
HOUSE BILL 1921

State of Washington

67th Legislature

2022 Regular Session

By Representatives Ramel, Boehnke, Fitzgibbon, Shewmake, Kloba, and Young

Read first time 01/11/22. Referred to Committee on Finance.

1 AN ACT Relating to the valuation of property related to renewable
2 energy for the purposes of property tax and providing for a payment
3 in lieu of taxes for renewable energy facilities; adding a new
4 section to chapter 84.04 RCW; adding a new section to chapter 84.40
5 RCW; adding a new section to chapter 84.36 RCW; and creating a new
6 section.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.04
9 RCW to read as follows:

10 (1) "Renewable energy property" means a property not placed in
11 service at the time of application that uses solar or wind energy as
12 the sole fuel source for the generation of at least one megawatt of
13 nameplate capacity, alternating current, and all other equipment and
14 materials that comprise the property, including equipment used to
15 store electricity from the property to be released at a later time.

16 (2) "Renewable energy property owner" means the owner or person
17 in possession or control of a renewable energy property.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.40
19 RCW to read as follows:

1 (1) It is the policy of this state to promote the development of
2 renewable energy projects to support the state's renewable energy
3 goals.

4 (2) The assessed value for renewable energy facilities must be
5 determined by a cost-based approach. These facilities may not be
6 revalued for at least 20 years from the date the renewable energy
7 property is placed into service. The department must adopt rules that
8 include, but are not limited to, the following:

9 (a) The development of industry specific trending tables for each
10 type of renewable energy property as defined in section 1 of this
11 act; and

12 (b) An appraisal model to be developed by the department in
13 cooperation with stakeholders within 90 days of the effective date of
14 this section.

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

17 (1)(a) The governing body of a county and the renewable energy
18 property owner located within the county and outside the boundaries
19 of any incorporated city may enter into an agreement that exempts
20 from property taxes the property constituting the renewable energy
21 property and allows the payment of a fee in lieu of property taxes
22 imposed on the property. An agreement may not be entered into for an
23 initial period of longer than 10 consecutive tax years but may be
24 renewed at the end of the 10-year period upon the mutual consent of
25 the parties to the agreement.

26 (b) If any portion of a renewable energy property is located
27 within the boundaries of an incorporated city, the governing body of
28 the county shall consult with the governing body of the city before
29 entering into an agreement under (a) of this subsection. An agreement
30 entered into under (a) of this subsection with respect to a renewable
31 energy property located within the boundaries of the incorporated
32 city is not effective unless the governing body of the incorporated
33 city is a party to the agreement.

34 (2) The agreement under subsection (1) of this section must
35 require the renewable energy property owner to pay the fee annually
36 and in an amount that must be computed at the following rates:

37 (a) For a renewable energy property that uses solar energy as the
38 sole fuel source, the rate must not exceed \$4,500 per megawatt of
39 nameplate capacity, alternating current, plus an additional surcharge

1 of \$750 per megawatt-hour of any energy storage device that is part
2 of the renewable energy property.

3 (b) For a renewable energy property that uses wind energy as the
4 sole fuel source, the rate must not exceed \$8,500 per megawatt of
5 nameplate capacity, alternating current, plus an additional surcharge
6 of \$750 per megawatt-hour of any energy storage device that is part
7 of the renewable energy property.

8 (3)(a) A renewable energy property that has entered into an
9 agreement pursuant to subsection (1) of this section must:

10 (i) On or before the date required for filing the list of
11 personal property pursuant to RCW 84.40.040 of the first assessment
12 year applicable to the renewable energy property, file the required
13 listing and also file with the department and with the assessor of
14 the county in which the renewable energy property is located a copy
15 of the agreement and the nameplate capacity of the renewable energy
16 property. Assessment of exempt property pursuant to RCW 84.40.175 may
17 not be suspended on account of any agreement or exemption described
18 in this section.

19 (ii) For each subsequent assessment year preceding a tax year to
20 which the agreement relates, include with the statement required
21 pursuant to RCW 84.12.230, if applicable, or RCW 84.40.040, the
22 nameplate capacity of the renewable energy property.

23 (b) A filing made under (a)(i) or (ii) of this subsection after
24 April 30th is subject to penalties pursuant to RCW 84.40.130.

25 (4) For each assessment year preceding a tax year to which an
26 agreement relates, the department, when certifying and transmitting
27 the assessment roll to the county assessors pursuant to chapter 84.12
28 RCW, must provide the nameplate generating capacity of each renewable
29 energy property subject to the payment of a fee in lieu of taxes
30 imposed in subsection (2) of this section to each assessor of a
31 county in which a renewable energy property is located.

32 (5) For renewable energy facilities that have entered into an
33 agreement pursuant to subsection (1) of this section, the county
34 assessors must extend upon the tax roll against all property
35 constituting a renewable energy property located in the respective
36 counties the payment of a fee in lieu of taxes pursuant to subsection
37 (2) of this section for the tax year, in lieu of extending the tax on
38 renewable energy facilities on the rolls pursuant to RCW 84.52.080.
39 The payment of a fee in lieu of taxes must be distributed pursuant to
40 RCW 84.56.230.

1 (6) The payment of a fee in lieu of taxes imposed pursuant to
2 this section is due in full on April 30th of each tax year subject to
3 an agreement. Except as provided in subsection (7) of this section,
4 property for which payment of a fee in lieu of taxes are not paid as
5 required under this section are not exempt for the tax year
6 immediately following the nonpayment of the fee.

7 (7) Property is exempt for the following tax year upon payment,
8 by October 31st of the current tax year, of the delinquent payment of
9 a fee in lieu of taxes plus any penalties and interest imposed
10 pursuant to RCW 84.56.020. Delinquent fee payments, interest, and
11 penalties must be collected in the manner provided for the collection
12 of delinquent taxes on personal property.

13 (8) The exemption granted by the department to the renewable
14 energy property is assignable upon the sale or transfer of the
15 renewable energy property.

16 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
17 collection in 2023 and thereafter.

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