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**HOUSE BILL 1391**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives DeBolt and Orcutt

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

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

NEW SECTION. **Sec.**  (1) The legislature finds that a four thousand four hundred acre industrial site in Lewis county was formerly a surface coal mining operation. The legislature further finds that coal removal operations ended in 2006. The legislature further finds that it designated areas of this reclaimed mine site as a new industrial park in state law (RCW 36.70A.368). The legislature further finds that this site has good access to both air and water ports as well as major north-south and east-west truck and rail corridors. The legislature further finds that this site is an ideal location for major industrial investment while also located in an area which enjoys open space, with wild and scenic beauty. The legislature further finds that the industrial park at Transalta (IPAT), a 501(c)(3) nonprofit organization, currently owns one thousand of the four thousand four hundred acre industrial site and works with the state department of commerce to market and develop the entire four thousand four hundred acre site for industrial activity. The legislature further finds that IPAT, unlike many nonprofits, is paying property taxes on the property that it is seeking to sell to third parties for industrial development pursuant to its nonprofit mission. The legislature further finds that these property taxes amount to approximately eight percent of operating expenses.

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

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

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

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

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

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

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

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