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**SUBSTITUTE HOUSE BILL 1657**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House Finance (originally sponsored by Representatives Griffey, Barkis, Graham, Dent, Rule, and Young)

READ FIRST TIME 02/07/22.

1 AN ACT Relating to reducing the emissions and safety risks of  
2 inadequate commercial truck parking supply through tax incentives;  
3 amending RCW 82.29A.130; adding a new section to chapter 84.36 RCW;  
4 adding a new section to chapter 82.08 RCW; adding a new section to  
5 chapter 82.12 RCW; and creating new sections.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the demand for  
8 truck parking in Washington far exceeds supply. In a 2016 Washington  
9 state department of transportation survey, over 60 percent of  
10 truckers reported spending an hour or more per day looking for  
11 parking. The shortage of truck parking stifles economic growth,  
12 increases pollution, and makes our roadways less safe as fatigued  
13 drivers cannot find a safe place to park.

14 In 2021, a jointly held workshop of the federal highway  
15 administration and Washington state department of transportation  
16 identified that Washington ranks low in truck parking availability,  
17 especially for private truck parking capacity. It found that truck  
18 parking capacity is generally most constrained where demand is  
19 highest in urban areas, mountain passes, border crossings, and near  
20 ports and industrial areas. The biggest hurdles for expanding  
21 capacity were high real estate costs and community opposition. The

1 workshop resulted in several recommendations, including investigating  
2 whether state policies could be amended to encourage new truck  
3 parking developments, and specifically assessing incentives to  
4 develop more private spaces. Due to the presently existing  
5 significant safety, environmental, and economic consequences that  
6 result from the capacity shortfall, the legislature intends to  
7 address the expense of adding capacity through reducing taxes  
8 associated with expanding existing parking and developing new  
9 parking.

10 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
11 performance statement for the tax preference contained in sections 3  
12 through 6, chapter . . ., Laws of 2022 (sections 3 through 6 of this  
13 act). This performance statement is only intended to be used for  
14 subsequent evaluation of the tax preference. It is not intended to  
15 create a private right of action by any party or to be used to  
16 determine eligibility for preferential tax treatment.

17 (2) The legislature categorizes this tax preference as one  
18 intended to provide incentives to increase safe overnight truck  
19 parking capacity pursuant to RCW 82.32.808(2)(f).

20 (3) It is the legislature's specific public policy objective to  
21 increase public safety, reduce greenhouse gas emissions, and foster  
22 economic development by increasing the state's capacity to move  
23 freight efficiently.

24 (4) If the review finds that if both (a) the number of truck  
25 parking spaces suitable for overnight use has grown by at least 1,000  
26 spaces from the effective date of this section, and (b) half of the  
27 truck parking spaces developed after the effective date of this  
28 section have either hydrogen fueling access or electric charging  
29 access, then the legislature intends to extend the expiration date of  
30 this tax preference.

31 (5) In order to obtain the data necessary to perform the review  
32 in subsection (4) of this section, the joint legislative audit and  
33 review committee may refer to any data collected by the state. The  
34 Washington state department of transportation shall cooperate with  
35 requests for information from the joint legislative audit and review  
36 committee to document the location, number, and characteristics of  
37 truck parking spaces.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 84.36  
2 RCW to read as follows:

3        (1) All real and personal property is exempt from ad valorem  
4 taxation upon which there are at least 10 safe, overnight commercial  
5 truck parking spaces constructed for the period of time set forth in  
6 subsection (2) of this section.

7        (2) A parcel must be exempt from ad valorem tax from the date  
8 upon which substantial construction work begins until one year after  
9 the secretary of the department of transportation shall certify to  
10 the department of revenue that the state has sufficient safe,  
11 overnight commercial truck parking for the freight delivery needs of  
12 the state or January 1, 2033, whichever is sooner.

13        (3) For the purposes of this section, "commercial truck parking  
14 spaces" must have a minimum dimension of 12 feet wide and 70 feet  
15 long.

16        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 82.08  
17 RCW to read as follows:

18        (1) The tax levied by RCW 82.08.020 does not apply to sales of  
19 materials and labor used to construct a parking lot with at least 10  
20 qualified commercial truck parking spaces or 10 qualified port  
21 district truck parking spaces. Construction of the parking lot must  
22 begin after the effective date of this section.

23        (2) For the purposes of this section, the following definitions  
24 apply:

25        (a) "Qualified commercial truck parking spaces" means spaces  
26 that:

- 27        (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 28        (ii) Are accessible and suitable for overnight use; and
- 29        (iii) Allow for the fueling of electric batteries or hydrogen  
30 fuel cells.

31        (b) "Qualified port district truck parking spaces" means spaces  
32 that:

- 33        (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 34        (ii) Are accessible and suitable for overnight use; and
- 35        (iii) Are accessible and available for any commercial truck  
36 authorized to be on the port property.

37        (3) The exemption in subsection (1) of this section is available  
38 from the effective date of this section until one year after the  
39 secretary of the department of transportation shall certify to the

1 department of revenue that the state has sufficient safe, overnight  
2 commercial truck parking for the freight delivery needs of the state  
3 or January 1, 2033, whichever is sooner.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.12  
5 RCW to read as follows:

6 (1) The provisions of this chapter do not apply to sales of  
7 materials and labor used to construct a parking lot with at least 10  
8 qualified commercial truck parking spaces or 10 qualified port  
9 district truck parking spaces. Construction of the parking lot must  
10 begin after the effective date of this section.

11 (2) For the purposes of this section, the following definitions  
12 apply:

13 (a) "Qualified commercial truck parking spaces" means spaces  
14 that:

- 15 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 16 (ii) Are accessible and suitable for overnight use; and
- 17 (iii) Allow for the fueling of electric batteries or hydrogen  
18 fuel cells.

19 (b) "Qualified port district truck parking spaces" means spaces  
20 that:

- 21 (i) Have a minimum dimension of 12 feet wide and 70 feet long;
- 22 (ii) Are accessible and suitable for overnight use; and
- 23 (iii) Are accessible and available for any commercial truck  
24 authorized to be on the port property.

25 (3) The exemption in subsection (1) of this section is available  
26 from the effective date of this section until one year after the  
27 secretary of the department of transportation shall certify to the  
28 department of revenue that the state has sufficient safe, overnight  
29 commercial truck parking for the freight delivery needs of the state  
30 or January 1, 2033, whichever is sooner.

31 **Sec. 6.** RCW 82.29A.130 and 2019 c 335 s 1 are each amended to  
32 read as follows:

33 The following leasehold interests are exempt from taxes imposed  
34 pursuant to RCW 82.29A.030 and 82.29A.040:

35 (1) All leasehold interests constituting a part of the operating  
36 properties of any public utility that is assessed and taxed as a  
37 public utility pursuant to chapter 84.12 RCW.

1 (2) All leasehold interests in facilities owned or used by a  
2 school, college or university which leasehold provides housing for  
3 students and which is otherwise exempt from taxation under provisions  
4 of RCW 84.36.010 and 84.36.050.

5 (3) All leasehold interests of subsidized housing where the fee  
6 ownership of such property is vested in the government of the United  
7 States, or the state of Washington or any political subdivision  
8 thereof but only if income qualification exists for such housing.

9 (4) All leasehold interests used for fair purposes of a nonprofit  
10 fair association that sponsors or conducts a fair or fairs which  
11 receive support from revenues collected pursuant to RCW 67.16.100 and  
12 allocated by the director of the department of agriculture where the  
13 fee ownership of such property is vested in the government of the  
14 United States, the state of Washington or any of its political  
15 subdivisions. However, this exemption does not apply to the leasehold  
16 interest of any sublessee of such nonprofit fair association if such  
17 leasehold interest would be taxable if it were the primary lease.

18 (5) All leasehold interests in any property of any public entity  
19 used as a residence by an employee of that public entity who is  
20 required as a condition of employment to live in the publicly owned  
21 property.

22 (6) All leasehold interests held by enrolled Indians of lands  
23 owned or held by any Indian or Indian tribe where the fee ownership  
24 of such property is vested in or held in trust by the United States  
25 and which are not subleased to other than to a lessee which would  
26 qualify pursuant to this chapter, RCW 84.36.451 and 84.40.175.

27 (7) All leasehold interests in any real property of any Indian or  
28 Indian tribe, band, or community that is held in trust by the United  
29 States or is subject to a restriction against alienation imposed by  
30 the United States. However, this exemption applies only where it is  
31 determined that contract rent paid is greater than or equal to ninety  
32 percent of fair market rental, to be determined by the department of  
33 revenue using the same criteria used to establish taxable rent in RCW  
34 82.29A.020(2)(g).

35 (8) All leasehold interests for which annual taxable rent is less  
36 than two hundred fifty dollars per year. For purposes of this  
37 subsection leasehold interests held by the same lessee in contiguous  
38 properties owned by the same lessor are deemed a single leasehold  
39 interest.

1 (9) All leasehold interests which give use or possession of the  
2 leased property for a continuous period of less than thirty days:  
3 PROVIDED, That for purposes of this subsection, successive leases or  
4 lease renewals giving substantially continuous use of possession of  
5 the same property to the same lessee are deemed a single leasehold  
6 interest: PROVIDED FURTHER, That no leasehold interest is deemed to  
7 give use or possession for a period of less than thirty days solely  
8 by virtue of the reservation by the public lessor of the right to use  
9 the property or to allow third parties to use the property on an  
10 occasional, temporary basis.

11 (10) All leasehold interests under month-to-month leases in  
12 residential units rented for residential purposes of the lessee  
13 pending destruction or removal for the purpose of constructing a  
14 public highway or building.

15 (11) All leasehold interests in any publicly owned real or  
16 personal property to the extent such leasehold interests arises  
17 solely by virtue of a contract for public improvements or work  
18 executed under the public works statutes of this state or of the  
19 United States between the public owner of the property and a  
20 contractor.

21 (12) All leasehold interests that give use or possession of state  
22 adult correctional facilities for the purposes of operating  
23 correctional industries under RCW 72.09.100.

24 (13) All leasehold interests used to provide organized and  
25 supervised recreational activities for persons with disabilities of  
26 all ages in a camp facility and for public recreational purposes by a  
27 nonprofit organization, association, or corporation that would be  
28 exempt from property tax under RCW 84.36.030(1) if it owned the  
29 property. If the publicly owned property is used for any taxable  
30 purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and  
31 82.29A.040 must be imposed and must be apportioned accordingly.

32 (14) All leasehold interests in the public or entertainment areas  
33 of a baseball stadium with natural turf and a retractable roof or  
34 canopy that is in a county with a population of over one million,  
35 that has a seating capacity of over forty thousand, and that is  
36 constructed on or after January 1, 1995. "Public or entertainment  
37 areas" include ticket sales areas, ramps and stairs, lobbies and  
38 concourses, parking areas, concession areas, restaurants, hospitality  
39 and stadium club areas, kitchens or other work areas primarily  
40 servicing other public or entertainment areas, public rest room

1 areas, press and media areas, control booths, broadcast and  
2 production areas, retail sales areas, museum and exhibit areas,  
3 scoreboards or other public displays, storage areas, loading,  
4 staging, and servicing areas, seating areas and suites, the playing  
5 field, and any other areas to which the public has access or which  
6 are used for the production of the entertainment event or other  
7 public usage, and any other personal property used for these  
8 purposes. "Public or entertainment areas" does not include locker  
9 rooms or private offices exclusively used by the lessee.

10 (15) All leasehold interests in the public or entertainment areas  
11 of a stadium and exhibition center, as defined in RCW 36.102.010,  
12 that is constructed on or after January 1, 1998. For the purposes of  
13 this subsection, "public or entertainment areas" has the same meaning  
14 as in subsection (14) of this section, and includes exhibition areas.

15 (16) All leasehold interests in public facilities districts, as  
16 provided in chapter 36.100 or 35.57 RCW.

17 (17) All leasehold interests in property that is: (a) Owned by  
18 the United States government or a municipal corporation; (b) listed  
19 on any federal or state register of historical sites; and (c) wholly  
20 contained within a designated national historic reserve under 16  
21 U.S.C. Sec. 461.

22 (18) All leasehold interests in the public or entertainment areas  
23 of an amphitheater if a private entity is responsible for one hundred  
24 percent of the cost of constructing the amphitheater which is not  
25 reimbursed by the public owner, both the public owner and the private  
26 lessee sponsor events at the facility on a regular basis, the lessee  
27 is responsible under the lease or agreement to operate and maintain  
28 the facility, and the amphitheater has a seating capacity of over  
29 seventeen thousand reserved and general admission seats and is in a  
30 county that had a population of over three hundred fifty thousand,  
31 but less than four hundred twenty-five thousand when the amphitheater  
32 first opened to the public.

33 For the purposes of this subsection, "public or entertainment  
34 areas" include box offices or other ticket sales areas, entrance  
35 gates, ramps and stairs, lobbies and concourses, parking areas,  
36 concession areas, restaurants, hospitality areas, kitchens or other  
37 work areas primarily servicing other public or entertainment areas,  
38 public rest room areas, press and media areas, control booths,  
39 broadcast and production areas, retail sales areas, museum and  
40 exhibit areas, scoreboards or other public displays, storage areas,

1 loading, staging, and servicing areas, seating areas including lawn  
2 seating areas and suites, stages, and any other areas to which the  
3 public has access or which are used for the production of the  
4 entertainment event or other public usage, and any other personal  
5 property used for these purposes. "Public or entertainment areas"  
6 does not include office areas used predominately by the lessee.

7 (19) All leasehold interests in real property used for the  
8 placement of military housing meeting the requirements of RCW  
9 84.36.665.

10 (20) All leasehold interests in facilities owned or used by a  
11 community college or technical college, which leasehold interest  
12 provides:

13 (a) Food services for students, faculty, and staff;

14 (b) The operation of a bookstore on campus; or

15 (c) Maintenance, operational, or administrative services to the  
16 community college or technical college.

17 (21)(a) All leasehold interests in the public or entertainment  
18 areas of an arena if it:

19 (i) Has a seating capacity of more than two thousand;

20 (ii) Is located on city-owned land; and

21 (iii) Is owned by a city with a population over two hundred  
22 thousand within a county with a population of less than one million  
23 five hundred thousand.

24 (b) For the purposes of this subsection (21), "public or  
25 entertainment areas" has the same meaning as provided in subsection  
26 (18) of this section.

27 (22) All leasehold interests in real property owned by a port and  
28 used by a port tenant to provide qualified port district truck  
29 parking spaces. For purposes of this subsection, "qualified port  
30 district truck parking spaces" means spaces that:

31 (a) Have a minimum dimension of 12 feet wide and 70 feet long;

32 (b) Are accessible and suitable for overnight use; and

33 (c) Are accessible and available for any commercial truck  
34 authorized to be on the port property.

35 NEW SECTION. Sec. 7. Section 3 of this act applies to taxes  
36 levied for collection in 2023 and thereafter.

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