
SECOND SUBSTITUTE HOUSE BILL 1960

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Ramel, Berg, Doglio, Fitzgibbon, Parshley, Scott, Reed, and Hill)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to encouraging renewable energy in Washington
2 through tax policy and investment in local communities; amending RCW
3 84.55.010, 84.55.030, 84.55.092, 84.55.120, and 82.32.330; reenacting
4 and amending RCW 84.55.020; adding new sections to chapter 84.36 RCW;
5 adding new sections to chapter 82.96 RCW; adding a new section to
6 chapter 84.55 RCW; adding new sections to chapter 43.63A RCW; adding
7 a new section to chapter 43.21A RCW; creating new sections; repealing
8 RCW 84.36.680, 82.96.010, 82.96.020, and 82.96.030; and providing an
9 effective date.

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

11 **PART I**

12 **RENEWABLE ENERGY EXCISE TAX**

13 NEW SECTION. **Sec. 101.** A new section is added to chapter 82.96
14 RCW to read as follows:

15 The definitions in this section apply throughout this chapter
16 unless the context clearly requires otherwise:

17 (1) "Personal property" has the same meaning as in RCW 84.04.080.

18 (2) "Renewable energy" means energy produced by a solar or wind
19 facility with a nameplate capacity sufficient to generate at least 50
20 megawatts of alternating current power.

1 (3) "Renewable energy generating system" means a set of devices
2 whose primary purpose is to produce electricity by means of any
3 combination of collecting, transferring, or converting renewable
4 energy.

5 (4) "Renewable energy storage capacity" means the battery storage
6 capacity per megawatt hour.

7 (5) "Renewable energy storage system" means commercially
8 available technology that is capable of retaining electricity,
9 storing the energy for a period of time, and delivering the
10 electricity after storage by chemical, thermal, mechanical, or other
11 means.

12 (6) "Repowered" means the replacement of 30 percent or more of
13 solar panels or wind turbines in a renewable energy facility after it
14 first becomes operational.

15 NEW SECTION. **Sec. 102.** A new section is added to chapter 84.36
16 RCW to read as follows:

17 (1) All personal property used primarily for the generation of
18 renewable energy in a qualified renewable energy facility that
19 becomes operational on or after January 1, 2026, or a renewable
20 energy facility that is repowered on or after January 1, 2026, is
21 exempt from property taxation.

22 (2) All personal property used primarily for renewable energy
23 storage in a qualified renewable energy facility that becomes
24 operational on or after January 1, 2026, or a renewable energy
25 facility that is repowered on or after January 1, 2026, is exempt
26 from property taxation.

27 (3)(a) Each qualified renewable energy facility in this state
28 must annually, on or before the 15th day of March, make and file with
29 the department an annual report as to the location and nameplate
30 capacity of the personal property exempt under this section.

31 (b) The department must provide each respective county treasurer
32 and county assessor a copy of the report filed under (a) of this
33 subsection.

34 (4) The department may adopt such rules in accordance with
35 chapter 34.05 RCW and prescribe such forms as it deems necessary and
36 appropriate to implement and administer this section and section 103
37 of this act.

38 (5) For the purposes of this section and section 103 of this act,
39 a "qualified renewable energy facility" means:

1 (a) A renewable energy facility that becomes operational on or
2 after January 1, 2026, or a renewable energy facility that is
3 repowered on or after January 1, 2026, and is exempt under this
4 section; or

5 (b) A renewable energy facility that becomes operational before
6 January 1, 2026, and is exempt under section 103 of this act.

7 NEW SECTION. **Sec. 103.** A new section is added to chapter 84.36
8 RCW to read as follows:

9 (1) All personal property used primarily for the generation of
10 renewable energy in a qualified renewable energy facility that
11 becomes operational before January 1, 2026, is exempt from property
12 taxation.

13 (2) All personal property used primarily for renewable energy
14 storage in a qualified renewable energy facility that becomes
15 operational before January 1, 2026, is exempt from property taxation.

16 (3) (a) The assessed value of the personal property exempted under
17 this section must be excluded from the calculation of the property
18 tax levy as provided in chapter 84.55 RCW pursuant to section 110 of
19 this act for any taxing district, other than the state, where the
20 exempt personal property is located; and

21 (b) (i) For taxes levied for collection in calendar year 2027, the
22 county assessor must use the most recent assessed valuation available
23 to determine the value of any personal property exempted under this
24 section to be removed from the assessment roll under section 110 of
25 this act; and

26 (ii) On or before June 30, 2026, if any personal property has
27 been previously assessed under chapter 84.12 RCW, the department must
28 provide the county assessor with the apportioned assessed value from
29 the prior year to be removed from the assessment roll under section
30 110 of this act.

31 (4) (a) By March 15, 2026, and each March 15th thereafter, each
32 qualified renewable energy facility in this state must annually make
33 and file with the department an annual report as to the location and
34 nameplate capacity of the personal property exempt under this
35 section.

36 (b) The department must provide each respective county treasurer
37 and county assessor a copy of the report under (a) of this
38 subsection.

1 (5) For purposes of this section, a "qualified renewable energy
2 facility" has the same meaning as in section 102 of this act.

3 NEW SECTION. **Sec. 104.** A new section is added to chapter 82.96
4 RCW to read as follows:

5 (1)(a) Beginning January 1, 2027, a state renewable energy excise
6 tax is imposed and collected on the privilege of using a renewable
7 energy generating system for an electric power source in the state.

8 (b) Beginning January 1, 2027, a state renewable energy excise
9 tax is imposed and collected on the privilege of using a renewable
10 energy storage system.

11 (2) The taxes must be paid semiannually in two equal payments in
12 the manner and form as prescribed by the department.

13 (3) The taxes imposed by this chapter are in addition to any
14 taxes imposed upon the same persons under chapter 82.04 or 82.16 RCW.

15 (4) The moneys from this tax must be deposited into the local
16 community investment account created in section 117 of this act.

17 NEW SECTION. **Sec. 105.** A new section is added to chapter 82.96
18 RCW to read as follows:

19 (1) By December 31, 2026, the legislative body of any county may
20 impose a local renewable energy excise tax for the privilege of using
21 a renewable energy storage system or a renewable energy generating
22 system for an electric power source in the state. The rate of the tax
23 is established pursuant to section 106 of this act and is in addition
24 to any taxes imposed upon the same persons under section 104 of this
25 act or chapter 82.04 or 82.16 RCW.

26 (2) The taxes must be paid semiannually in two equal payments in
27 the manner and form prescribed by the county treasurer.

28 (3) The county treasurer shall distribute any revenues received
29 under this section to each appropriate local taxing district in the
30 county that reflects the pro rata share of the property tax rate in
31 the prior tax year of the district in accordance with RCW 84.56.230,
32 except any voter-approved excess property tax levies within a taxing
33 district authorized after January 1, 2026.

34 NEW SECTION. **Sec. 106.** A new section is added to chapter 82.96
35 RCW to read as follows:

1 (1) (a) The rates of the state and local renewable energy excise
2 taxes authorized in sections 104 and 105 of this act on renewable
3 energy generating systems are as follows:

4 (i) (A) (I) The state renewable energy excise tax rate is \$1,000
5 per year per megawatt of nameplate capacity of alternating current
6 power for a renewable energy generating system that uses solar energy
7 to generate electricity if the system became operational before
8 January 1, 2027.

9 (II) The local renewable energy excise tax rate is \$3,000 per
10 year per megawatt of nameplate capacity of alternating current power
11 for a renewable energy generating system that uses solar energy to
12 generate electricity if the system became operational before January
13 1, 2027.

14 (B) (I) The state renewable energy excise tax rate is \$1,125 per
15 year per megawatt of nameplate capacity of alternating current power
16 for a renewable energy generating system that uses solar energy to
17 generate electricity if the system became operational on or after
18 January 1, 2027, or was repowered on or after January 1, 2027.

19 (II) The local renewable energy excise tax rate is \$3,375 per
20 year per megawatt of nameplate capacity of alternating current power
21 for a renewable energy generating system that uses solar energy to
22 generate electricity if the system became operational on or after
23 January 1, 2027, or was repowered on or after January 1, 2027.

24 (ii) (A) (I) The state renewable energy excise tax rate is \$200 per
25 year per megawatt of nameplate capacity of alternating current power
26 for a renewable energy generating system that uses wind energy to
27 generate electricity if the system became operational on or before
28 December 31, 2004.

29 (II) The local renewable energy excise tax rate is \$600 per year
30 per megawatt of nameplate capacity of alternating current power for a
31 renewable energy generating system that uses wind energy to generate
32 electricity if the system became operational on or before December
33 31, 2004.

34 (B) (I) The state renewable excise tax rate is \$725 per year per
35 megawatt of nameplate capacity of alternating current power for a
36 renewable energy generating system that uses wind energy to generate
37 electricity if the system became operational on or after January 1,
38 2005, and before January 1, 2020, or was repowered on or after
39 January 1, 2005, and before January 1, 2020.

1 (II) The local renewable energy excise tax rate is \$2,175 per
2 year per megawatt of nameplate capacity of alternating current power
3 for a renewable energy generating system that uses wind energy to
4 generate electricity if the system became operational on or after
5 January 1, 2005, and before January 1, 2020, or was repowered on or
6 after January 1, 2005, and before January 1, 2020.

7 (C) (I) The state renewable excise tax rate is \$1,500 per year per
8 megawatt of nameplate capacity of alternating current power for a
9 renewable energy generating system that uses wind energy to generate
10 electricity if the system became operational on or after January 1,
11 2020, and before January 1, 2027, or was repowered on or after
12 January 1, 2020, and before January 1, 2027.

13 (II) The local renewable energy excise tax rate is \$4,500 per
14 year per megawatt of nameplate capacity of alternating current power
15 for a renewable energy generating system that uses wind energy to
16 generate electricity if the system became operational on or after
17 January 1, 2020, and before January 1, 2027, or was repowered on or
18 after January 1, 2020, and before January 1, 2027.

19 (D) (I) The state renewable excise tax rate is \$1,575 per year per
20 megawatt of nameplate capacity of alternating current power for a
21 renewable energy generating system that uses wind energy to generate
22 electricity if the system became operational on or after January 1,
23 2027, or was repowered on or after January 1, 2027.

24 (II) The local renewable energy excise tax rate is \$4,725 per
25 year per megawatt of nameplate capacity of alternating current power
26 for a renewable energy generating system that uses wind energy to
27 generate electricity if the system became operational on or after
28 January 1, 2027, or was repowered on or after January 1, 2027.

29 (b) The rates of the state and local renewable energy excise
30 taxes authorized in sections 104 and 105 of this act on renewable
31 energy storage capacity are as follows:

32 (i) The state renewable energy excise tax is \$375 per megawatt
33 hour of renewable energy storage capacity.

34 (ii) The local renewable energy excise tax is \$1,125 per megawatt
35 hour of renewable energy storage capacity.

36 (2) Beginning October 1, 2028, and every year thereafter, the
37 renewable energy excise tax rates under subsection (1) of this
38 section must be adjusted annually by the department by one percent.
39 The adjusted rate applies at the beginning of the following calendar
40 year, starting with January 1, 2029.

1 NEW SECTION. **Sec. 107.** A new section is added to chapter 82.96
2 RCW to read as follows:

3 (1) In computing the tax imposed under this chapter, a credit is
4 allowed for each person for the payment of a property tax on an item
5 of personal property that qualifies for the exemption in section 102
6 or 103 of this act if the payment of the property tax occurred while
7 the renewable energy generating system or renewable energy storage
8 system was under construction.

9 (2) The credit is equal to the amount of state or local property
10 taxes paid while the renewable energy generating system or renewable
11 energy storage system was under construction on items of personal
12 property exempted under sections 102 or 103 of this act.

13 (3) The credit must be claimed against taxes due for the same
14 year that the personal property items become subject to the tax under
15 this chapter. The credit may be carried over to subsequent years. The
16 credit for a calendar year may not exceed the amount of tax otherwise
17 due under this chapter for the same calendar year. Refunds may not be
18 granted in the place of the credit.

19 (4) Any person claiming the credit must file a form prescribed by
20 the department that must include the amount of the credit claimed, an
21 estimate of the taxable amount during the calendar year for which the
22 credit is claimed, and such additional information as the department
23 may prescribe.

24 NEW SECTION. **Sec. 108.** A new section is added to chapter 82.96
25 RCW to read as follows:

26 All of the provisions contained in chapter 82.32 RCW not
27 inconsistent with this chapter have full force and application with
28 respect to taxes imposed under this chapter.

29 NEW SECTION. **Sec. 109.** A new section is added to chapter 82.96
30 RCW to read as follows:

31 The department may adopt such rules in accordance with chapter
32 34.05 RCW, and prescribe such forms, as it deems necessary and
33 appropriate to implement and administer this chapter.

34 NEW SECTION. **Sec. 110.** A new section is added to chapter 84.55
35 RCW to read as follows:

36 For taxes levied for collection in calendar year 2027, each
37 taxing district, other than the state, that receives renewable energy

1 excise tax revenues under section 105 of this act must have its
2 highest lawful levy under this chapter permanently reduced by the
3 amount of revenue based on the assessed value for property exempt
4 under section 103 of this act that would have otherwise been levied.

5 **Sec. 111.** RCW 84.55.010 and 2021 c 207 s 10 are each amended to
6 read as follows:

7 (1) Except as provided in this chapter, the levy for a taxing
8 district in any year must be set so that the regular property taxes
9 payable in the following year do not exceed the limit factor
10 multiplied by the amount of regular property taxes lawfully levied
11 for such district in the highest of the three most recent years in
12 which such taxes were levied for such district, excluding any
13 increase due to (e) of this subsection, unless the highest levy was
14 the statutory maximum rate amount, plus an additional dollar amount
15 calculated by multiplying the regular property tax levy rate of that
16 district for the preceding year by the increase in assessed value in
17 that district resulting from:

18 (a) New construction;

19 (b) Increases in assessed value due to construction of (~~wind~~
20 ~~turbine, solar,~~) biomass(~~(r)~~) and geothermal facilities, if such
21 facilities generate electricity and the property is not included
22 elsewhere under this section for purposes of providing an additional
23 dollar amount. The property may be classified as real or personal
24 property;

25 (c) Improvements to property;

26 (d) Any increase in the assessed value of state-assessed
27 property; and

28 (e) Any increase in the assessed value of real property, as that
29 term is defined in RCW 39.114.010, within an increment area as
30 designated by any local government in RCW 39.114.020 provided that
31 such increase is not included elsewhere under this section. This
32 subsection (1)(e) does not apply to levies by the state or by port
33 districts and public utility districts for the purpose of making
34 required payments of principal and interest on general indebtedness.

35 (2) The requirements of this section do not apply to:

36 (a) State property taxes levied under RCW 84.52.065(1) for
37 collection in calendar years 2019 through 2021; and

38 (b) State property taxes levied under RCW 84.52.065(2) for
39 collection in calendar years 2018 through 2021.

1 **Sec. 112.** RCW 84.55.020 and 2023 c 354 s 5 and 2023 c 28 s 9 are
2 each reenacted and amended to read as follows:

3 Notwithstanding the limitation set forth in RCW 84.55.010, the
4 first levy for a taxing district created from consolidation of
5 similar taxing districts must be set so that the regular property
6 taxes payable in the following year do not exceed the limit factor
7 multiplied by the sum of the amount of regular property taxes each
8 component taxing district could have levied under RCW 84.55.092 plus
9 the additional dollar amount calculated by multiplying the regular
10 property tax rate of each component district for the preceding year
11 by the increase in assessed value in each component district
12 resulting from:

13 (1) New construction;

14 (2) Increases in assessed value due to construction of ((wind
15 turbine, solar,)) biomass((r)) and geothermal facilities, if such
16 facilities generate electricity and the property is not included
17 elsewhere under this section for purposes of providing an additional
18 dollar amount. The property may be classified as real or personal
19 property;

20 (3) Improvements to property;

21 (4) Any increase in the assessed value of state-assessed
22 property; and

23 (5) Any increase in the assessed value of real property, as
24 defined in RCW 39.114.010, within an increment area as designated by
25 any local government under RCW 39.114.020 if the increase is not
26 included elsewhere under this section. This subsection (5) does not
27 apply to levies by the state or by port districts and public utility
28 districts for the purpose of making required payments of principal
29 and interest on general indebtedness.

30 **Sec. 113.** RCW 84.55.030 and 2023 c 354 s 6 are each amended to
31 read as follows:

32 For the first levy for a taxing district following annexation of
33 additional property, the limitation set forth in RCW 84.55.010 must
34 be increased by an amount equal to the aggregate assessed valuation
35 of the newly annexed property as shown by the current completed and
36 balanced tax rolls of the county or counties within which such
37 property lies, multiplied by the dollar rate that would have been
38 used by the annexing unit in the absence of such annexation, plus the
39 additional dollar amount calculated by multiplying the regular

1 property tax levy rate of that annexing taxing district for the
2 preceding year by the increase in assessed value in the annexing
3 district resulting from:

4 (1) New construction;

5 (2) Increases in assessed value due to construction of (~~wind~~
6 ~~turbine, solar,~~) biomass((~~r~~)) and geothermal facilities, if such
7 facilities generate electricity and the property is not included
8 elsewhere under this section for purposes of providing an additional
9 dollar amount. The property may be classified as real or personal
10 property;

11 (3) Improvements to property;

12 (4) Any increase in the assessed value of state-assessed
13 property; and

14 (5) Any increase in the assessed value of real property, as
15 defined in RCW 39.114.010, within an increment area as designated by
16 any local government in RCW 39.114.020 if the increase is not
17 included elsewhere under this section. This subsection does not apply
18 to levies by the state or by port districts or public utility
19 districts for the purpose of making required payments of principal
20 and interest on general indebtedness.

21 **Sec. 114.** RCW 84.55.092 and 2017 3rd sp.s. c 13 s 309 are each
22 amended to read as follows:

23 (1) (~~The~~) (a) Except as provided in (b) of this subsection, the
24 regular property tax levy for each taxing district other than the
25 state's levies may be set at the amount which would be allowed
26 otherwise under this chapter if the regular property tax levy for the
27 district for taxes due in prior years beginning with 1986 had been
28 set at the full amount allowed under this chapter including any levy
29 authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have
30 been imposed but for the limitation in RCW 52.18.065 or 52.26.240,
31 applicable upon imposition of the benefit charge under chapter 52.18
32 or 52.26 RCW.

33 (b) For taxes levied for collection in 2027, a taxing district,
34 other than the state, that received renewable energy excise tax
35 revenues under section 105 of this act must reduce the levy in (a) of
36 this subsection by the amount of the reduction under section 110 of
37 this act. The purpose of this subsection (1)(b) is to reset a taxing
38 district's maximum levy under (a) of this subsection.

1 (2) The purpose of subsection (1) (a) of this section is to remove
2 the incentive for a taxing district to maintain its tax levy at the
3 maximum level permitted under this chapter, and to protect the future
4 levy capacity of a taxing district that reduces its tax levy below
5 the level that it otherwise could impose under this chapter, by
6 removing the adverse consequences to future levy capacities resulting
7 from such levy reductions.

8 (3) Subsection (1) of this section does not apply to any portion
9 of a city or town's regular property tax levy that has been reduced
10 as part of the formation of a fire protection district under RCW
11 52.02.160.

12 **Sec. 115.** RCW 84.55.120 and 2021 c 207 s 11 are each amended to
13 read as follows:

14 (1) A taxing district, other than the state, that collects
15 regular levies must hold a public hearing on revenue sources for the
16 district's following year's current expense budget. The hearing must
17 include consideration of possible increases in property tax revenues
18 and must be held prior to the time the taxing district levies the
19 taxes or makes the request to have the taxes levied. The county
20 legislative authority, or the taxing district's governing body if the
21 district is a city, town, or other type of district, must hold the
22 hearing. For purposes of this section, "current expense budget" means
23 that budget which is primarily funded by taxes and charges and
24 reflects the provision of ongoing services. It does not mean the
25 capital, enterprise, or special assessment budgets of cities, towns,
26 counties, or special purpose districts.

27 (2) If the taxing district is otherwise required to hold a public
28 hearing on its proposed regular tax levy, a single public hearing may
29 be held on this matter.

30 (3) (a) Except as provided in (b) of this subsection (3), no
31 increase in property tax revenue may be authorized by a taxing
32 district, other than the state, except by adoption of a separate
33 ordinance or resolution, pursuant to notice, specifically authorizing
34 the increase in terms of both dollars and percentage. The ordinance
35 or resolution may cover a period of up to two years, but the
36 ordinance must specifically state for each year the dollar increase
37 and percentage change in the levy from the previous year.

38 (b) Exempt from the requirements of (a) of this subsection are
39 increases in revenue resulting from the addition of:

- 1 (i) New construction;
- 2 (ii) Increases in assessed value due to construction of (~~wind~~
3 ~~turbine, solar,~~) biomass(~~r~~) and geothermal facilities, if such
4 facilities generate electricity and the property is not included
5 elsewhere under this section for purposes of providing an additional
6 dollar amount. The property may be classified as real or personal
7 property;
- 8 (iii) Improvements to property;
- 9 (iv) Any increase in the value of state-assessed property; and
- 10 (v) Any increase in the assessed value of real property, as that
11 term is defined in RCW 39.114.010, within an increment area as
12 designated by any local government in RCW 39.114.020 provided that
13 such increase is not included elsewhere under this section. This
14 subsection (3)(b)(v) does not apply to levies by the state or by port
15 districts and public utility districts for the purpose of making
16 required payments of principal and interest on general indebtedness.

17 **Sec. 116.** RCW 82.32.330 and 2022 c 56 s 9 are each amended to
18 read as follows:

19 (1) For purposes of this section:

20 (a) "Disclose" means to make known to any person in any manner
21 whatever a return or tax information;

22 (b) "Return" means a tax or information return or claim for
23 refund required by, or provided for or permitted under, the laws of
24 this state which is filed with the department of revenue by, on
25 behalf of, or with respect to a person, and any amendment or
26 supplement thereto, including supporting schedules, attachments, or
27 lists that are supplemental to, or part of, the return so filed;

28 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
29 nature, source, or amount of the taxpayer's income, payments,
30 receipts, deductions, exemptions, credits, assets, liabilities, net
31 worth, tax liability deficiencies, overassessments, or tax payments,
32 whether taken from the taxpayer's books and records or any other
33 source, (iii) whether the taxpayer's return was, is being, or will be
34 examined or subject to other investigation or processing, (iv) a part
35 of a written determination that is not designated as a precedent and
36 disclosed pursuant to RCW 82.32.410, or a background file document
37 relating to a written determination, and (v) other data received by,
38 recorded by, prepared by, furnished to, or collected by the
39 department of revenue with respect to the determination of the

1 existence, or possible existence, of liability, or the amount
2 thereof, of a person under the laws of this state for a tax, penalty,
3 interest, fine, forfeiture, or other imposition, or offense. However,
4 data, material, or documents that do not disclose information related
5 to a specific or identifiable taxpayer do not constitute tax
6 information under this section. Except as provided by RCW 82.32.410,
7 nothing in this chapter requires any person possessing data,
8 material, or documents made confidential and privileged by this
9 section to delete information from such data, material, or documents
10 so as to permit its disclosure;

11 (d) "State agency" means every Washington state office,
12 department, division, bureau, board, commission, or other state
13 agency;

14 (e) "Taxpayer identity" means the taxpayer's name, address,
15 telephone number, registration number, or any combination thereof, or
16 any other information disclosing the identity of the taxpayer; and

17 (f) "Department" means the department of revenue or its officer,
18 agent, employee, or representative.

19 (2) Returns and tax information are confidential and privileged,
20 and except as authorized by this section, neither the department of
21 revenue nor any other person may disclose any return or tax
22 information.

23 (3) This section does not prohibit the department of revenue
24 from:

25 (a) Disclosing such return or tax information in a civil or
26 criminal judicial proceeding or an administrative proceeding:

27 (i) In respect of any tax imposed under the laws of this state if
28 the taxpayer or its officer or other person liable under this title
29 or chapter 83.100 RCW is a party in the proceeding;

30 (ii) In which the taxpayer about whom such return or tax
31 information is sought and another state agency are adverse parties in
32 the proceeding; or

33 (iii) Brought by the department under RCW 18.27.040 or 19.28.071;

34 (b) Disclosing, subject to such requirements and conditions as
35 the director prescribes by rules adopted pursuant to chapter 34.05
36 RCW, such return or tax information regarding a taxpayer to such
37 taxpayer or to such person or persons as that taxpayer may designate
38 in a request for, or consent to, such disclosure, or to any other
39 person, at the taxpayer's request, to the extent necessary to comply
40 with a request for information or assistance made by the taxpayer to

1 such other person. However, tax information not received from the
2 taxpayer must not be so disclosed if the director determines that
3 such disclosure would compromise any investigation or litigation by
4 any federal, state, or local government agency in connection with the
5 civil or criminal liability of the taxpayer or another person, or
6 that such disclosure would identify a confidential informant, or that
7 such disclosure is contrary to any agreement entered into by the
8 department that provides for the reciprocal exchange of information
9 with other government agencies which agreement requires
10 confidentiality with respect to such information unless such
11 information is required to be disclosed to the taxpayer by the order
12 of any court;

13 (c) Disclosing the name of a taxpayer against whom a warrant
14 under RCW 82.32.210 has been either issued or filed and remains
15 outstanding for a period of at least ten working days. The department
16 is not required to disclose any information under this subsection if
17 a taxpayer has entered a deferred payment arrangement with the
18 department for the payment of a warrant that has not been filed and
19 is making payments upon such deficiency that will fully satisfy the
20 indebtedness within twelve months;

21 (d) Publishing statistics so classified as to prevent the
22 identification of particular returns or reports or items thereof;

23 (e) Disclosing such return or tax information, for official
24 purposes only, to the governor or attorney general, or to any state
25 agency, or to any committee or subcommittee of the legislature
26 dealing with matters of taxation, revenue, trade, commerce, the
27 control of industry or the professions;

28 (f) Permitting the department of revenue's records to be audited
29 and examined by the proper state officer, his or her agents and
30 employees;

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

1 (h) Disclosing any such return or tax information to the proper
2 officer of the internal revenue service of the United States, the
3 Canadian government or provincial governments of Canada, or to the
4 proper officer of the tax department of any state or city or town or
5 county, for official purposes, but only if the statutes of the United
6 States, Canada or its provincial governments, or of such other state
7 or city or town or county, as the case may be, grants substantially
8 similar privileges to the proper officers of this state;

9 (i) Disclosing any such return or tax information to the United
10 States department of justice, including the bureau of alcohol,
11 tobacco, firearms and explosives, the department of defense, the
12 immigration and customs enforcement and the customs and border
13 protection agencies of the United States department of homeland
14 security, the United States coast guard, the alcohol and tobacco tax
15 and trade bureau of the United States department of treasury, and the
16 United States department of transportation, or any authorized
17 representative of these federal agencies, for official purposes;

18 (j) Publishing or otherwise disclosing the text of a written
19 determination designated by the director as a precedent pursuant to
20 RCW 82.32.410;

21 (k) Disclosing, in a manner that is not associated with other tax
22 information, the taxpayer name, entity type, business address,
23 mailing address, revenue tax registration numbers, reseller permit
24 numbers and the expiration date and status of such permits, North
25 American industry classification system or standard industrial
26 classification code of a taxpayer, and the dates of opening and
27 closing of business. This subsection may not be construed as giving
28 authority to the department to give, sell, or provide access to any
29 list of taxpayers for any commercial purpose;

30 (l) Disclosing such return or tax information that is also
31 maintained by another Washington state or local governmental agency
32 as a public record available for inspection and copying under the
33 provisions of chapter 42.56 RCW or is maintained by a court of record
34 and is not otherwise prohibited from disclosure;

35 (m) Disclosing such return or tax information to the United
36 States department of agriculture for the limited purpose of
37 investigating food stamp fraud by retailers;

38 (n) Disclosing to a financial institution, escrow company, or
39 title company, in connection with specific real property that is the
40 subject of a real estate transaction, current amounts due the

1 department for a filed tax warrant, judgment, or lien against the
2 real property;

3 (o) Disclosing to a person against whom the department has
4 asserted liability as a successor under RCW 82.32.140 return or tax
5 information pertaining to the specific business of the taxpayer to
6 which the person has succeeded;

7 (p) Disclosing real estate excise tax affidavit forms filed under
8 RCW 82.45.150 in the possession of the department, including real
9 estate excise tax affidavit forms for transactions exempt or
10 otherwise not subject to tax;

11 (q) Disclosing to local taxing jurisdictions the identity of
12 sellers granted relief under RCW 82.32.430(5)(b)(i) and the period
13 for which relief is granted;

14 (r) Disclosing such return or tax information to the court in
15 respect to the department's application for a subpoena under RCW
16 82.32.117;

17 (s) Disclosing to a person against whom the department has
18 asserted liability under RCW 83.100.120 return or tax information
19 pertaining to that person's liability for tax under chapter 83.100
20 RCW;

21 (t) Disclosing such return or tax information to the streamlined
22 sales tax governing board, member states of the streamlined sales tax
23 governing board, or authorized representatives of such board or
24 states, for the limited purposes of:

25 (i) Conducting on behalf of member states sales and use tax
26 audits of taxpayers; or

27 (ii) Auditing certified service providers or certified automated
28 systems providers;

29 (u) Disclosing any such return or tax information when the
30 disclosure is specifically authorized under any other section of the
31 Revised Code of Washington;

32 (v) Disclosing to an individual to whom the department has issued
33 an assessment under RCW 82.32.145 for unpaid trust fund taxes of a
34 defunct or insolvent entity, return or tax information of that entity
35 pertaining to those unpaid trust fund taxes;

36 (w) Disclosing any such return or tax information pursuant to a
37 federal grand jury subpoena or subpoena issued by a United States
38 attorney, only to be used in the criminal investigation and related
39 court proceedings, or in the court proceeding for which the return or
40 tax information originally was sought; ((~~or~~))

1 (x) Disclosing any return or tax information to an individual
2 when the return or tax information is related directly to that
3 person's individual liability, as part of a marital community, for
4 amounts due under a warrant issued under the authority of RCW
5 59.30.090 or 82.32.210; or

6 (y) Disclosing to local taxing officials, including county
7 assessors or treasurers, the identity and tax information of persons
8 subject to the renewable energy excise tax under sections 104 and 105
9 of this act.

10 (4) (a) The department may disclose return or taxpayer information
11 to a person under investigation or during any court or administrative
12 proceeding against a person under investigation as provided in this
13 subsection (4). The disclosure must be in connection with the
14 department's official duties relating to an audit, collection
15 activity, or a civil or criminal investigation. The disclosure may
16 occur only when the person under investigation and the person in
17 possession of data, materials, or documents are parties to the return
18 or tax information to be disclosed. The department may disclose
19 return or tax information such as invoices, contracts, bills,
20 statements, resale or exemption certificates, or checks. However, the
21 department may not disclose general ledgers, sales or cash receipt
22 journals, check registers, accounts receivable/payable ledgers,
23 general journals, financial statements, expert's workpapers, income
24 tax returns, state tax returns, tax return workpapers, or other
25 similar data, materials, or documents.

26 (b) Before disclosure of any tax return or tax information under
27 this subsection (4), the department must, through written
28 correspondence, inform the person in possession of the data,
29 materials, or documents to be disclosed. The correspondence must
30 clearly identify the data, materials, or documents to be disclosed.
31 The department may not disclose any tax return or tax information
32 under this subsection (4) until the time period allowed in (c) of
33 this subsection has expired or until the court has ruled on any
34 challenge brought under (c) of this subsection.

35 (c) The person in possession of the data, materials, or documents
36 to be disclosed by the department has twenty days from the receipt of
37 the written request required under (b) of this subsection to petition
38 the superior court of the county in which the petitioner resides for
39 injunctive relief. The court must limit or deny the request of the
40 department if the court determines that:

1 (i) The data, materials, or documents sought for disclosure are
2 cumulative or duplicative, or are obtainable from some other source
3 that is more convenient, less burdensome, or less expensive;

4 (ii) The production of the data, materials, or documents sought
5 would be unduly burdensome or expensive, taking into account the
6 needs of the department, the amount in controversy, limitations on
7 the petitioner's resources, and the importance of the issues at
8 stake; or

9 (iii) The data, materials, or documents sought for disclosure
10 contain trade secret information that, if disclosed, could harm the
11 petitioner.

12 (d) The department must reimburse reasonable expenses for the
13 production of data, materials, or documents incurred by the person in
14 possession of the data, materials, or documents to be disclosed.

15 (e) Requesting information under (b) of this subsection that may
16 indicate that a taxpayer is under investigation does not constitute a
17 disclosure of tax return or tax information under this section.

18 (5) Service of a subpoena issued under RCW 82.32.117 does not
19 constitute a disclosure of return or tax information under this
20 section. Notwithstanding anything else to the contrary in this
21 section, a person served with a subpoena under RCW 82.32.117 may
22 disclose the existence or content of the subpoena to that person's
23 legal counsel.

24 (6) Any person acquiring knowledge of any return or tax
25 information in the course of his or her employment with the
26 department of revenue and any person acquiring knowledge of any
27 return or tax information as provided under subsection (3) (e), (f),
28 (g), (h), (i), (m), (v), and (w) of this section, who discloses any
29 such return or tax information to another person not entitled to
30 knowledge of such return or tax information under the provisions of
31 this section, is guilty of a misdemeanor. If the person guilty of
32 such violation is an officer or employee of the state, such person
33 must forfeit such office or employment and is incapable of holding
34 any public office or employment in this state for a period of two
35 years thereafter.

36 NEW SECTION. **Sec. 117.** A new section is added to chapter 82.96
37 RCW to read as follows:

38 The local community investment account is created in the state
39 treasury. All receipts from the state renewable energy excise tax

1 imposed by section 104 of this act must be deposited into the
2 account. Expenditures from the account may be used for the local
3 community investments contained in sections 202, 203, and 204 of this
4 act.

5 **PART II**

6 **LOCAL COMMUNITY INVESTMENTS**

7 NEW SECTION. **Sec. 201.** (1) It is the intent of the legislature
8 to encourage agreements under this act between renewable energy
9 project developers and local governments that result in investments
10 in communities hosting development. Encouraging such developments
11 will help achieve state clean energy goals under the clean energy
12 transformation act, achieve energy reliability and affordability, and
13 ensure that the economic benefits of these projects will accrue to
14 the benefit of the local community.

15 (2) It is not the intent of the legislature for the agreements
16 specified in this act to replace or supplant the important and
17 necessary agreements between project developers and local labor
18 organizations. Although not addressed by the substance of this act,
19 the legislature recognizes that project labor agreements, including
20 local hire commitments, wage standards, apprenticeship utilization
21 commitments, and similar standards, are an important part of the
22 benefit that renewable energy development projects can bring to the
23 communities hosting those projects.

24 NEW SECTION. **Sec. 202.** A new section is added to chapter 43.63A
25 RCW to read as follows:

26 (1) The department shall establish the renewable energy
27 development local investment commitment matching grant program.
28 Through the program, the department must provide matching funds, on a
29 first-come, first-served basis, for each eligible project in an
30 amount that increases commensurately with increases in the value of
31 the contribution to the local investment commitment made by the
32 project developer and the nameplate storage and generation capacity
33 of the qualifying energy project. Each biennium, the department must
34 establish a formula determining the size of grants awarded to
35 applicants that considers the nameplate capacity of a qualifying
36 energy facility, the value of the contribution to the local
37 investment commitment made by a project developer, the total number

1 of eligible grant applications expected to be received during the
2 biennium, and the total amounts appropriated to the department for
3 purposes of this program in the biennium.

4 (2)(a) In order for a jurisdiction to be eligible for matching
5 funds from the program, a local investment commitment finalized after
6 the effective date of this section must:

7 (i) Include the provision of funds from a qualifying energy
8 project developer to the primary jurisdiction in which the project is
9 located, for use by the jurisdiction or to provide benefits to the
10 jurisdiction's residents. A primary jurisdiction receiving funds
11 under this section may provide for the transfer or allocation of
12 funds to other municipal corporations of the state formed to provide
13 benefits to the jurisdiction's residents. For purposes of this
14 section, if a project is:

15 (A) Located entirely within a city, the city is the primary
16 jurisdiction;

17 (B) Located entirely within the unincorporated area of a county,
18 or partially within the unincorporated area of a county and partially
19 within a city, the county is the primary jurisdiction; and

20 (C) Located partially within multiple counties, each county is a
21 primary jurisdiction and must receive benefits under a local
22 investment commitment with the project developer in an amount
23 proportional to the nameplate capacity located in each county;

24 (ii) Benefit only counties or cities, or both, that have not
25 established explicit or de facto moratoria on the development of
26 qualifying energy projects determined consistent with section 203 of
27 this act;

28 (iii) For wind energy production facilities, include commitments
29 for the project developer to decommission the facility and provide
30 financial assurance consistent with section 204 of this act; and

31 (iv) Include a relinquishment, by the project developer, of the
32 property developer's right under RCW 84.40.038 to petition for a
33 retroactive change in the assessed valuation of the property
34 addressed in the local investment commitment, effective upon the
35 receipt by the jurisdiction of funds under this section.

36 (b) Jurisdictions entering into local investment commitments
37 finalized between January 1, 2023, and the effective date of this
38 section are eligible for grants under this section and are not
39 required to meet the criteria in (a) of this subsection.

1 (c) In order for a local investment commitment for a project that
2 applies to and completes the county's process for development
3 approval and files a state environmental policy act checklist
4 pursuant to chapter 43.21C RCW after the effective date of this
5 section to be eligible for funding under this section, a county must
6 include in its development regulations that a qualifying energy
7 project developer must:

8 (i) Initiate and document the offer to conduct early and
9 meaningful engagement, before the submission of a checklist under
10 chapter 43.21C RCW, related to the qualifying energy project with
11 each federally recognized Indian tribe within whose ceded territory
12 and usual and accustomed area the qualifying energy project is
13 proposed to be located in a manner that recognizes the sovereignty
14 and legal rights of the tribe;

15 (ii) Notify, and offer to meet with, the department of
16 archaeology and historic preservation regarding the geographical
17 location, detailed scope of the proposed project, preliminary
18 application details available to federal, state, or local
19 jurisdictions, and all publicly available materials; and

20 (iii) Survey the proposed project site in a manner that reflects
21 input solicited from the department of archaeology and historic
22 preservation and each federally recognized Indian tribe whose lands
23 described in this section are impacted, if any such input is received
24 by the project developer.

25 (3)(a) A qualifying energy project may be eligible under this
26 section if the project has received applicable permits under the
27 energy facility site evaluation council process established in
28 chapter 80.50 RCW, the clean energy coordinated permit process
29 established in RCW 43.394.020, or through permit processes overseen
30 by the city or county.

31 (b) A jurisdiction receiving a grant under this section may not
32 expend state funds in a manner that conflicts with Article VIII,
33 section 5 or Article VIII, section 7 of the Washington state
34 Constitution.

35 (4)(a) The department must establish an application process for
36 the program.

37 (b) The department may expend up to five percent of the funds
38 appropriated for the program for administrative costs.

39 (5) Nothing in this section limits the authority of a county or
40 city to administratively object to or legally appeal a qualifying

1 energy project or component thereof or to be eligible for grant funds
2 under this section if they file such an objection or appeal.

3 (6) For purposes of this section, the following definitions
4 apply:

5 (a) (i) "Energy storage system" means commercially available
6 technology that is capable of retaining electricity, storing the
7 energy for a period of time, and delivering the electricity after
8 storage by chemical, thermal, mechanical, or other means.

9 (ii) "Energy storage system" does not include a solar or wind
10 energy production facility.

11 (b) "Program" means the renewable energy development local
12 investment commitment matching grant program established in this
13 section.

14 (c) "Project developer" means a person that enters into a local
15 investment commitment associated with a qualifying energy project.

16 (d) "Qualifying energy project" means an energy storage system, a
17 wind or solar energy production facility, associated facilities, or
18 any combination thereof, constructed after the effective date of this
19 section and that is located in a county or city that has entered into
20 a local investment commitment with the project developer.

21 NEW SECTION. **Sec. 203.** A new section is added to chapter 43.63A
22 RCW to read as follows:

23 (1) (a) To be eligible for the grant program in section 202 of
24 this act, a county or city ordinance or other restriction that limits
25 the siting of a wind qualifying energy project may not contain
26 standards that are more restrictive than the following:

27 (i) Requirements for setbacks from wind energy facilities that
28 exceed:

29 (A) For occupied community buildings: 2.1 times the maximum blade
30 tip height of the wind tower to the nearest point on the outside wall
31 of the structure;

32 (B) For participating residences: 1.1 times the maximum blade tip
33 height of the wind tower to the nearest point on the outside wall of
34 the structure;

35 (C) For nonparticipating residences: 2.1 times the maximum blade
36 tip height of the wind tower to the nearest point on the outside wall
37 of the structure;

38 (D) For participating property boundary lines: Zero feet;

1 (E) For nonparticipating property boundary lines: 1.1 times the
2 maximum blade tip height of the wind tower to the nearest point on
3 the property line of the nonparticipating property;

4 (F) For public road rights-of-way: 1.1 times the maximum blade
5 tip height of the wind tower to the edge of the public road right-of-
6 way;

7 (G) For overhead communication and electrical transmission and
8 distribution facilities other than overhead utility service lines to
9 individual houses or outbuildings: 1.1 times the maximum blade tip
10 height of the wind tower to the nearest edge of the property line,
11 easement, or right-of-way containing the overhead line; and

12 (H) For overhead utility service lines to individual houses or
13 outbuildings: Zero feet;

14 (ii) Requirements that a wind tower be sited so that industry
15 standard computer modeling indicates that any occupied community
16 building or nonparticipating residence not experience 30 hours or
17 more per year of shadow flicker under planned operating conditions;
18 and

19 (iii) Blade height tip limitations that are more restrictive than
20 the height allowed under a determination of no hazard to air
21 aviation by the federal aviation administration under 14 C.F.R. Part
22 77.

23 (b) To be eligible for the grant program in section 202 of this
24 act, a county or city ordinance or other restriction that limits the
25 siting of a solar qualifying energy project may not contain standards
26 more restrictive than the following:

27 (i) Requirements for setbacks from solar energy facilities that
28 exceed:

29 (A) For occupied community buildings and dwellings on
30 nonparticipating properties: 150 feet from the nearest point on the
31 outside wall of the structure;

32 (B) For boundary lines of participating properties: Zero feet;

33 (C) For public road rights-of-way: 50 feet from the nearest edge
34 of any component of the facility; and

35 (D) For boundary lines of nonparticipating properties: 50 feet to
36 the nearest point on the property line of the nonparticipating
37 property;

38 (ii) A requirement for commercial solar energy facilities to be
39 sited so that the facility's perimeter is enclosed by fencing having
40 a height of 10 feet or more;

1 (iii) A requirement for commercial solar energy facilities to be
2 sited so that components of the solar panel must have a height of 20
3 feet or less above ground when the facility's arrays are at full
4 tilt.

5 (c) To be eligible for the grant program in section 202 of this
6 act, a county or city ordinance or other restriction that limits the
7 siting of any type of qualifying energy project may not contain
8 standards more restrictive than the following:

9 (i) Noise limitations that are more restrictive on any type of
10 qualifying energy project than the limitations that apply to other,
11 similar types of developments or facilities in the jurisdiction;

12 (ii) Zoning regulations that disallow, permanently or
13 temporarily, qualifying energy projects from being developed or
14 operated in any area zoned to allow industrial or agricultural uses,
15 except for regulations adopted under RCW 36.70A.060 that are
16 necessary to prevent conversion of agricultural resource lands of
17 long-term commercial significance or to prevent operational
18 interference with agricultural activities on agricultural resource
19 lands of long-term significance;

20 (iii) Application fees for qualifying energy projects that are
21 unreasonable;

22 (iv) Standards for construction, decommissioning, or
23 deconstruction of a facility or related financial assurances that are
24 more restrictive than those applicable to projects with a similar
25 capital value and cost or that are not demonstrably related to the
26 cost of anticipated decommissioning or deconstruction;

27 (v) Requirements, including the conditioning of approval, upon a
28 property value guarantee or the payment by a facility owner into a
29 neighboring property devaluation escrow account;

30 (vi) Requirements for earthen berms or similar structures other
31 than vegetative screenings surrounding a qualifying energy facility;

32 (vii) Requirements that a qualifying energy project developer pay
33 costs, fees, or other charges for road work that is not rationally
34 related or roughly proportional to the construction or operation of a
35 qualifying energy facility; and

36 (viii) Other standards or criteria, as determined by the
37 department, established by a city or county that apply to one or more
38 types of qualifying energy project but that do not apply to
39 developments or facilities similar to a qualifying energy project
40 within the jurisdiction, and which are not intended to address a

1 specific community impact that is unique to qualifying energy
2 projects and is not likely to result from the other, similar types of
3 developments or facilities.

4 (2) (a) Qualifying energy projects that receive applicable permits
5 to develop and operate from the jurisdiction in which the project is
6 located, and which do not use the site certification process in
7 chapter 80.50 RCW, are eligible for the grant program in section 202
8 of this act.

9 (b) In order for a qualifying energy project that receives site
10 certification under chapter 80.50 RCW to be eligible for the grant
11 program in section 202 of this act, the primary jurisdiction in which
12 the project is located must demonstrate to the department that the
13 jurisdiction has established standards for qualifying energy projects
14 that are more restrictive than the applicable standards referenced in
15 subsection (1) (a), (b), or (c) of this section, and that the
16 qualifying energy project would have been eligible to receive
17 applicable permits from the jurisdiction.

18 (3) Nothing in this section renders qualifying energy projects
19 ineligible for the program in section 202 of this act on the basis
20 of:

21 (a) Being located in a jurisdiction that imposes requirements,
22 standards, or restrictions on qualifying energy projects that are
23 consistent with the permit requirements, guidelines, or best
24 practices for the siting, development, or operation of qualifying
25 energy facilities imposed by a state agency or otherwise required
26 under state law; or

27 (b) Mitigation being imposed as a result of environmental review
28 under chapter 43.21C or 80.50 RCW to address a probable significant
29 adverse environmental impact.

30 (4) For purposes of this section, the following definitions
31 apply:

32 (a) "Nonparticipating property" means a property other than a
33 participating property.

34 (b) "Nonparticipating residence" means a residence that is
35 existing and occupied on the date that an application for a permit or
36 site certification to develop the qualifying energy project is filed,
37 and that is not located on participating property.

38 (c) "Occupied community building" means any one or more of the
39 following buildings that is existing and occupied on the date that
40 the application for a permit or site certification to develop a

1 qualifying energy project is filed: School, places of worship, day
2 care facility, public library, or community center.

3 (d) "Participating property" means real property that is owned by
4 the project developer or is the subject of a written agreement
5 between the project developer and the owner of the real property that
6 provides the project developer an easement, option, lease, or license
7 to use the real property for purposes of the qualifying energy
8 project.

9 (e) "Participating residence" means a residence that is existing
10 and occupied on the date that an application for a permit or site
11 certification to develop the qualifying energy project is filed and
12 is located on a participating property.

13 (f) "Program" has the same meaning as in section 202 of this act.

14 (g) "Project developer" has the same meaning as in section 202 of
15 this act.

16 (h) "Qualifying energy project" has the same meaning as in
17 section 202 of this act.

18 NEW SECTION. **Sec. 204.** A new section is added to chapter 43.63A
19 RCW to read as follows:

20 (1) The department must identify, for purposes of qualification
21 for the grant program established in section 202 of this act, minimum
22 standards for the decommissioning of a facility that includes the
23 production of wind energy. The minimum standards for the
24 decommissioning of a facility under a wind power facility agreement
25 must, at minimum:

26 (a) Provide that the grantee is responsible for removing the
27 grantee's wind power facilities from the landowner's property and
28 that the grantee shall safely:

29 (i) Clear, clean, and remove from the property:

30 (A) Each wind turbine generator, including towers and pad-mount
31 transformers;

32 (B) All liquids, greases, or similar substances contained in a
33 wind turbine generator;

34 (C) Each substation; and

35 (D) All liquids, greases, or similar substances contained in a
36 substation;

37 (ii) For each tower foundation and pad-mount transformer
38 foundation installed in the ground:

1 (A) Clear, clean, and remove the foundation from the ground to a
2 depth of at least three feet below the surface grade of the land in
3 which the foundation is installed; and

4 (B) Ensure that each hole or cavity created in the ground by the
5 removal is filled with topsoil by the same type or a similar type as
6 the predominant topsoil found on the property;

7 (iii) For each buried cable, including power, fiber optic, and
8 communications cables, installed in the ground:

9 (A) Clear, clean, and remove the cable from the ground to a depth
10 of at least three feet below the surface grade of the land in which
11 the cable is installed; and

12 (B) Ensure that each hole or cavity created in the ground by the
13 removal is filled with topsoil of the same type or a similar type as
14 the predominant topsoil found on the property; and

15 (iv) Clear, clean, and remove from the property each overhead
16 power or communications line installed by the grantee on the
17 property;

18 (b) Provide that, at the request of the landowner, the grantee
19 must:

20 (i) Clear, clean, and remove each road constructed by the grantee
21 on the property; and

22 (ii) Ensure that each hole or cavity created in the ground by the
23 removal is filled with topsoil of the same type or a similar type as
24 the predominant topsoil found on the property;

25 (c) Provide that, at the request of a landowner, the grantee
26 must, if reasonable:

27 (i) Remove from the property all rocks over 12 inches in diameter
28 excavated during the decommissioning or removal process;

29 (ii) Return the property to a tillable state using scarification,
30 v-rip, or disc methods, as appropriate; and

31 (iii) Ensure that:

32 (A) Each hole or cavity created in the ground by the removal
33 under (c)(i) of this subsection (1) is filled with topsoil of the
34 same type or a similar type as the predominant topsoil found on the
35 property; and

36 (B) The surface is returned as near as reasonably possible to the
37 same condition as before the grantee dug holes or cavities, including
38 by reseeding pasture land with native grasses prescribed by an
39 appropriate governmental agency, if any.

1 (2) In order to qualify for the grant program established in
2 section 202 of this act, a wind power facility agreement must provide
3 that the grantee obtain and deliver to the landowner evidence of
4 financial assurance meeting the requirements of this subsection to
5 secure the performance of the grantee's obligation to remove the
6 grantee's wind power facilities located on the landowner's property
7 as described in subsection (1) of this section.

8 (a) Acceptable forms of financial assurance include a parent
9 company guaranty with a minimum investment grade credit rating for
10 the parent company issued by a major domestic credit rating agency, a
11 letter of credit, a bond, or another form of financial assurance
12 acceptable to the landowner.

13 (b) The amount of the financial assurance must be at least equal
14 to the estimated amount by which the cost of removing the wind power
15 facilities from the landowner's property and restoring the property
16 to as near as reasonably possible the condition of the property as of
17 the date the agreement begins exceeds the salvage value of the wind
18 power facilities, minus any portion of the value of the wind power
19 facilities pledged to secure outstanding debt.

20 (c) The wind power facility agreement must provide that:

21 (i) The estimated cost of removing the wind power facilities from
22 the landowner's property and restoring the property to as near as
23 reasonably possible the condition of the property as of the date the
24 agreement begins and the estimated salvage value of the wind power
25 facilities must be determined by an independent, third-party
26 professional engineer licensed in Washington;

27 (ii) The grantee must deliver to the landowner an updated
28 estimate, prepared by an independent, third-party professional
29 engineer licensed in Washington, of the cost of removal and the
30 salvage value at least once every five years for the remainder of the
31 term of the agreement; and

32 (iii) The grantee is responsible for ensuring that the amount of
33 the financial assurance remains sufficient to cover the amount
34 required by (b) of this subsection, consistent with the estimates
35 required by this subsection (2)(c).

36 (d) The grantee is responsible for the costs of obtaining
37 financial assurance described in this subsection (2) and the costs of
38 determining the estimated removal costs and salvage value.

39 (e) The agreement must provide that the grantee must deliver the
40 financial assurance no later than the earlier of:

1 (i) The date the wind power facility agreement is terminated; or
2 (ii) The 10th anniversary of the commercial operations date of
3 the wind power facilities.

4 (f) The grantee may not cancel financial assurance before the
5 date the grantee has completed the grantee's obligation to remove the
6 grantee's wind power facilities located on the landowner's property
7 in the manner provided by this section, unless the grantee provides
8 the landowner with replacement financial assurance at the time of or
9 before the cancellation. In the event of a transfer of ownership of
10 the grantee's wind power facilities, the financial security provided
11 by the grantee must remain in place until the date evidence of
12 financial security meeting the requirements of this section is
13 provided to the landowner.

14 (3) Nothing in this section requires a wind energy production
15 facility to meet the decommissioning standards established in
16 subsection (1) of this section or provide the financial assurance
17 described in subsection (2) of this section, except for purposes of
18 qualifying for the grant program in section 202 of this act.

19 (4) For purposes of this section, the following definitions
20 apply:

21 (a) "Grantee" means a person that:

22 (i) Leases property from a landowner; and

23 (ii) Operates a wind power facility on the property.

24 (b) "Wind power facility agreement" means a lease agreement
25 between a grantee and a landowner that authorizes the grantee to
26 operate a wind power facility on the leased property.

27 NEW SECTION. **Sec. 205.** A new section is added to chapter 43.21A
28 RCW to read as follows:

29 (1) The department must establish an ongoing program to provide
30 biennial capacity grants to federally recognized tribes consistent
31 with this section. It is the intent of the legislature to fund this
32 program in the amount of \$21,500,000 each biennium, adjusted for
33 inflation using the most recent consumer price index.

34 (a) For purposes of fiscal year 2025, the legislature intends to
35 fund the grant program with appropriations from the climate
36 commitment account created in RCW 70A.65.260.

37 (b) Beginning in fiscal year 2026, the legislature intends
38 funding for the grant program to be increasingly paid for through the
39 local community investment account created in section 117 of this act

1 and intends to dedicate up to 50 percent of the available funds in
2 that account towards the total cost of the program, with the balance
3 of \$21,500,000 being funded through the climate commitment account
4 created in RCW 70A.65.260.

5 (2) A capacity grant may be used by a recipient federally
6 recognized tribe, at the discretion of each tribe in a manner that
7 recognizes their sovereignty, for:

8 (a) Consultation on spending decisions on grants in accordance
9 with RCW 70A.65.305;

10 (b) Consultation on clean energy siting projects;

11 (c) Activities supporting climate resilience and adaptation;

12 (d) Developing tribal clean energy projects, as defined in RCW
13 43.158.010;

14 (e) Applying for state or federal grant funding;

15 (f) Other activities for which funds in the climate commitment
16 account, or the natural climate solutions account created in RCW
17 70A.65.270, are eligible; and

18 (g) Other related work.

19 (3) In order to satisfy the requirements of RCW 70A.65.230(1)(b),
20 tribal applicants are encouraged to include a tribal resolution
21 supporting their request with their grant application.

22 (4) The department must award funds available under this section
23 equally among grant applicants.

24 (5) Nothing in this section limits the authority of a tribe that
25 receives funds under this section to administratively object to or
26 legally appeal a qualifying energy project or component thereof or to
27 be eligible for grant funds under this section if they file such an
28 objection or appeal.

29 **PART III**

30 **MISCELLANEOUS**

31 NEW SECTION. **Sec. 301.** The following acts or parts of acts are
32 each repealed:

33 (1) RCW 84.36.680 (Generation or storage of renewable energy) and
34 2023 c 427 s 1;

35 (2) RCW 82.96.010 (Tax on renewable energy generation or storage—
36 Rates—Administration) and 2023 c 427 s 2;

37 (3) RCW 82.96.020 (Renewable energy local benefit account) and
38 2023 c 427 s 3; and

1 (4) RCW 82.96.030 (Administration—Application of chapter 82.32
2 RCW) and 2023 c 427 s 4.

3 NEW SECTION. **Sec. 302.** RCW 82.32.805 and 82.32.808 do not apply
4 to this act.

5 NEW SECTION. **Sec. 303.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 304.** Sections 101 through 110 and 114 of this
10 act apply to property taxes levied for collection in 2027 and
11 thereafter.

12 NEW SECTION. **Sec. 305.** Sections 111 through 113 and 115 of this
13 act apply to property taxes levied for collection in 2026 and
14 thereafter.

15 NEW SECTION. **Sec. 306.** This act takes effect January 1, 2026.

16 NEW SECTION. **Sec. 307.** If specific funding for the purposes of
17 this act, referencing this act by bill or chapter number, is not
18 provided by June 30, 2025, in the omnibus appropriations act, this
19 act is null and void.

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