
HOUSE BILL 1210

State of Washington

69th Legislature

2025 Regular Session

By Representatives Barnard and Springer

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1 AN ACT Relating to targeted urban area tax preferences; amending
2 RCW 84.25.030 and 84.25.110; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
5 ensure that clean energy transformation businesses have equal access
6 to the existing targeted urban area tax preferences under chapter
7 84.25 RCW. Washington state has a long-standing commitment to world-
8 class clean energy production and to the creation of family-wage jobs
9 in the clean energy sector. Therefore, the legislature intends to
10 allow cities using the targeted urban area tax preferences to extend
11 additional time to clean energy transformation businesses in an
12 effort to grow Washington's economy and implement the legislature's
13 carbon-free energy objectives.

14 **Sec. 2.** RCW 84.25.030 and 2022 c 172 s 1 are each amended to
15 read as follows:

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

18 (1) "City" means any city or town.

19 (2) "Family living wage job" means a job that offers health care
20 benefits with a wage that is sufficient for raising a family. A

1 family living wage job must have an average wage of \$23 an hour or
2 more, working 2,080 hours per year on the subject site, as adjusted
3 annually for inflation by the consumer price index. The family living
4 wage may be increased by the local authority based on regional
5 factors and wage conditions.

6 (3) "Governing authority" means the local legislative authority
7 of a city or county having jurisdiction over the property for which
8 an exemption may be applied for under this chapter.

9 (4) "Growth management act" means chapter 36.70A RCW.

10 (5) "Industrial/manufacturing facilities" means building
11 improvements that are 10,000 square feet or larger, representing a
12 minimum improvement valuation of \$800,000 for uses categorized as
13 "division D: manufacturing" or "division E: transportation (major
14 groups 40-42, 45, or 47-48)" by the United States department of labor
15 in the occupation safety and health administration's standard
16 industrial classification manual, provided, a city may limit the tax
17 exemption to manufacturing uses.

18 (6) "Lands zoned for industrial and manufacturing uses" means
19 lands in a city zoned for an industrial or manufacturing use
20 consistent with the city's comprehensive plan where the lands are
21 designated for industry.

22 (7) "Owner" means the property owner of record.

23 (8) "Targeted area" means an area of undeveloped lands zoned for
24 industrial and manufacturing uses in the city that is located within
25 or contiguous to an innovation partnership zone, foreign trade zone,
26 or EB-5 regional center, and designated for possible exemption under
27 the provisions of this chapter.

28 (9) "Undeveloped or underutilized" means ~~((that there are no
29 existing))~~ a portion of or the entirety of any real property,
30 including any building improvements on the portions of the property
31 targeted for new or expanded industrial or manufacturing uses.

32 (10) (a) "Clean energy transformation business" means any business
33 that:

34 (i) Constructs or operates under a license issued by the United
35 States nuclear regulatory commission;

36 (ii) Produces or constructs qualified clean hydrogen;

37 (iii) Produces energy storage technologies or companies; and

38 (iv) Transmits electric energy at 500 kilovolts or greater.

39 (b) "Clean energy transformation business" does not mean
40 government agencies or tribal nations.

1 (11) "Energy storage technologies" means property that receives,
2 stores, and delivers energy for conversion to electricity or, for
3 hydrogen, stores energy, and has a nameplate capacity of not less
4 than five kilowatts per hour, including thermal energy storage
5 property.

6 (12) "Qualified clean hydrogen" means hydrogen produced through a
7 process that results in a life-cycle greenhouse gas emissions rate of
8 no greater than four kilograms of CO2e per kilogram of hydrogen.

9 **Sec. 3.** RCW 84.25.110 and 2015 1st sp.s. c 9 s 11 are each
10 amended to read as follows:

11 (1) Upon completion of the new construction of a (~~manufacturing/~~
12 ~~industrial—[industrial/manufacturing]~~) industrial/manufacturing
13 facility for which an application for an exemption under this chapter
14 has been approved and issued a certificate of occupancy, the owner
15 must file with the city the following:

16 (a) A description of the work that has been completed and a
17 statement that the new construction on the owner's property qualify
18 the property for a partial exemption under this chapter, including
19 verification that all requirements of RCW 84.25.080 and commitments
20 made by the applicant for prioritization in the application approval
21 process have been met;

22 (b) A copy of the executed community workforce agreement or
23 project labor agreement used for the construction of the project;

24 (c) A statement of the postconstruction new prevailing or family
25 living wage jobs to be offered as a result of the new construction of
26 (~~manufacturing/industrial—[industrial/manufacturing]~~) industrial/
27 manufacturing facilities and commitments to postconstruction labor
28 standards for employed workers; and

29 (~~(e)~~) (d) A statement that the work has been completed within
30 three years of the issuance of the conditional certificate of tax
31 exemption.

32 (2) Within (~~thirty~~) 30 days after receipt of the statements
33 required under subsection (1) of this section, the city must
34 determine whether the work completed and (~~the jobs to be offered~~)
35 labor standard requirements are consistent with the application and
36 the contract approved by the city and whether the application is
37 qualified for a tax exemption under this chapter. The city must
38 consult with the department of labor and industries to confirm that:

1 (a) All entities procured from or contracted with during the
2 construction of the facility have a history of complying with federal
3 and state wage and hour laws and regulations;

4 (b) Workers were paid prevailing wages during the construction of
5 the project; and

6 (c) State-registered apprentices were employed on the
7 construction project and met the apprentice rate committed to in the
8 application, community workforce agreement, or project labor
9 agreement, if applicable.

10 (3) If the criteria of this chapter have been satisfied and the
11 owner's property is qualified for a tax exemption under this chapter,
12 the city must file the certificate of tax exemption with the county
13 assessor within ~~((ten))~~ 10 days of the expiration of the ~~((thirty))~~
14 30-day period provided under subsection (2) of this section.

15 (4) The city must notify the applicant that a certificate of tax
16 exemption is denied if the city determines that:

17 (a) The work was not completed within three years of the
18 application date;

19 (b) The work was not constructed consistent with the application
20 or other applicable requirements;

21 (c) The ~~((jobs to be offered))~~ labor standard requirements are
22 not consistent with the application and criteria of this chapter; or

23 (d) The owner's property is otherwise not qualified for an
24 exemption under this chapter.

25 (5) If the city finds that the work was not completed within the
26 required time period due to circumstances beyond the control of the
27 owner and that the owner has been acting and could reasonably be
28 expected to act in good faith and with due diligence, the governing
29 authority or the city official authorized by the governing authority
30 may extend the deadline for completion of the work for a period not
31 to exceed ~~((twenty-four))~~ 24 consecutive months. If the project is
32 constructed by a clean energy transformation business, up to two
33 additional 24 consecutive month extensions may be granted.

34 (6) The city's governing authority may enact an ordinance to
35 provide a process for an owner to appeal a decision by the city that
36 the owner is not entitled to a certificate of tax exemption to the
37 city. The owner may appeal a decision by the city to deny a
38 certificate of tax exemption in superior court under RCW 34.05.510
39 through 34.05.598, if the appeal is filed within ~~((thirty))~~ 30 days
40 of notification by the city to the owner of the exemption denial.

1 NEW SECTION. **Sec. 4.** RCW 82.32.805 and 82.32.808 do not apply
2 to this act.

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