
SUBSTITUTE HOUSE BILL 1657

State of Washington

67th Legislature

2022 Regular Session

By House Finance (originally sponsored by Representatives Griffey, Barkis, Graham, Dent, Rule, and Young)

READ FIRST TIME 02/07/22.

1 AN ACT Relating to reducing the emissions and safety risks of
2 inadequate commercial truck parking supply through tax incentives;
3 amending RCW 82.29A.130; adding a new section to chapter 84.36 RCW;
4 adding a new section to chapter 82.08 RCW; adding a new section to
5 chapter 82.12 RCW; and creating new sections.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the demand for
8 truck parking in Washington far exceeds supply. In a 2016 Washington
9 state department of transportation survey, over 60 percent of
10 truckers reported spending an hour or more per day looking for
11 parking. The shortage of truck parking stifles economic growth,
12 increases pollution, and makes our roadways less safe as fatigued
13 drivers cannot find a safe place to park.

14 In 2021, a jointly held workshop of the federal highway
15 administration and Washington state department of transportation
16 identified that Washington ranks low in truck parking availability,
17 especially for private truck parking capacity. It found that truck
18 parking capacity is generally most constrained where demand is
19 highest in urban areas, mountain passes, border crossings, and near
20 ports and industrial areas. The biggest hurdles for expanding
21 capacity were high real estate costs and community opposition. The

1 workshop resulted in several recommendations, including investigating
2 whether state policies could be amended to encourage new truck
3 parking developments, and specifically assessing incentives to
4 develop more private spaces. Due to the presently existing
5 significant safety, environmental, and economic consequences that
6 result from the capacity shortfall, the legislature intends to
7 address the expense of adding capacity through reducing taxes
8 associated with expanding existing parking and developing new
9 parking.

10 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
11 performance statement for the tax preference contained in sections 3
12 through 6, chapter . . ., Laws of 2022 (sections 3 through 6 of this
13 act). This performance statement is only intended to be used for
14 subsequent evaluation of the tax preference. It is not intended to
15 create a private right of action by any party or to be used to
16 determine eligibility for preferential tax treatment.

17 (2) The legislature categorizes this tax preference as one
18 intended to provide incentives to increase safe overnight truck
19 parking capacity pursuant to RCW 82.32.808(2)(f).

20 (3) It is the legislature's specific public policy objective to
21 increase public safety, reduce greenhouse gas emissions, and foster
22 economic development by increasing the state's capacity to move
23 freight efficiently.

24 (4) If the review finds that if both (a) the number of truck
25 parking spaces suitable for overnight use has grown by at least 1,000
26 spaces from the effective date of this section, and (b) half of the
27 truck parking spaces developed after the effective date of this
28 section have either hydrogen fueling access or electric charging
29 access, then the legislature intends to extend the expiration date of
30 this tax preference.

31 (5) In order to obtain the data necessary to perform the review
32 in subsection (4) of this section, the joint legislative audit and
33 review committee may refer to any data collected by the state. The
34 Washington state department of transportation shall cooperate with
35 requests for information from the joint legislative audit and review
36 committee to document the location, number, and characteristics of
37 truck parking spaces.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36
2 RCW to read as follows:

3 (1) All real and personal property is exempt from ad valorem
4 taxation upon which there are at least 10 safe, overnight commercial
5 truck parking spaces constructed for the period of time set forth in
6 subsection (2) of this section.

7 (2) A parcel must be exempt from ad valorem tax from the date
8 upon which substantial construction work begins until one year after
9 the secretary of the department of transportation shall certify to
10 the department of revenue that the state has sufficient safe,
11 overnight commercial truck parking for the freight delivery needs of
12 the state or January 1, 2033, whichever is sooner.

13 (3) For the purposes of this section, "commercial truck parking
14 spaces" must have a minimum dimension of 12 feet wide and 70 feet
15 long.

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

18 (1) The tax levied by RCW 82.08.020 does not apply to sales of
19 materials and labor used to construct a parking lot with at least 10
20 qualified commercial truck parking spaces or 10 qualified port
21 district truck parking spaces. Construction of the parking lot must
22 begin after the effective date of this section.

23 (2) For the purposes of this section, the following definitions
24 apply:

25 (a) "Qualified commercial truck parking spaces" means spaces
26 that:

- 27 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 28 (ii) Are accessible and suitable for overnight use; and
- 29 (iii) Allow for the fueling of electric batteries or hydrogen
30 fuel cells.

31 (b) "Qualified port district truck parking spaces" means spaces
32 that:

- 33 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 34 (ii) Are accessible and suitable for overnight use; and
- 35 (iii) Are accessible and available for any commercial truck
36 authorized to be on the port property.

37 (3) The exemption in subsection (1) of this section is available
38 from the effective date of this section until one year after the
39 secretary of the department of transportation shall certify to the

1 department of revenue that the state has sufficient safe, overnight
2 commercial truck parking for the freight delivery needs of the state
3 or January 1, 2033, whichever is sooner.

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

6 (1) The provisions of this chapter do not apply to sales of
7 materials and labor used to construct a parking lot with at least 10
8 qualified commercial truck parking spaces or 10 qualified port
9 district truck parking spaces. Construction of the parking lot must
10 begin after the effective date of this section.

11 (2) For the purposes of this section, the following definitions
12 apply:

13 (a) "Qualified commercial truck parking spaces" means spaces
14 that:

- 15 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 16 (ii) Are accessible and suitable for overnight use; and
- 17 (iii) Allow for the fueling of electric batteries or hydrogen
18 fuel cells.

19 (b) "Qualified port district truck parking spaces" means spaces
20 that:

- 21 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 22 (ii) Are accessible and suitable for overnight use; and
- 23 (iii) Are accessible and available for any commercial truck
24 authorized to be on the port property.

25 (3) The exemption in subsection (1) of this section is available
26 from the effective date of this section until one year after the
27 secretary of the department of transportation shall certify to the
28 department of revenue that the state has sufficient safe, overnight
29 commercial truck parking for the freight delivery needs of the state
30 or January 1, 2033, whichever is sooner.

31 **Sec. 6.** RCW 82.29A.130 and 2019 c 335 s 1 are each amended to
32 read as follows:

33 The following leasehold interests are exempt from taxes imposed
34 pursuant to RCW 82.29A.030 and 82.29A.040:

35 (1) All leasehold interests constituting a part of the operating
36 properties of any public utility that is assessed and taxed as a
37 public utility pursuant to chapter 84.12 RCW.

1 (2) All leasehold interests in facilities owned or used by a
2 school, college or university which leasehold provides housing for
3 students and which is otherwise exempt from taxation under provisions
4 of RCW 84.36.010 and 84.36.050.

5 (3) All leasehold interests of subsidized housing where the fee
6 ownership of such property is vested in the government of the United
7 States, or the state of Washington or any political subdivision
8 thereof but only if income qualification exists for such housing.

9 (4) All leasehold interests used for fair purposes of a nonprofit
10 fair association that sponsors or conducts a fair or fairs which
11 receive support from revenues collected pursuant to RCW 67.16.100 and
12 allocated by the director of the department of agriculture where the
13 fee ownership of such property is vested in the government of the
14 United States, the state of Washington or any of its political
15 subdivisions. However, this exemption does not apply to the leasehold
16 interest of any sublessee of such nonprofit fair association if such
17 leasehold interest would be taxable if it were the primary lease.

18 (5) All leasehold interests in any property of any public entity
19 used as a residence by an employee of that public entity who is
20 required as a condition of employment to live in the publicly owned
21 property.

22 (6) All leasehold interests held by enrolled Indians of lands
23 owned or held by any Indian or Indian tribe where the fee ownership
24 of such property is vested in or held in trust by the United States
25 and which are not subleased to other than to a lessee which would
26 qualify pursuant to this chapter, RCW 84.36.451 and 84.40.175.

27 (7) All leasehold interests in any real property of any Indian or
28 Indian tribe, band, or community that is held in trust by the United
29 States or is subject to a restriction against alienation imposed by
30 the United States. However, this exemption applies only where it is
31 determined that contract rent paid is greater than or equal to ninety
32 percent of fair market rental, to be determined by the department of
33 revenue using the same criteria used to establish taxable rent in RCW
34 82.29A.020(2)(g).

35 (8) All leasehold interests for which annual taxable rent is less
36 than two hundred fifty dollars per year. For purposes of this
37 subsection leasehold interests held by the same lessee in contiguous
38 properties owned by the same lessor are deemed a single leasehold
39 interest.

1 (9) All leasehold interests which give use or possession of the
2 leased property for a continuous period of less than thirty days:
3 PROVIDED, That for purposes of this subsection, successive leases or
4 lease renewals giving substantially continuous use of possession of
5 the same property to the same lessee are deemed a single leasehold
6 interest: PROVIDED FURTHER, That no leasehold interest is deemed to
7 give use or possession for a period of less than thirty days solely
8 by virtue of the reservation by the public lessor of the right to use
9 the property or to allow third parties to use the property on an
10 occasional, temporary basis.

11 (10) All leasehold interests under month-to-month leases in
12 residential units rented for residential purposes of the lessee
13 pending destruction or removal for the purpose of constructing a
14 public highway or building.

15 (11) All leasehold interests in any publicly owned real or
16 personal property to the extent such leasehold interests arises
17 solely by virtue of a contract for public improvements or work
18 executed under the public works statutes of this state or of the
19 United States between the public owner of the property and a
20 contractor.

21 (12) All leasehold interests that give use or possession of state
22 adult correctional facilities for the purposes of operating
23 correctional industries under RCW 72.09.100.

24 (13) All leasehold interests used to provide organized and
25 supervised recreational activities for persons with disabilities of
26 all ages in a camp facility and for public recreational purposes by a
27 nonprofit organization, association, or corporation that would be
28 exempt from property tax under RCW 84.36.030(1) if it owned the
29 property. If the publicly owned property is used for any taxable
30 purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and
31 82.29A.040 must be imposed and must be apportioned accordingly.

32 (14) All leasehold interests in the public or entertainment areas
33 of a baseball stadium with natural turf and a retractable roof or
34 canopy that is in a county with a population of over one million,
35 that has a seating capacity of over forty thousand, and that is
36 constructed on or after January 1, 1995. "Public or entertainment
37 areas" include ticket sales areas, ramps and stairs, lobbies and
38 concourses, parking areas, concession areas, restaurants, hospitality
39 and stadium club areas, kitchens or other work areas primarily
40 servicing other public or entertainment areas, public rest room

1 areas, press and media areas, control booths, broadcast and
2 production areas, retail sales areas, museum and exhibit areas,
3 scoreboards or other public displays, storage areas, loading,
4 staging, and servicing areas, seating areas and suites, the playing
5 field, and any other areas to which the public has access or which
6 are used for the production of the entertainment event or other
7 public usage, and any other personal property used for these
8 purposes. "Public or entertainment areas" does not include locker
9 rooms or private offices exclusively used by the lessee.

10 (15) All leasehold interests in the public or entertainment areas
11 of a stadium and exhibition center, as defined in RCW 36.102.010,
12 that is constructed on or after January 1, 1998. For the purposes of
13 this subsection, "public or entertainment areas" has the same meaning
14 as in subsection (14) of this section, and includes exhibition areas.

15 (16) All leasehold interests in public facilities districts, as
16 provided in chapter 36.100 or 35.57 RCW.

17 (17) All leasehold interests in property that is: (a) Owned by
18 the United States government or a municipal corporation; (b) listed
19 on any federal or state register of historical sites; and (c) wholly
20 contained within a designated national historic reserve under 16
21 U.S.C. Sec. 461.

22 (18) All leasehold interests in the public or entertainment areas
23 of an amphitheater if a private entity is responsible for one hundred
24 percent of the cost of constructing the amphitheater which is not
25 reimbursed by the public owner, both the public owner and the private
26 lessee sponsor events at the facility on a regular basis, the lessee
27 is responsible under the lease or agreement to operate and maintain
28 the facility, and the amphitheater has a seating capacity of over
29 seventeen thousand reserved and general admission seats and is in a
30 county that had a population of over three hundred fifty thousand,
31 but less than four hundred twenty-five thousand when the amphitheater
32 first opened to the public.

33 For the purposes of this subsection, "public or entertainment
34 areas" include box offices or other ticket sales areas, entrance
35 gates, ramps and stairs, lobbies and concourses, parking areas,
36 concession areas, restaurants, hospitality areas, kitchens or other
37 work areas primarily servicing other public or entertainment areas,
38 public rest room areas, press and media areas, control booths,
39 broadcast and production areas, retail sales areas, museum and
40 exhibit areas, scoreboards or other public displays, storage areas,

1 loading, staging, and servicing areas, seating areas including lawn
2 seating areas and suites, stages, and any other areas to which the
3 public has access or which are used for the production of the
4 entertainment event or other public usage, and any other personal
5 property used for these purposes. "Public or entertainment areas"
6 does not include office areas used predominately by the lessee.

7 (19) All leasehold interests in real property used for the
8 placement of military housing meeting the requirements of RCW
9 84.36.665.

10 (20) All leasehold interests in facilities owned or used by a
11 community college or technical college, which leasehold interest
12 provides:

- 13 (a) Food services for students, faculty, and staff;
- 14 (b) The operation of a bookstore on campus; or
- 15 (c) Maintenance, operational, or administrative services to the
16 community college or technical college.

17 (21)(a) All leasehold interests in the public or entertainment
18 areas of an arena if it:

- 19 (i) Has a seating capacity of more than two thousand;
- 20 (ii) Is located on city-owned land; and
- 21 (iii) Is owned by a city with a population over two hundred
22 thousand within a county with a population of less than one million
23 five hundred thousand.

24 (b) For the purposes of this subsection (21), "public or
25 entertainment areas" has the same meaning as provided in subsection
26 (18) of this section.

27 (22) All leasehold interests in real property owned by a port and
28 used by a port tenant to provide qualified port district truck
29 parking spaces. For purposes of this subsection, "qualified port
30 district truck parking spaces" means spaces that:

- 31 (a) Have a minimum dimension of 12 feet wide and 70 feet long;
- 32 (b) Are accessible and suitable for overnight use; and
- 33 (c) Are accessible and available for any commercial truck
34 authorized to be on the port property.

35 NEW SECTION. Sec. 7. Section 3 of this act applies to taxes
36 levied for collection in 2023 and thereafter.

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