
HOUSE BILL 3290

State of Washington

59th Legislature

2006 Regular Session

By Representatives Kessler and Blake

Read first time 02/01/2006. Referred to Committee on Economic Development, Agriculture & Trade.

1 AN ACT Relating to business incentives for timber mills designated
2 as forest products operations of statewide significance; amending RCW
3 43.157.010, 43.157.020, and 43.157.030; adding a new section to chapter
4 82.04 RCW; adding a new section to chapter 82.08 RCW; adding a new
5 section to chapter 82.12 RCW; adding a new section to chapter 36.70A
6 RCW; adding a new section to chapter 36.32 RCW; and providing an
7 effective date.

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

9 **Sec. 1.** RCW 43.157.010 and 2004 c 275 s 63 are each amended to
10 read as follows:

11 (1) For purposes of this chapter and RCW 28A.525.166, 28B.76.210,
12 28C.18.080, 43.21A.350, 47.06.030, and 90.58.100 (~~and~~), an industrial
13 project of statewide significance is a border crossing project that
14 involves both private and public investments carried out in conjunction
15 with adjacent states or provinces or a private industrial development
16 with private capital investment in manufacturing or research and
17 development. To qualify as an industrial project of statewide
18 significance: (a) The project must be completed after January 1, 1997;
19 (b) the applicant must submit an application for designation as an

1 industrial project of statewide significance to the department (~~of~~
2 ~~community, trade, and economic development~~); and (c) the project must
3 have:

4 (i) In counties with a population of less than or equal to twenty
5 thousand, a capital investment of twenty million dollars;

6 (ii) In counties with a population of greater than twenty thousand
7 but no more than fifty thousand, a capital investment of fifty million
8 dollars;

9 (iii) In counties with a population of greater than fifty thousand
10 but no more than one hundred thousand, a capital investment of one
11 hundred million dollars;

12 (iv) In counties with a population of greater than one hundred
13 thousand but no more than two hundred thousand, a capital investment of
14 two hundred million dollars;

15 (v) In counties with a population of greater than two hundred
16 thousand but no more than four hundred thousand, a capital investment
17 of four hundred million dollars;

18 (vi) In counties with a population of greater than four hundred
19 thousand but no more than one million, a capital investment of six
20 hundred million dollars;

21 (vii) In counties with a population of greater than one million, a
22 capital investment of one billion dollars;

23 (viii) In counties with fewer than one hundred persons per square
24 mile as determined annually by the office of financial management and
25 published by the department of revenue effective for the period July
26 1st through June 30th, projected full-time employment positions after
27 completion of construction of fifty or greater;

28 (ix) In counties with one hundred or more persons per square mile
29 as determined annually by the office of financial management and
30 published by the department of revenue effective for the period July
31 1st through June 30th, projected full-time employment positions after
32 completion of construction of one hundred or greater; or

33 (x) Been designated by the director of community, trade, and
34 economic development as an industrial project of statewide significance
35 either: (A) Because the county in which the project is to be located
36 is a distressed county and the economic circumstances of the county
37 merit the additional assistance such designation will bring; or (B)

1 because the impact on a region due to the size and complexity of the
2 project merits such designation.

3 ~~((The term))~~ The definitions in this subsection apply
4 throughout this chapter unless the context clearly requires otherwise.

5 (a) "Forest products operation of statewide significance" is an
6 industrial operation that processes or mills only timber that has been
7 harvested from public or private lands within the state of Washington
8 and has been certified as such under RCW 43.157.030. To qualify for a
9 designation as a forest products operation of statewide significance,
10 the operation must be either wholly new, a refurbished existing
11 facility, or an existing facility that has increased milling capacity.

12 (b) "Manufacturing" ~~((shall have the meaning assigned it in RCW~~
13 82.61.010)) means all activities of a commercial or industrial nature
14 wherein labor or skill is applied, by hand or machinery, to materials
15 so that as a result thereof a new, different, or useful substance or
16 article of tangible personal property is produced for sale or
17 commercial or industrial use and includes the production or fabrication
18 of specially made or custom-made articles.

19 ~~((3) The term))~~ (c) "Research and development" ~~((shall have the~~
20 meaning assigned it in RCW 82.61.010)) means the development,
21 refinement, testing, marketing, and commercialization of a product,
22 service, or process before commercial sales have begun.

23 ~~((4) The term))~~ (d) "Applicant" means a person applying to the
24 department ~~((of community, trade, and economic development))~~ for
25 designation of a development project as an industrial project of
26 statewide significance or as a forest products operation of statewide
27 significance.

28 (e) "Department" means the department of community, trade, and
29 economic development.

30 **Sec. 2.** RCW 43.157.020 and 2003 c 54 s 2 are each amended to read
31 as follows:

32 (1) Counties and cities with projects designated as industrial
33 projects of statewide significance within their jurisdictions shall
34 enter into an agreement with the office of permit assistance and the
35 project managers of industrial projects of statewide significance for
36 expediting the completion of industrial projects of statewide
37 significance. The agreement shall require:

- 1 ~~((1))~~ (a) Expedited permit processing for the design and
2 construction of the project;
- 3 ~~((2))~~ (b) Expedited environmental review processing;
- 4 ~~((3))~~ (c) Expedited processing of requests for street, right of
5 way, or easement vacations necessary for the construction of the
6 project; and
- 7 ~~((4))~~ (d) Such other items as are deemed necessary by the office
8 of permit assistance for the design and construction of the project.

9 (2) Counties with projects designated as forest products operations
10 of statewide significance, along with any pertinent state entities with
11 permitting authority or requirements, shall enter into an agreement
12 with the office of permit assistance and the project manager for the
13 forest products operation of statewide significance for expediting the
14 completion of the forest products operation of statewide significance.
15 The agreement shall guarantee that any necessary permit for the
16 construction or operation of the forest products operation of statewide
17 significance be granted within ninety days of application. If a permit
18 is not granted by the end of the ninety-day period, then issuance of a
19 permit with no conditions or modifications will be automatic and
20 assumed by the project managers on the ninety-first day following
21 application.

22 **Sec. 3.** RCW 43.157.030 and 2003 c 54 s 3 are each amended to read
23 as follows:

24 (1) The department ~~((of community, trade, and economic~~
25 ~~development)) shall:~~

26 (a) Develop an application for designation of development projects
27 as industrial projects of statewide significance and for forest
28 products operations of statewide significance. The application for
29 industrial projects of statewide significance must be accompanied by a
30 letter of approval from the legislative authority of any jurisdiction
31 that will have the proposed industrial project of statewide
32 significance within its boundaries. No designation of a project as an
33 industrial project of statewide significance shall be made without such
34 letter of approval. The letter of approval must state that the
35 jurisdiction joins in the request for the designation of the project as
36 one of statewide significance and has or will hire the professional
37 staff that will be required to expedite the processes necessary to the

1 completion of an industrial project of statewide significance. The
2 application shall contain information regarding the location of the
3 project, the applicant's average employment in the state for the prior
4 year, estimated new employment related to the project, estimated wages
5 of employees related to the project, estimated time schedules for
6 completion and operation, and other information required by the
7 department; and

8 (b) Certify that the project meets or will meet the requirements of
9 RCW 43.157.010 regarding designation as an industrial project of
10 statewide significance.

11 (2) The office of permit assistance shall assign a project
12 facilitator or coordinator to each industrial project of statewide
13 significance to: (a) Assist in the scoping and coordinating functions
14 provided for in chapter 43.42 RCW; (b) assemble a team of state and
15 local government and private officials to help meet the planning,
16 permitting, and development needs of each project, which team shall
17 include those responsible for planning, permitting and licensing,
18 infrastructure development, work force development services including
19 higher education, transportation services, and the provision of
20 utilities; and (c) work with each team member to expedite their actions
21 in furtherance of the project.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW
23 to read as follows:

24 This chapter does not apply to amounts received by a person that
25 has received designation as a: (1) Forest products operation of
26 statewide significance under RCW 43.157.030; and (2) certified
27 participant in a sustainable forestry initiative program that allows
28 the participant the use of the primary producers label. This exemption
29 shall only be taken for five consecutive years beginning with the
30 reporting period in which the exemption is initially claimed.

31 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.08 RCW
32 to read as follows:

33 The tax levied by RCW 82.08.020 does not apply to sales to persons
34 of tangible goods, labor and services, prewritten computer software,
35 and extended warranties that will be used in the construction,
36 operation, or maintenance of a forest products operation of statewide

1 significance certified by the department of community, trade, and
2 economic development under RCW 43.157.030. A person taking the
3 exemption under this section must keep records necessary for the
4 department to verify eligibility under this section. The exemption is
5 available only when the buyer provides the seller with an exemption
6 certificate in a form and manner prescribed by the department. The
7 seller shall retain a copy of the certificate for the seller's files.

8 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW
9 to read as follows:

10 The provisions of this chapter do not apply to the use by persons
11 of tangible goods, labor and services, prewritten computer software,
12 and extended warranties that will be used in the construction,
13 operation, or maintenance of a forest products operation of statewide
14 significance certified by the department of community, trade, and
15 economic development under RCW 43.157.030.

16 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.70A RCW
17 to read as follows:

18 Forest products operations of statewide significance certified by
19 the department of community, trade, and economic development under RCW
20 43.157.030 may be located in limited areas of more intensive rural
21 development as defined in RCW 36.70A.070(5)(d).

22 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.32 RCW
23 to read as follows:

24 Any county with which the project managers of a forest products
25 operation of statewide significance certified by the department of
26 community, trade, and economic development under RCW 43.157.030 has
27 applied for a permit or other permission for building or operating a
28 forest products operation of statewide significance shall comply with
29 the timelines established in RCW 43.157.020.

30 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2009.

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