
HOUSE BILL 2296

State of Washington

57th Legislature

2002 Regular Session

By Representatives Eickmeyer, Lantz, Miloscia, Kessler, Rockefeller and Haigh

Read first time 01/14/2002. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to distressed area designation; and amending RCW
2 82.60.020.

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

4 **Sec. 1.** RCW 82.60.020 and 1999 sp.s. c 9 s 2 are each amended to
5 read as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Applicant" means a person applying for a tax deferral under
9 this chapter.

10 (2) "Department" means the department of revenue.

11 (3) "Eligible area" means a: (a) Rural county ((with fewer than
12 one hundred persons per square mile as determined annually by the
13 office of financial management and published by the department of
14 revenue effective for the period July 1st through June 30th)); or (b)
15 a county that has experienced a loss of more than five hundred federal
16 civilian jobs during the previous four-year period due to military base
17 restructuring and the federal civilian employment in the county exceeds
18 fifteen percent of the total employment in the county, as determined
19 biannually by the employment security department.

1 (4)(a) "Eligible investment project" means an investment project in
2 an eligible area as defined in subsection (3) of this section.

3 (b) The lessor/owner of a qualified building is not eligible for a
4 deferral unless the underlying ownership of the buildings, machinery,
5 and equipment vests exclusively in the same person, or unless the
6 lessor by written contract agrees to pass the economic benefit of the
7 deferral to the lessee in the form of reduced rent payments.

8 (c) "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(5), other than that portion of a cogeneration
11 project that is used to generate power for consumption within the
12 manufacturing site of which the cogeneration project is an integral
13 part, or investment projects which have already received deferrals
14 under this chapter.

15 (5) "Investment project" means an investment in qualified buildings
16 or qualified machinery and equipment, including labor and services
17 rendered in the planning, installation, and construction of the
18 project.

19 (6) "Manufacturing" means the same as defined in RCW 82.04.120.
20 "Manufacturing" also includes computer programming, the production of
21 computer software, and other computer-related services, and the
22 activities performed by research and development laboratories and
23 commercial testing laboratories.

24 (7) "Person" has the meaning given in RCW 82.04.030.

25 (8) "Qualified buildings" means construction of new structures, and
26 expansion or renovation of existing structures for the purpose of
27 increasing floor space or production capacity used for manufacturing
28 and research and development activities, including plant offices and
29 warehouses or other facilities for the storage of raw material or
30 finished goods if such facilities are an essential or an integral part
31 of a factory, mill, plant, or laboratory used for manufacturing or
32 research and development. If a building is used partly for
33 manufacturing or research and development and partly for other
34 purposes, the applicable tax deferral shall be determined by
35 apportionment of the costs of construction under rules adopted by the
36 department.

37 (9) "Qualified machinery and equipment" means all new industrial
38 and research fixtures, equipment, and support facilities that are an
39 integral and necessary part of a manufacturing or research and

1 development operation. "Qualified machinery and equipment" includes:
2 Computers; software; data processing equipment; laboratory equipment;
3 manufacturing components such as belts, pulleys, shafts, and moving
4 parts; molds, tools, and dies; operating structures; and all equipment
5 used to control or operate the machinery.

6 (10) "Recipient" means a person receiving a tax deferral under this
7 chapter.

8 (11) "Research and development" means the development, refinement,
9 testing, marketing, and commercialization of a product, service, or
10 process before commercial sales have begun. As used in this
11 subsection, "commercial sales" excludes sales of prototypes or sales
12 for market testing if the total gross receipts from such sales of the
13 product, service, or process do not exceed one million dollars.

14 (12) "Rural county" means a county with fewer than one hundred
15 persons per square mile as determined annually by the office of
16 financial management and published by the department of revenue
17 effective for the period July 1st through June 30th.

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