H-2138.1

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**HOUSE BILL 2120**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Barnard, Shavers, Graham, and Wylie

AN ACT Relating to tax preferences for clean energy manufacturers; amending RCW 84.25.110; and creating a new section.

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

NEW SECTION. **Sec.**  It is the intent of the legislature to ensure that clean energy manufacturers have equal access to the existing targeted urban area tax preferences under chapter 84.25 RCW. Due to burdensome and lengthy reviews by the United States nuclear regulatory commission, nuclear fuel manufacturers face unique challenges in the construction of new production facilities that potentially precludes them from access to these tax preferences. Washington state has a longstanding commitment to world-class clean energy production and to the creation of family-wage jobs in the clean energy sector. Therefore, the legislature intends to allow cities using the targeted urban area tax preferences to extend additional time to nuclear manufacturing facilities to attract and retain clean energy manufacturers and the economic benefits they bring to our communities.

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

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

(a) A description of the work that has been completed and a statement that the new construction on the owner's property qualify the property for a partial exemption under this chapter;

(b) A statement of the new family living wage jobs to be offered as a result of the new construction of ((~~manufacturing/industrial [industrial/manufacturing]~~)) industrial/manufacturing facilities; and

(c) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within ((~~thirty~~)) 30 days after receipt of the statements required under subsection (1) of this section, the city must determine whether the work completed and the jobs to be offered are consistent with the application and the contract approved by the city and whether the application is qualified for a tax exemption under this chapter.

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

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

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

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

(c) The jobs to be offered are not consistent with the application and criteria of this chapter; or

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

(5) If the city finds that the work was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city official authorized by the governing authority may extend the deadline for completion of the work for a period not to exceed ((~~twenty-four~~)) 24 consecutive months. If the project is a nuclear facility requiring certification by the United States nuclear regulatory commission, up to two additional 24 consecutive month extensions may be granted.

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

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