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**HOUSE BILL 1918**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Macri, Valdez, Berry, Ryu, Simmons, Peterson, Goodman, Ramel, Kloba, Bateman, Harris-Talley, and Pollet

AN ACT Relating to reducing emissions from outdoor power equipment; amending RCW 82.08.020; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 43.19A RCW; creating a new section; and providing an expiration date.

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

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

(1) The tax imposed by RCW 82.08.020 does not apply to the sale of zero emission outdoor power equipment.

(2) Each seller of outdoor power equipment must notify potential customers of the effective zero percent sales tax rate established in this section for zero emission outdoor power equipment, and the effective 13 percent state sales tax rate on outdoor power equipment that is not zero emission outdoor power equipment under RCW 82.08.020(6).

(a) A seller of outdoor power equipment in a physical location including, but not limited to, a store or booth, must satisfy the requirements of this subsection by affixing a notice, label, or sign to the outdoor power equipment or in a prominent manner adjacent to the product, in arial font and at least 14 point type.

(b) A seller of outdoor power equipment that uses an electronic place including, but not limited to, an internet website or dedicated sales software application, must satisfy the requirements of this subsection through a prominent notice that appears both in any electronic spaces advertising or displaying the product, and at the time of payment.

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

(a) "Battery" means a secondary battery or storage cell that can be charged, discharged into a load, and recharged many times; and includes one of several different combinations of electrode materials and electrolytes.

(b) "Battery pack" means a group of any number of secondary or rechargeable batteries within a casing and used as a power source for outdoor power equipment.

(c) "Fuel cell" means an electrochemical reaction that generates electric energy by combining atoms of hydrogen and oxygen in the presence of a catalyst.

(d) "Outdoor power equipment" means vegetation cutting equipment, leaf blowers, leaf shredders, leaf vacuums, soil tillers, soil cultivators, augers, mulchers, edgers, wood chippers, stump grinders, pressure washers, snow blowers, tampers, compactors, and other equipment designed or marketed for use in an outdoor setting in the management of vegetation, landscaped outdoor spaces, or built spaces.

(e) "Vegetation cutting equipment" includes lawn mowers, riding lawn mowers, hedge trimmers, string trimmers, brush cutters, chainsaws, pole trimmers, pole saws, and log splitters.

(f) "Zero emission outdoor power equipment" means outdoor power equipment that is powered by a source that does not produce exhaust gas other than water. "Zero emission outdoor power equipment" includes, but is not limited to, equipment powered by batteries, battery packs, fuel cells, or electricity through an electric power cord. "Zero emission outdoor power equipment" also includes lawnmowers powered solely by human effort.

(4) This section expires January 1, 2033.

**Sec.**  RCW 82.08.020 and 2014 c 140 s 12 are each amended to read as follows:

(1) There is levied and collected a tax equal to six and five-tenths percent of the selling price on each retail sale in this state of:

(a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;

(b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;

(c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;

(d) Extended warranties to consumers; and

(e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of marijuana;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310; and

(d) Snowmobiles as defined in RCW 46.04.546.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

(6) Beginning July 1, 2022, and until January 1, 2033, there is levied and collected an additional air quality improvement tax of 6.5 percent of the selling price on each retail sale of outdoor power equipment, as defined in section 1 of this act, that is not zero emission outdoor power equipment, as defined in section 1 of this act, and that is powered by an engine that produces a gross horsepower of less than 25 horsepower at or below 19 kilowatts or is designed to produce less than 25 horsepower.

(7) The taxes imposed under this chapter apply to successive retail sales of the same property.

((~~(7)~~)) (8) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

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

(1) The tax imposed by RCW 82.12.020 does not apply to the use of zero emission outdoor power equipment.

(2) Consistent with RCW 82.12.020(4)(a), the tax on outdoor power equipment that is not zero emission outdoor power equipment that is imposed by RCW 82.08.020 is levied and must be collected in an amount equal to the value of the outdoor power equipment used, multiplied by the applicable rate in effect for the retail sales tax under RCW 82.08.020, including the air quality improvement tax specified in RCW 82.08.020(6).

(3) The definitions in section 1 of this act apply to this section.

NEW SECTION. **Sec.**  A new section is added to chapter 43.19A RCW to read as follows:

(1) Beginning January 1, 2025, state agencies and local governments may only purchase outdoor power equipment that is zero emission outdoor power equipment.

(2) By December 1, 2026, the department of commerce must review compliance by local governments and state agencies with the requirements of this section, and must submit a brief report to the appropriate committees of the legislature that addresses the compliance status of each state agency and local government with the requirements of this section. The compliance review must include a review of the market availability, cost, and performance attributes of zero emission outdoor power equipment relative to nonzero emission versions of outdoor power equipment.

(3) For purposes of this section, "outdoor power equipment" and "zero emission outdoor power equipment" have the same meaning as in section 1 of this act.

NEW SECTION. **Sec.**  This section is the tax preference performance statement for the tax preference contained in section 1, chapter . . ., Laws of 2022 (section 1 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated by RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to discourage the use of gas-powered outdoor power equipment and instead encourage the use of zero emission outdoor power equipment. It is the legislature's intent to support, through tax policy, reductions in greenhouse gas and conventional air pollutant emissions associated with outdoor power equipment usage.

(3) To measure the effectiveness of this tax preference in achieving the specific public policy objective described in subsection (2) of this section, the joint legislative audit and review committee must, at minimum, review:

(a)(i) The number of taxpayers that receive the preference established in section 1 of this act;

(ii) The number of taxpayers that paid the air quality improvement tax established in RCW 82.08.020(6);

(b)(i) The total sales tax exempted as a result of the preference established in section 1 of this act;

(ii) The total tax paid as a result of the air quality improvement tax established in RCW 82.08.020(6);

(c)(i) The average per taxpayer exemption, calculated by dividing (b)(i) by (a)(i) of this subsection;

(ii) The average per taxpayer air quality improvement tax paid, calculated by dividing (b)(ii) by (a)(ii) of this subsection;

(d) The net effect on state revenues as a result of the preference established in section 1 of this act together with the air quality improvement tax established in RCW 82.08.020(6), calculated by subtracting (b)(i) from (b)(ii) of this subsection; and

(e) To the extent practicable and that such data is available:

(i) The amount of benefit to taxpayers in each county of the state as a result of the tax preference established in section 1 of this act;

(ii) The cost to taxpayers in each county of the state as a result of the air quality improvement tax established in RCW 82.08.020(6);

(iii) The amount of tax preference applied to each type or category of zero emission outdoor power equipment; and

(iv) The amount of air quality improvement tax paid associated with each type or category of outdoor power equipment.

(4) The joint legislative audit and review committee must, to the greatest extent practicable, consider this preference in conjunction with the effects of the air quality improvement tax established in RCW 82.08.020(6).

(5) The joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under this section.

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