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**SUBSTITUTE HOUSE BILL 1210**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** House Finance (originally sponsored by Representatives Barnard and Springer)

READ FIRST TIME 02/11/25.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (10)(a) "Clean energy transformation business" means any business  
33 that conducts any of the following activities:

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

36 (ii) Produces or constructs equipment to produce green  
37 electrolytic hydrogen as defined in RCW 54.04.190 or renewable  
38 hydrogen as defined in RCW 19.405.020; or

39 (iii) Produces energy storage equipment capable of transmitting  
40 electric energy at 500 kilovolts or greater.

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

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

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

10 (a) A description of the work that has been completed and a  
11 statement that the new construction on the owner's property qualify  
12 the property for a partial exemption under this chapter, including  
13 verification that all requirements of RCW 84.25.080 and commitments  
14 made by the applicant for prioritization in the application approval  
15 process have been met;

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

18 (c) A statement of the postconstruction new prevailing or family  
19 living wage jobs to be offered as a result of the new construction of  
20 (~~manufacturing/industrial—[industrial/manufacturing]~~) industrial/  
21 manufacturing facilities and commitments to postconstruction labor  
22 standards for employed workers; and

23 (~~(e)~~) (d) A statement that the work has been completed within  
24 three years of the issuance of the conditional certificate of tax  
25 exemption.

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

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

36 (b) Workers were paid prevailing wages during the construction of  
37 the project; and

38 (c) State-registered apprentices were employed on the  
39 construction project and met the apprentice rate committed to in the

1 application, community workforce agreement, or project labor  
2 agreement, if applicable.

3 (3) If the criteria of this chapter have been satisfied and the  
4 owner's property is qualified for a tax exemption under this chapter,  
5 the city must file the certificate of tax exemption with the county  
6 assessor within (~~ten~~) 10 days of the expiration of the (~~thirty~~)  
7 30-day period provided under subsection (2) of this section.

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

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

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

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

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

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

27 (6) The city's governing authority may enact an ordinance to  
28 provide a process for an owner to appeal a decision by the city that  
29 the owner is not entitled to a certificate of tax exemption to the  
30 city. The owner may appeal a decision by the city to deny a  
31 certificate of tax exemption in superior court under RCW 34.05.510  
32 through 34.05.598, if the appeal is filed within (~~thirty~~) 30 days  
33 of notification by the city to the owner of the exemption denial.

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

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