
ENGROSSED SUBSTITUTE HOUSE BILL 1371

State of Washington

68th Legislature

2023 Regular Session

By House Finance (originally sponsored by Representatives Barkis, Leavitt, Orcutt, Fey, Barnard, Chapman, Low, Connors, Goehner, Chambers, Chandler, Couture, Griffey, Hutchins, Robertson, Volz, Walsh, Christian, Doglio, Schmick, and Gregerson)

READ FIRST TIME 02/24/23.

1 AN ACT Relating to government incentives for improving freight
2 railroad infrastructure; adding new sections to chapter 82.04 RCW;
3 adding a new section to chapter 82.08 RCW; adding a new section to
4 chapter 82.12 RCW; adding new sections to chapter 82.16 RCW; creating
5 new sections; providing effective dates; and providing expiration
6 dates.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that railroads play
9 a crucial role in economic development, serving nearly every
10 industrial, wholesale, retail, and resource-based sector in
11 Washington's economy. The legislature further finds that freight
12 railroad infrastructure is an essential link in the supply chain and
13 provides an efficient way to connect Washington's economy to national
14 and international markets. The legislature further finds that
15 maintenance and improvements to the railroad system are needed to
16 support modern 286,000 pound railcars, foster economic development,
17 increase infrastructure resiliency, avoid supply chain disturbances,
18 and meet carbon reduction goals for transportation greenhouse gases.
19 The legislature intends to provide incentives to the rail industry
20 that can lead to a more effective short line rail system.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04
2 RCW to read as follows:

3 (1) A credit is allowed against taxes due under this chapter for
4 expenditures made by an eligible taxpayer pursuant to subsection (2)
5 of this section.

6 (2) Qualified expenditures incurred by an eligible taxpayer may
7 be used to generate a credit for the following amounts:

8 (a) For qualified short line railroad maintenance expenditures, a
9 credit is allowed against the taxes due under this chapter in an
10 amount equal to 50 percent of the qualified short line railroad
11 maintenance expenditures. The amount of the credit may not exceed an
12 amount equal to \$5,000 multiplied by the number of miles of railroad
13 track owned or leased in the state by the eligible taxpayer as of the
14 close of the calendar year.

15 (b) For qualified new rail development expenditures, a credit is
16 allowed against the taxes due under this chapter in an amount equal
17 to 100 percent of the new rail development expenditures of an
18 eligible taxpayer. The amount of credit earned for new rail
19 development expenditures may not exceed \$2,000,000 for each eligible
20 taxpayer in a calendar year. Credits are available on a first-in-time
21 basis. The department must disallow any credits, or portions thereof,
22 that would cause the total amount of credits claimed under this
23 subsection (2)(b) during any calendar year to exceed \$15,000,000.

24 (c) For qualified railroad modernization and rehabilitation
25 expenditures, a credit is allowed against the taxes due under this
26 chapter in an amount equal to 100 percent of the qualified railroad
27 modernization and rehabilitation expenditures by an eligible
28 taxpayer.

29 (3) The credit claimed may not exceed the tax that would
30 otherwise be due under this chapter. Refunds may not be granted in
31 the place of credits. Any amount of credit earned under this section
32 not claimed by the person in one calendar year may be carried forward
33 for no more than five calendar years immediately following the year
34 that the credit was earned.

35 (4)(a) An eligible taxpayer may assign distribution of all or a
36 portion of the unused credit earned under this section to any
37 taxpayer subject to the tax imposed under this chapter at any time
38 during the year in which the credit is earned and five years
39 following the year that the credit is earned.

1 (b) To transfer all or any portion of an unused credit earned,
2 the taxpayer originally allowed the credit, and the subsequent
3 transferee must jointly file a credit transfer application with the
4 department. The application must include:

5 (i) The names, addresses, and taxpayer identification numbers of
6 the parties to the transfer;

7 (ii) The amount of the credit being transferred;

8 (iii) The year the credit was originally earned by the
9 transferring taxpayer;

10 (iv) The tax year or years for which the credit may be claimed;
11 and

12 (v) Any other information or documents the department may
13 require.

14 (c) No credit transfer applications under (b) of this subsection
15 (4) may be submitted after January 1, 2035.

16 (5) The department shall administer the credit. The department
17 shall provide a simple credit application form that the department
18 shall post on its website.

19 (6) No new credits may be earned for qualifying expenditures
20 after January 1, 2035.

21 (7) For the purposes of this section, the following definitions
22 apply:

23 (a) "Class I railroad" means a railroad that is classified by the
24 United States surface transportation board as a class I railroad, as
25 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
26 2023.

27 (b) "Eligible taxpayer" means:

28 (i) Any railroad subject to the tax under this chapter that is
29 classified by the United States surface transportation board as a
30 class II or class III railroad, as defined in 49 C.F.R. Sec.
31 1201.1-1(a), as in effect on January 1, 2023;

32 (ii) Any railroad owned by a port, city, or county in the state
33 of Washington; or

34 (iii) Any owner or lessee of rail siding, industrial spur, or
35 industry track located on or adjacent to a class II or class III
36 railroad in the state of Washington.

37 (c) "Industrial spur" means a secondary track used by railroads
38 and customers at a location to load and unload railcars without
39 interfering with other railroad operations.

1 (d) "Qualified new rail development expenditures" means
2 expenditures for new rail development by an eligible taxpayer, which
3 includes the construction of new track, industrial leads, switches,
4 industrial spurs, sidings, rail loading docks, and transloading
5 structures involved with providing rail services to new customer
6 locations or existing customer expansions in the state by an eligible
7 taxpayer.

8 (e) "Qualified railroad modernization and rehabilitation
9 expenditures" means expenditures by an eligible taxpayer to upgrade
10 less than 90 pound rail and switches, 286,000 capacity rail upgrades
11 to the mainline track, rail and tie replacement projects, track
12 capacity enhancements, bridge rehabilitation or bridge replacement
13 projects, or other track-related projects determined to enhance or
14 modernize the existing track infrastructure in the state by an
15 eligible taxpayer.

16 (f) "Qualified short line railroad maintenance expenditures"
17 means expenditures for railroad infrastructure including, but not
18 limited to, rail, ties, tie plates, joint bars, fasteners, switches,
19 ballast, subgrade, roadbed, bridges, industrial leads, sidings,
20 signs, safety barriers, crossing signals and gates, and related track
21 structures owned or leased by a class II or class III railroad.

22 (g) "Siding" means a short section of track, distinct from a
23 mainline, branch line, or spur, connected by switches to a main track
24 and used for storage, passing, or other purposes.

25 (8) This section does not apply to class I railroads or short
26 line railroads owned by a class I railroad or any of its
27 subsidiaries.

28 (9) No person may claim a credit against taxes due under both
29 this chapter and chapter 82.16 RCW for the same qualified
30 expenditures.

31 (10) This section expires January 1, 2040.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04
33 RCW to read as follows:

34 (1) Any owner or operator of a class I railroad, or owner of a
35 company that recycles railroad material, is eligible for an exemption
36 from the tax under this chapter in the form of a credit as provided
37 in this section if:

38 (a) The class I railroad transfers to an eligible taxpayer rail,
39 ties, tie plates, joint bars, fasteners, switches, ballast, or other

1 equipment or materials that are part of the rail infrastructure it
2 has removed from use on the main railroad line to be installed on
3 tracks used by class II and class III railroads; or

4 (b) The owner of a company that recycles railroad materials
5 transfers to an eligible taxpayer rail, ties, tie plates, joint bars,
6 fasteners, switches, ballast, or other equipment or materials that
7 are part of the rail infrastructure to be installed on tracks used by
8 class II and class III railroads.

9 (2) The credit is equal to the fair market value of the donated
10 materials used for track maintenance, expansion, or modernization.
11 Materials must be given to a qualifying recipient without
12 consideration to receive a credit.

13 (3) (a) An owner or operator of a class I railroad, or owner of a
14 company that recycles railroad material, may assign distribution of
15 all or a portion of the unused credit earned under this section to
16 any taxpayer subject to the tax imposed under this chapter at any
17 time during the year in which the credit is earned and five years
18 following the year that the credit is earned.

19 (b) To transfer all or any portion of an unused credit earned,
20 the taxpayer originally allowed the credit and the subsequent
21 transferee must jointly file a credit transfer application with the
22 department. The application must include:

23 (i) The names, addresses, and taxpayer identification numbers of
24 the parties to the transfer;

25 (ii) The amount of the credit being transferred;

26 (iii) The year the credit was originally earned by the
27 transferring taxpayer;

28 (iv) The tax year or years for which the credit may be claimed;
29 and

30 (v) Any other information or documents the department may
31 require.

32 (c) No credit transfer applications under (b) of this subsection
33 (3) may be submitted after January 1, 2035.

34 (4) The department shall administer the credit. The department
35 shall provide a simple credit application form that the department
36 shall post on its website.

37 (5) The credit claimed may not exceed the tax that would
38 otherwise be due under this chapter. Refunds may not be granted in
39 the place of credits. Any amount of credit earned under this section
40 not claimed by the person in one calendar year may be carried forward

1 for no more than five calendar years immediately following the year
2 that the credit was earned.

3 (6) No new credits may be earned for qualifying expenditures
4 after January 1, 2035.

5 (7) For purposes of this section, the following definitions
6 apply:

7 (a) "Class I railroad" means a railroad that is classified by the
8 United States surface transportation board as a class I railroad, as
9 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
10 2023.

11 (b) "Eligible taxpayer" means:

12 (i) Any railroad subject to the tax under this chapter that is
13 classified by the United States surface transportation board as a
14 class II or class III railroad, as defined in 49 C.F.R. Sec.
15 1201.1-1(a), as in effect on January 1, 2023;

16 (ii) Any railroad owned by a port, city, or county in the state
17 of Washington; or

18 (iii) Any owner or lessee of rail siding, industrial spur, or
19 industry track located on or adjacent to a class II or class III
20 railroad in the state of Washington.

21 (c) "Industrial spur" means a secondary track used by railroads
22 and customers at a location to load and unload railcars without
23 interfering with other railroad operations.

24 (d) "Siding" means a short section of track, distinct from a
25 mainline, branch line, or spur, connected by switches to a main track
26 and used for storage, passing, or other purposes.

27 (8) This section does not apply to short line railroads owned by
28 a class I railroad or any of its subsidiaries.

29 (9) No person may claim a credit against taxes due under both
30 this chapter and chapter 82.16 RCW for the same donated materials.

31 (10) This section expires January 1, 2040.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.08
33 RCW to read as follows:

34 (1) The tax levied by RCW 82.08.020 does not apply to sales of
35 materials required for track maintenance to:

36 (a) Owners and operators of class II or class III railroads;

37 (b) Any railroad or freight rail facility owned by a port, city,
38 or county in the state of Washington; or

1 (c) Any owner or lessee of a rail siding, industrial spur, or
2 industry track located on or adjacent to a class II or class III
3 railroad in the state of Washington.

4 (2) For the purposes of this section, the following definitions
5 apply:

6 (a) "Class I railroad" means a railroad that is classified by the
7 United States surface transportation board as a class I railroad, as
8 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
9 2023.

10 (b) "Class II or class III railroad" means railroads that are
11 classified by the United States surface transportation board as a
12 class II or class III railroad, as defined in 49 C.F.R. Sec.
13 1201.1-1(a), as in effect on January 1, 2023.

14 (c) "Freight rail facilities" means the infrastructure used to
15 transport freight by rail, specifically to rail yards, terminals,
16 sidings, and marshalling yards that play an important role in the
17 transportation and distribution and shipping of goods over long
18 distances.

19 (d) "Industrial spur" means a secondary track used by railroads
20 and customers at a location to load and unload railcars without
21 interfering with other railroad operations.

22 (e) "Materials required for track maintenance" means rail, ties,
23 tie plates, joint bars, fasteners, switches, ballast, subgrade,
24 roadbed, bridges, industrial leads, sidings, signs, safety barriers,
25 crossing signals and gates, and track.

26 (f) "Siding" means a short section of track, distinct from a
27 mainline, branch line, or spur, connected by switches to a main track
28 and used for storage, passing, or other purposes.

29 (3) This section does not apply to class I railroads or short
30 line railroads owned by a class I railroad or any of its
31 subsidiaries.

32 (4) This section expires January 1, 2035.

33 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.12
34 RCW to read as follows:

35 (1) The provisions of this chapter do not apply with respect to
36 materials required for track maintenance to:

37 (a) Owners and operators of class II or class III railroads;

38 (b) Any railroad or freight rail facility owned by a port, city,
39 or county in the state of Washington; or

1 (c) Any owner or lessee of a rail siding, industrial spur, or
2 industry track located on or adjacent to a class II or class III
3 railroad in the state of Washington.

4 (2) For purposes of this section, the following definitions
5 apply:

6 (a) "Class I railroad" means a railroad that is classified by the
7 United States surface transportation board as a class I railroad, as
8 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
9 2023.

10 (b) "Class II or class III railroad" means railroads that are
11 classified by the United States surface transportation board as a
12 class II or class III railroad, as defined in 49 C.F.R. Sec.
13 1201.1-1(a), as in effect on January 1, 2023.

14 (c) "Freight rail facilities" means the infrastructure used to
15 transport freight by rail, specifically to rail yards, terminals,
16 sidings, and marshalling yards that play an important role in the
17 transportation and distribution and shipping of goods over long
18 distances.

19 (d) "Industrial spur" means a secondary track used by railroads
20 and customers at a location to load and unload railcars without
21 interfering with other railroad operations.

22 (e) "Materials required for track maintenance" has the same
23 meaning as in section 4 of this act.

24 (f) "Siding" means a short section of track, distinct from a
25 mainline, branch line, or spur, connected by switches to a main track
26 and used for storage, passing, or other purposes.

27 (3) This section does not apply to class I railroads or short
28 line railroads owned by a class I railroad or any of its
29 subsidiaries.

30 (4) This section expires January 1, 2035.

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

33 (1) A credit is allowed against taxes due under this chapter for
34 expenditures made by an eligible taxpayer pursuant to subsection (2)
35 of this section.

36 (2) Qualified expenditures incurred by an eligible taxpayer may
37 be used to generate a credit for the following amounts:

38 (a) For qualified short line railroad maintenance expenditures, a
39 credit is allowed against the taxes due under this chapter in an

1 amount equal to 50 percent of the qualified short line railroad
2 maintenance expenditures. The amount of the credit may not exceed an
3 amount equal to \$5,000 multiplied by the number of miles of railroad
4 track owned or leased in the state by the eligible taxpayer as of the
5 close of the calendar year.

6 (b) For qualified new rail development expenditures, a credit is
7 allowed against the taxes due under this chapter in an amount equal
8 to 100 percent of the new rail development expenditures of an
9 eligible taxpayer. The amount of credit earned for new rail
10 development expenditures may not exceed \$2,000,000 for each eligible
11 taxpayer in a calendar year. Credits are available on a first-in-time
12 basis. The department must disallow any credits, or portions thereof,
13 that would cause the total amount of credits claimed under this
14 subsection (2)(b) during any calendar year to exceed \$15,000,000.

15 (c) For qualified railroad modernization and rehabilitation
16 expenditures, a credit is allowed against the taxes due under this
17 chapter in an amount equal to 100 percent of the qualified railroad
18 modernization and rehabilitation expenditures by an eligible
19 taxpayer.

20 (3) The credit claimed may not exceed the tax that would
21 otherwise be due under this chapter. Refunds may not be granted in
22 the place of credits. Any amount of credit earned under this section
23 not claimed by the person in one calendar year may be carried forward
24 for no more than five calendar years immediately following the year
25 that the credit was earned.

26 (4)(a) An eligible taxpayer may assign distribution of all or a
27 portion of the unused credit earned under this section to any
28 taxpayer subject to the tax imposed under this chapter at any time
29 during the year in which the credit is earned and five years
30 following the year that the credit is earned.

31 (b) To transfer all or any portion of an unused credit earned,
32 the taxpayer originally allowed the credit and the subsequent
33 transferee must jointly file a credit transfer application with the
34 department. The application must include:

35 (i) The names, addresses, and taxpayer identification numbers of
36 the parties to the transfer;

37 (ii) The amount of the credit being transferred;

38 (iii) The year the credit was originally earned by the
39 transferring taxpayer;

1 (iv) The tax year or years for which the credit may be claimed;
2 and
3 (v) Any other information or documents the department may
4 require.
5 (c) No credit transfer applications under (b) of this subsection
6 (4) may be submitted after January 1, 2035.
7 (5) The department shall administer the credit. The department
8 shall provide a simple credit application form that the department
9 shall post on its website.
10 (6) No new credits may be earned for qualifying expenditures
11 after January 1, 2035.
12 (7) For the purposes of this section, the following definitions
13 apply:
14 (a) "Class I railroad" means a railroad that is classified by the
15 United States surface transportation board as a class I railroad, as
16 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
17 2023.
18 (b) "Eligible taxpayer" means:
19 (i) Any railroad subject to the tax under this chapter that is
20 classified by the United States surface transportation board as a
21 class II or class III railroad, as defined in 49 C.F.R. Sec.
22 1201.1-1(a), as in effect on January 1, 2023;
23 (ii) Any railroad owned by a port, city, or county in the state
24 of Washington; or
25 (iii) Any owner or lessee of rail siding, industrial spur, or
26 industry track located on or adjacent to a class II or class III
27 railroad in the state of Washington.
28 (c) "Industrial spur" means a secondary track used by railroads
29 and customers at a location to load and unload railcars without
30 interfering with other railroad operations.
31 (d) "Qualified new rail development expenditures" means
32 expenditures for new rail development by an eligible taxpayer, which
33 includes the construction of new track, industrial leads, switches,
34 industrial spurs, sidings, rail loading docks, and transloading
35 structures involved with providing rail services to new customer
36 locations or existing customer expansions in the state by an eligible
37 taxpayer.
38 (e) "Qualified railroad modernization and rehabilitation
39 expenditures" means expenditures by an eligible taxpayer to upgrade
40 less than 90 pound rail and switches, 286,000 capacity rail upgrades

1 to the mainline track, rail and tie replacement projects, track
2 capacity enhancements, bridge rehabilitation or bridge replacement
3 projects, or other track-related projects determined to enhance or
4 modernize the existing track infrastructure in the state by an
5 eligible taxpayer.

6 (f) "Qualified short line railroad maintenance expenditures"
7 means expenditures for railroad infrastructure including, but not
8 limited to, rail, ties, tie plates, joint bars, fasteners, switches,
9 ballast, subgrade, roadbed, bridges, industrial leads, sidings,
10 signs, safety barriers, crossing signals and gates, and related track
11 structures owned or leased by a class II or class III railroad.

12 (g) "Siding" means a short section of track, distinct from a
13 mainline, branch line, or spur, connected by switches to a main track
14 and used for storage, passing, or other purposes.

15 (8) This section does not apply to class I railroads or short
16 line railroads owned by a class I railroad or any of its
17 subsidiaries.

18 (9) No person may claim a credit against taxes due under both
19 this chapter and chapter 82.04 RCW for the same qualified
20 expenditures.

21 (10) This section expires January 1, 2040.

22 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.16
23 RCW to read as follows:

24 (1) Any owner or operator of a class I railroad, or owner of a
25 company that recycles railroad material, is eligible for an exemption
26 from the tax under this chapter in the form of a credit as provided
27 in this section if:

28 (a) The class I railroad transfers to an eligible taxpayer rail,
29 ties, tie plates, joint bars, fasteners, switches, ballast, or other
30 equipment or materials that are part of the rail infrastructure it
31 has removed from use on the main railroad line to be installed on
32 tracks used by class II and class III railroads; or

33 (b) The owner of a company that recycles railroad materials
34 transfers to an eligible taxpayer rail, ties, tie plates, joint bars,
35 fasteners, switches, ballast, or other equipment or materials that
36 are part of the rail infrastructure to be installed on tracks used by
37 class II and class III railroads.

38 (2) The credit is equal to the fair market value of the donated
39 materials used for track maintenance, expansion, or modernization.

1 Materials must be given to a qualifying recipient without
2 consideration to receive a credit.

3 (3) (a) An owner or operator of a class I railroad, or owner of a
4 company that recycles railroad material, may assign distribution of
5 all or a portion of the unused credit earned under this section to
6 any taxpayer subject to the tax imposed under this chapter at any
7 time during the year in which the credit is earned and five years
8 following the year that the credit is earned.

9 (b) To transfer all or any portion of an unused credit earned,
10 the taxpayer originally allowed the credit, and the subsequent
11 transferee must jointly file a credit transfer application with the
12 department. The application must include:

13 (i) The names, addresses, and taxpayer identification numbers of
14 the parties to the transfer;

15 (ii) The amount of the credit being transferred;

16 (iii) The year the credit was originally earned by the
17 transferring taxpayer;

18 (iv) The tax year or years for which the credit may be claimed;
19 and

20 (v) Any other information or documents the department may
21 require.

22 (c) No credit transfer applications under (b) of this subsection
23 (3) may be submitted after January 1, 2035.

24 (4) The department shall administer the credit. The department
25 shall provide a simple credit application form that the department
26 shall post on its website.

27 (5) The credit claimed may not exceed the tax that would
28 otherwise be due under this chapter. Refunds may not be granted in
29 the place of credits. Any amount of credit earned under this section
30 not claimed by the person in one calendar year may be carried forward
31 for no more than five calendar years immediately following the year
32 that the credit was earned.

33 (6) No new credits may be earned for qualifying expenditures
34 after January 1, 2035.

35 (7) For purposes of this section, the following definitions
36 apply:

37 (a) "Class I railroad" means a railroad that is classified by the
38 United States surface transportation board as a class I railroad, as
39 defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1,
40 2023.

1 (b) "Eligible taxpayer" means:

2 (i) Any railroad subject to the tax under this chapter that is
3 classified by the United States surface transportation board as a
4 class II or class III railroad, as defined in 49 C.F.R. Sec.
5 1201.1-1(a), as in effect on January 1, 2023;

6 (ii) Any railroad owned by a port, city, or county in the state
7 of Washington; or

8 (iii) Any owner or lessee of rail siding, industrial spur, or
9 industry track located on or adjacent to a class II or class III
10 railroad in the state of Washington.

11 (c) "Industrial spur" means a secondary track used by railroads
12 and customers at a location to load and unload railcars without
13 interfering with other railroad operations.

14 (d) "Siding" means a short section of track, distinct from a
15 mainline, branch line, or spur, connected by switches to a main track
16 and used for storage, passing, or other purposes.

17 (8) This section does not apply to short line railroads owned by
18 a class I railroad or any of its subsidiaries.

19 (9) No person may claim a credit against taxes due under both
20 this chapter and chapter 82.04 RCW for the same donated materials.

21 (10) This section expires January 1, 2040.

22 NEW SECTION. **Sec. 8.** (1) This section is the tax preference
23 performance statement for the tax preferences contained in
24 chapter . . ., Laws of 2023 (this act). This performance statement is
25 only intended to be used for subsequent evaluation of the tax
26 preferences. It is not intended to create a private right of action
27 by any party or be used to determine eligibility for preferential tax
28 treatment.

29 (2) The legislature categorizes the tax preferences in this act
30 as ones intended to accomplish a general purpose, as indicated in RCW
31 82.32.808(2)(f), which is to promote economic development throughout
32 Washington.

33 (3) It is the legislature's specific public policy objective to
34 encourage and expand economic development by incentivizing investment
35 in Washington's railroad infrastructure.

36 (4) The legislature intends to extend the expiration date of the
37 tax preferences in this act if a review finds that freight rail
38 system in the state has been maintained or improved. In conducting

1 its review under this section, the joint legislative audit and review
2 committee should consider, among other measures:

3 (a) The total miles capable of transporting 286,000-pound
4 railcars;

5 (b) The number of miles of track rehabilitated to 90-pound rail
6 or greater;

7 (c) The number of ties replaced;

8 (d) The amount of ballast replaced;

9 (e) The number of bridges returned from out of service or able to
10 operate heavier loaded equipment;

11 (f) The number of switches installed;

12 (g) Any related safety benefits of addressing at-grade crossings;

13 (h) The number of rail cars from increased economic activity;

14 (i) Any improvement in federal railroad administration track
15 classification designation up to and including class II track and the
16 ability to operate at greater speeds; and

17 (j) The amount of steel or ties made obsolete pursuant to section
18 2 of this act that are reused by a class II or class III railroad, as
19 defined in section 5 of this act, within Washington.

20 (5) In order to obtain the data necessary to perform a review in
21 subsection (4) of this section, the joint legislative audit and
22 review committee may refer to any data collected by the state.

23 NEW SECTION. **Sec. 9.** Sections 4, 5, and 8 of this act take
24 effect August 1, 2023.

25 NEW SECTION. **Sec. 10.** Sections 3 and 7 of this act take effect
26 July 1, 2024.

27 NEW SECTION. **Sec. 11.** Sections 2 and 6 of this act take effect
28 January 1, 2025.

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