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HOUSE BILL 1391

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State of Washington

65th Legislature

2017 Regular Session

By Representatives DeBolt and Orcutt

Read first time 01/18/17. Referred to Committee on Finance.

1 AN ACT Relating to a property tax exemption for land owned by a  
2 nonprofit organization and designated as a master planned location  
3 for major industrial activity; adding a new section to chapter 84.36  
4 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that a four  
7 thousand four hundred acre industrial site in Lewis county was  
8 formerly a surface coal mining operation. The legislature further  
9 finds that coal removal operations ended in 2006. The legislature  
10 further finds that it designated areas of this reclaimed mine site as  
11 a new industrial park in state law (RCW 36.70A.368). The legislature  
12 further finds that this site has good access to both air and water  
13 ports as well as major north-south and east-west truck and rail  
14 corridors. The legislature further finds that this site is an ideal  
15 location for major industrial investment while also located in an  
16 area which enjoys open space, with wild and scenic beauty. The  
17 legislature further finds that the industrial park at Transalta  
18 (IPAT), a 501(c)(3) nonprofit organization, currently owns one  
19 thousand of the four thousand four hundred acre industrial site and  
20 works with the state department of commerce to market and develop the  
21 entire four thousand four hundred acre site for industrial activity.

1 The legislature further finds that IPAT, unlike many nonprofits, is  
2 paying property taxes on the property that it is seeking to sell to  
3 third parties for industrial development pursuant to its nonprofit  
4 mission. The legislature further finds that these property taxes  
5 amount to approximately eight percent of operating expenses.

6 (2)(a) This section is the tax preference performance statement  
7 for the property tax exemption contained in section 2 of this act.  
8 This performance statement is only intended to be used for subsequent  
9 evaluation of the tax preferences. It is not intended to create a  
10 private right of action by any party or be used to determine  
11 eligibility for preferential tax treatment.

12 (b) The legislature categorizes these tax preferences as intended  
13 to improve industry competitiveness and create or retain jobs, as  
14 indicated in RCW 82.32.808(2) (b) and (c).

15 (c) It is the legislature's specific public policy objective to  
16 provide a property tax exemption for land owned by a nonprofit  
17 organization that seeks to market and sell its land holdings for  
18 industrial development to fulfill a mission recognized in state law  
19 to redevelop land formerly used for coal mining activity.

20 (d) Because the property tax exemption in section 2 of this act  
21 will no longer have any applicability after land within an area  
22 designated as a master planned location for major industrial activity  
23 is sold by the nonprofit organization to private party, the  
24 provisions of RCW 82.32.805 and 82.32.808 do not apply to this act.

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

27 All real property owned by a nonprofit and within an area  
28 designated as a master planned location for major industrial activity  
29 outside urban growth areas on lands formerly used or designated for  
30 surface coal mining and supporting uses, as provided in RCW  
31 36.70A.368, is exempt from property taxation.

32 NEW SECTION. **Sec. 3.** This act applies to taxes levied for  
33 collection in 2018 and thereafter.

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