel and the shore and for no other purpose;

25 (8) A vessel under sixteen feet in overall length that has no  
26 propulsion machinery of any type or that is not used on waters  
27 subject to the jurisdiction of the United States or on the high seas  
28 beyond the territorial seas for vessels owned in the United States  
29 and are powered by propulsion machinery of ten or less horsepower;

30 (9) A vessel with no propulsion machinery of any type for which  
31 the primary mode of propulsion is human power;

32 (10) A vessel primarily engaged in commerce that has or is  
33 required to have a valid marine document as a vessel of the United  
34 States. A commercial vessel that the department of (~~revenue~~)  
35 taxation determines has the external appearance of a vessel that  
36 would otherwise be required to register under this chapter, must  
37 display decals issued annually by the department of (~~revenue~~)  
38 taxation that indicate the vessel's exempt status;

39 (11) A vessel primarily engaged in commerce that is owned by a  
40 resident of a country other than the United States;

1 (12) A vessel owned by a nonresident natural person brought into  
2 the state for use or enjoyment while temporarily within the state for  
3 not more than six months in any continuous twelve-month period that  
4 (a) is currently registered or numbered under the laws of the state  
5 of principal use or (b) has been issued a valid number under federal  
6 law. This type of vessel is exempt from registration only for the  
7 first sixty days of use on Washington state waters. On or before the  
8 sixty-first day of use on Washington state waters, any vessel under  
9 this subsection must obtain a nonresident vessel permit as required  
10 under RCW 88.02.620;

11 (13) A vessel used in this state by a nonresident individual  
12 possessing a valid use permit issued under RCW 82.08.700 or  
13 82.12.700;

14 (14) A vessel held for sale by any licensed dealer; and

15 (15) A vessel with propulsion machinery that draws two hundred  
16 fifty watts or less and propels the vessel no faster than ten miles  
17 per hour and is not used on waters subject to the jurisdiction of the  
18 United States or on the high seas beyond the territorial seas for  
19 vessels owned in the United States.

20 **Sec. 484.** RCW 88.26.020 and 2013 c 291 s 41 are each amended to  
21 read as follows:

22 (1) Any private moorage facility operator may take reasonable  
23 measures, including the use of chains, ropes, and locks, or removal  
24 from the water, to secure vessels within the private moorage facility  
25 so that the vessels are in the possession and control of the operator  
26 and cannot be removed from the facility. These procedures may be used  
27 if an owner mooring or storing a vessel at the facility fails, after  
28 being notified that charges are owing and of the owner's right to  
29 commence legal proceedings to contest that such charges are owing, to  
30 pay charges owed or to commence legal proceedings. Notification shall  
31 be by two separate letters, one sent by first-class mail and one sent  
32 by registered mail to the owner and any lienholder of record at the  
33 last known address. In the case of a transient vessel, or where no  
34 address was furnished by the owner, the operator need not give notice  
35 prior to securing the vessel. At the time of securing the vessel, an  
36 operator shall attach to the vessel a readily visible notice. The  
37 notice shall be of a reasonable size and shall contain the following  
38 information:

39 (a) The date and time the notice was attached;



1 (b) A statement that if the account is not paid in full within  
2 ninety days from the time the notice is attached the vessel may be  
3 sold at public auction to satisfy the charges; and

4 (c) The address and telephone number where additional information  
5 may be obtained concerning release of the vessel.

6 After a vessel is secured, the operator shall make a reasonable  
7 effort to notify the owner and any lienholder of record by registered  
8 mail in order to give the owner the information contained in the  
9 notice.

10 (2) A private moorage facility operator, at his or her  
11 discretion, may move moored vessels ashore for storage within  
12 properties under the operator's control or for storage with a private  
13 person under their control as bailees of the private moorage  
14 facility, if the vessel is, in the opinion of the operator, a  
15 nuisance, in danger of sinking or creating other damage, or is owing  
16 charges. The costs of any such procedure shall be paid by the  
17 vessel's owner.

18 (3) If a vessel is secured under subsection (1) of this section  
19 or moved ashore under subsection (2) of this section, the owner who  
20 is obligated to the private operator for charges may regain  
21 possession of the vessel by:

22 (a) Making arrangements satisfactory with the operator for the  
23 immediate removal of the vessel from the facility or for authorized  
24 moorage; and

25 (b) Making payment to the operator of all charges, or by posting  
26 with the operator a sufficient cash bond or other acceptable  
27 security, to be held in trust by the operator pending written  
28 agreement of the parties with respect to payment by the vessel owner  
29 of the amount owing, or pending resolution of the matter of the  
30 charges in a civil action in a court of competent jurisdiction. After  
31 entry of judgment, including any appeals, in a court of competent  
32 jurisdiction, or after the parties reach agreement with respect to  
33 payment, the trust shall terminate and the operator shall receive so  
34 much of the bond or other security as agreed, or as is necessary, to  
35 satisfy any judgment, costs, and interest as may be awarded to the  
36 operator. The balance shall be refunded immediately to the owner at  
37 the last known address.

38 (4) If a vessel has been secured by the operator under subsection  
39 (1) of this section and is not released to the owner under the  
40 bonding provisions of this section within ninety days after notifying

1 or attempting to notify the owner under subsection (1) of this  
2 section, the vessel is conclusively presumed to have been abandoned  
3 by the owner.

4 (5) If a vessel moored or stored at a private moorage facility is  
5 abandoned, the operator may authorize the public sale of the vessel  
6 by authorized personnel, consistent with this section, to the highest  
7 and best bidder for cash as follows:

8 (a) Before the vessel is sold, the vessel owner and any  
9 lienholder of record shall be given at least twenty days' notice of  
10 the sale in the manner set forth in subsection (1) of this section if  
11 the name and address of the owner is known. The notice shall contain  
12 the time and place of the sale, a reasonable description of the  
13 vessel to be sold, and the amount of charges owed with respect to the  
14 vessel. The notice of sale shall be published at least once, more  
15 than ten but not more than twenty days before the sale, in a  
16 newspaper of general circulation in the county in which the facility  
17 is located. This notice shall include the name of the vessel, if any,  
18 the last known owner and address, and a reasonable description of the  
19 vessel to be sold. The operator may bid all or part of its charges at  
20 the sale and may become a purchaser at the sale.

21 (b) Before the vessel is sold, any person seeking to redeem an  
22 impounded vessel under this section may commence a lawsuit in the  
23 superior court for the county in which the vessel was impounded to  
24 contest the validity of the impoundment or the amount of charges  
25 owing. This lawsuit must be commenced within sixty days of the date  
26 the notification was provided under subsection (1) of this section,  
27 or the right to a hearing is deemed waived and the owner is liable  
28 for any charges owing the operator. In the event of litigation, the  
29 prevailing party is entitled to reasonable attorneys' fees and costs.

30 (c) The proceeds of a sale under this section shall be applied  
31 first to the payment of any liens superior to the claim for charges,  
32 then to payment of the charges, then to satisfy any other liens on  
33 the vessel in the order of their priority. The balance, if any, shall  
34 be paid to the owner. If the owner cannot in the exercise of due  
35 diligence be located by the operator within one year of the date of  
36 the sale, the excess funds from the sale shall revert to the  
37 department of (~~revenue~~) taxation under chapter 63.29 RCW. If the  
38 sale is for a sum less than the applicable charges, the operator is  
39 entitled to assert a claim for deficiency, however, the deficiency

1 judgment shall not exceed the moorage fees owed for the previous six-  
2 month period.

3 (d) In the event no one purchases the vessel at a sale, or a  
4 vessel is not removed from the premises or other arrangements are not  
5 made within ten days of sale, title to the vessel will revert to the  
6 operator.

7 (e) Either a minimum bid may be established or a letter of credit  
8 may be required from the buyer, or both, to discourage the future  
9 abandonment of the vessel.

10 (6) The rights granted to a private moorage facility operator  
11 under this section are in addition to any other legal rights an  
12 operator may have to hold and sell a vessel and in no manner does  
13 this section alter those rights, or affect the priority of other  
14 liens on a vessel.

15 **Sec. 485.** RCW 89.08.440 and 1997 c 295 s 3 are each amended to  
16 read as follows:

17 (1) For the purpose of identifying property that may qualify for  
18 the exemption provided under RCW 84.36.255, each conservation  
19 district shall develop and maintain a list of best management  
20 practices that qualify for the exemption.

21 (2) Each conservation district shall ensure that the appropriate  
22 forms approved by the department of (~~revenue~~) taxation are made  
23 available to property owners who may qualify for the exemption under  
24 RCW 84.36.255 and shall certify claims for exemption as provided in  
25 RCW 84.36.255(3).

26 **Sec. 486.** RCW 90.76.010 and 2013 c 144 s 53 are each amended to  
27 read as follows:

28 (1) The definitions in this section apply throughout this chapter  
29 unless the context clearly requires otherwise.

30 (a) "Department" means the department of ecology.

31 (b) "Director" means the director of the department.

32 (c) "Facility compliance tag" means a marker, constructed of  
33 metal, plastic, or other durable material, that clearly identifies  
34 all qualifying underground storage tanks on the particular site for  
35 which it is issued.

36 (d) "Federal act" means the federal resource conservation and  
37 recovery act, as amended (42 U.S.C. Sec. 6901, et seq.).

1 (e) "Federal regulations" means the underground storage tanks  
2 regulations (40 C.F.R. Secs. 280 and 281) adopted by the United  
3 States environmental protection agency under the federal act.

4 (f) "License" means the business license underground storage tank  
5 endorsement issued by the department of (~~revenue~~) taxation under  
6 chapter 19.02 RCW.

7 (g) "Underground storage tank compliance act of 2005" means Title  
8 XV and subtitle B of P.L. 109-58 (42 U.S.C. Sec. 15801 et seq.) which  
9 have amended the federal resource conservation and recovery act's  
10 subtitle I.

11 (h) "Underground storage tank system" means an underground  
12 storage tank, connected underground piping, underground ancillary  
13 equipment, and containment system, if any.

14 (2) Except as provided in this section and any rules adopted by  
15 the department under this chapter, the definitions contained in the  
16 federal regulations apply to the terms in this chapter.

17 **Sec. 487.** RCW 90.76.020 and 2013 c 144 s 54 are each amended to  
18 read as follows:

19 (1) The department must adopt rules establishing requirements for  
20 all underground storage tanks that are regulated under the federal  
21 act, taking into account the various classes or categories of tanks  
22 to be regulated. The rules must be consistent with and no less  
23 stringent than the federal regulations and the underground storage  
24 tank compliance act of 2005 and consist of requirements for the  
25 following:

26 (a) New underground storage tank system design, construction,  
27 installation, and notification;

28 (b) Upgrading existing underground storage tank systems;

29 (c) General operating requirements;

30 (d) Release detection;

31 (e) Release reporting;

32 (f) Out-of-service underground storage tank systems and closure;

33 (g) Financial responsibility for underground storage tanks  
34 containing regulated substances; and

35 (h) Groundwater protection measures, including secondary  
36 containment and monitoring for installation or replacement of all  
37 underground storage tank systems or components, such as tanks and  
38 piping, installed after July 1, 2007, and under dispenser spill

1 containment for installation or replacement of all dispenser systems  
2 installed after July 1, 2007.

3 (2) The department must adopt rules:

4 (a) Establishing physical site criteria to be used in designating  
5 local environmentally sensitive areas;

6 (b) Establishing procedures for local government application for  
7 this designation; and

8 (c) Establishing procedures for local government adoption and  
9 department approval of rules more stringent than the statewide  
10 standards in these designated areas.

11 (3) The department must establish by rule an administrative and  
12 enforcement program that is consistent with and no less stringent  
13 than the program required under the federal regulations in the areas  
14 of:

15 (a) Compliance monitoring, including procedures for recordkeeping  
16 and a program for systematic inspections;

17 (b) Enforcement;

18 (c) Public participation;

19 (d) Information sharing;

20 (e) Owner and operator training; and

21 (f) Delivery prohibition for underground storage tank systems or  
22 facilities that are determined by the department to be ineligible to  
23 receive regulated substances.

24 (4) The department must establish a program that provides for the  
25 annual licensing of underground storage tanks. The license must take  
26 the form of a tank endorsement on the facility's annual business  
27 license issued by the department of (~~revenue~~) taxation under  
28 chapter 19.02 RCW. A tank is not eligible for a license unless the  
29 owner or operator can demonstrate compliance with the requirements of  
30 this chapter and the annual tank fees have been remitted. The  
31 department may revoke a tank license if a facility is not in  
32 compliance with this chapter, or any rules adopted under this  
33 chapter. The business license must be displayed by the tank owner or  
34 operator in a location clearly identifiable.

35 (5) (a) The department must issue a one-time "facility compliance  
36 tag" to underground storage tank facilities that have installed the  
37 equipment required to meet corrosion protection, spill prevention,  
38 overfill prevention, leak detection standards, have demonstrated  
39 financial responsibility, and have paid annual tank fees. The  
40 facility must continue to maintain compliance with corrosion

1 protection, spill prevention, overflow prevention, and leak detection  
2 standards, financial responsibility, and have remitted annual tank  
3 fees to display a facility compliance tag. The facility compliance  
4 tag must be displayed on or near the fire emergency shutoff device,  
5 or in the absence of such a device in close proximity to the fill  
6 pipes and clearly identifiable to persons delivering regulated  
7 substance to underground storage tanks.

8 (b) The department may revoke a facility compliance tag if a  
9 facility is not in compliance with the requirements of this chapter,  
10 or any rules adopted under this chapter.

11 (6) The department may place a red tag on a tank at a facility if  
12 the department determines that the owner or operator is not in  
13 compliance with this chapter or the rules adopted under this chapter  
14 regarding the compliance requirements related to that tank. Removal  
15 of a red tag without authorization from the department is a violation  
16 of this chapter.

17 (7) The department may establish programs to certify persons who  
18 install or decommission underground storage tank systems or conduct  
19 inspections, testing, closure, cathodic protection, interior tank  
20 lining, corrective action, site assessments, or other activities  
21 required under this chapter. Certification programs must be designed  
22 to ensure that each certification will be effective in all  
23 jurisdictions of the state.

24 (8) When adopting rules under this chapter, the department must  
25 consult with the state building code council to ensure coordination  
26 with the building and fire codes adopted under chapter 19.27 RCW.

27 NEW SECTION. **Sec. 488.** Sections 269, 270, and 272 of this act  
28 take effect January 1, 2022.

29 NEW SECTION. **Sec. 489.** Section 402 of this act takes effect  
30 December 31, 2020.

31 NEW SECTION. **Sec. 490.** Section 483 of this act takes effect  
32 July 1, 2026.

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