

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 3120

Chapter 235, Laws of 2008

60th Legislature
2008 Regular Session

CONSTRUCTION--ENVIRONMENTALLY CERTIFIED--TAX EXEMPTION

EFFECTIVE DATE: 06/12/08

Passed by the House March 10, 2008
Yeas 91 Nays 3

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 7, 2008
Yeas 48 Nays 1

BRAD OWEN

President of the Senate

Approved March 28, 2008, 11:01 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 3120** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 28, 2008

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 3120

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Finance (originally sponsored by Representatives Rolfes, Morrell, Lias, and Williams)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to a sales and use tax exemption for
2 environmentally certified residential and commercial construction; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1)(a) The legislature finds that green
6 building, also called "sustainable" or "high-performance" building, has
7 significant environmental benefits. Buildings consume thirty-six
8 percent of the energy used in the United States, more than factories
9 and automobiles, and they generate thirty percent of the nation's
10 greenhouse gas emissions. The construction of commercial, residential,
11 public, or institutional buildings using energy-efficient techniques
12 and environmentally sustainable products also connects to the state's
13 climate change goals.

14 (b) The legislature further finds that standards for green building
15 provide an effective framework for green building practices. Some
16 techniques have been shown to reduce building energy costs by twenty to
17 fifty percent and water usage by at least fifty percent outdoors and
18 thirty percent indoors. It is in the interest of the state to

1 encourage the best green building practices through targeted incentives
2 and policies.

3 (c) The legislature intends to establish a connection between green
4 construction and the need for local governments to adopt "green" land
5 use provisions, permitting standards, and building codes that allow
6 green building, in order to achieve the most effective climate change
7 policies.

8 (2) The department of community, trade, and economic development
9 shall conduct a study to determine the potential feasibility and
10 effectiveness of providing tax incentives to encourage green building
11 in commercial, residential, and public buildings. The department of
12 revenue shall provide any tax-related data necessary for the department
13 of community, trade, and economic development to perform the study.

14 (3) In conducting the study, the department of community, trade,
15 and economic development shall:

16 (a) Identify existing tax incentives with the primary purpose of
17 encouraging green building;

18 (b) Propose tax incentives that would encourage green building,
19 with special emphasis on sales and use tax exemptions on green building
20 construction activities and business and occupation tax incentives for
21 contractors or architects that build or design green buildings;

22 (c) Provide an estimate on the fiscal cost for each tax incentive
23 identified under (b) of this subsection;

24 (d) Provide an estimate of cost savings and emission reductions for
25 the estimated number of buildings that would qualify for a tax
26 incentive identified under (b) of this subsection;

27 (e) Recommend other tax and programmatic policy changes that would
28 encourage green building;

29 (f) Evaluate whether tax incentives should target communities that
30 encourage green building; and

31 (g) Evaluate current trends in green building and whether tax
32 incentives would support these trends.

33 (4) The department of community, trade, and economic development
34 may include any other information in the study that it deems necessary
35 for the legislative evaluation of potential tax incentives to encourage
36 green building.

37 (5) By December 1, 2008, the department of community, trade, and

1 economic development shall report its findings and recommendations to
2 the appropriate committees of the legislature.

Passed by the House March 10, 2008.

Passed by the Senate March 7, 2008.

Approved by the Governor March 28, 2008.

Filed in Office of Secretary of State March 28, 2008.