S-1356.1

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**SUBSTITUTE SENATE BILL 5565**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Schoesler, Rolfes, Dozier, Nobles, and Wellman)

AN ACT Relating to modifying tax and revenue laws by making technical corrections, clarifying ambiguities, easing compliance burdens for taxpayers, and providing administrative efficiencies; amending RCW 19.150.060, 19.150.080, 19.240.080, 19.240.900, 35.90.020, 59.18.312, 59.18.595, 63.30.040, 82.04.4489, 82.14.070, 82.32.045, 82.32.105, 82.60.020, 82.60.049, 82.60.060, 82.60.070, 82.70.900, 82.73.030, 82.90.080, 84.52.120, 84.52.816, 88.02.620, and 88.26.020; reenacting and amending RCW 82.08.0206; creating a new section; repealing RCW 82.12.02088, 82.27.060, and 82.70.050; and providing an expiration date.

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

**Sec.**  RCW 19.150.060 and 2016 sp.s. c 6 s 1 are each amended to read as follows:

(1) If a notice has been sent, as required by RCW 19.150.040, and the total sum due has not been paid as of the date specified in the preliminary lien notice, the lien proposed by this notice attaches as of that date and the owner may deny an occupant access to the space, enter the space, inventory the goods therein, and remove any property found therein to a place of safe keeping. The owner must provide the occupant a notice of final lien sale or final notice of disposition by personal service, verified mail, or email to the occupant's last known address and alternative address or email address. If the owner sends notice required under this section to the occupant's last known email address and does not receive a reply or receipt of delivery, the owner must send a second notice to the occupant's last known postal address by verified mail. The notice required under this section must state all of the following:

(a) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property.

(b) That the stored property is subject to a lien, and the amount of the lien accrued and to accrue prior to the date required to be specified in (c) of this subsection.

(c) That all the property, other than personal papers and personal photographs, may be sold to satisfy the lien after a specified date which is not less than ((~~fourteen~~)) 14 days from the last date of sending of the final lien sale notice, or a minimum of ((~~forty-two~~)) 42 days after the date when any part of the rent or other charges due from the occupants remain unpaid, whichever is later, unless the amount of the lien is paid. The owner is not required to sell the personal property within a maximum number of days of when the rent or other charges first became due. If the total value of property in the storage space is less than three hundred dollars, the owner may, instead of sale, dispose of the property in any reasonable manner, subject to the restrictions of RCW 19.150.080(4). After the sale or other disposition pursuant to this section has been completed, the owner shall provide an accounting of the disposition of the proceeds of the sale or other disposition to the occupant at the occupant's last known address and at the alternative address.

(d) That any stored vehicles, watercraft, trailers, recreational vehicles, or campers may be towed or removed from the self-service storage facility in lieu of sale pursuant to RCW 19.150.160.

(e) That any excess proceeds of the sale or other disposition under RCW 19.150.080(2) over the lien amount and reasonable costs of sale will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of six months from the sale and that thereafter the proceeds will be turned over to the state as abandoned property as provided in chapter 63.30 RCW ((~~63.29.165~~)).

(f) That any personal papers and personal photographs will be retained by the owner and may be reclaimed by the occupant at any time for a period of six months from the sale or other disposition of property and that thereafter the owner may dispose of the personal papers and photographs in a reasonable manner, subject to the restrictions of RCW 19.150.080(3).

(g) That the occupant has no right to repurchase any property sold at the lien sale.

(2) The owner may not send by email the notice required under this section to the occupant's last known address or alternative address unless:

(a) The occupant expressly agrees to notice by email;

(b) The rental agreement executed by the occupant specifies in bold type that notices will be given to the occupant by email;

(c) The owner provides the occupant with the email address from which notices will be sent and directs the occupant to modify his or her email settings to allow email from that address to avoid any filtration systems; and

(d) The owner notifies the occupant of any change in the email address from which notices will be sent prior to the address change.

**Sec.**  RCW 19.150.080 and 2007 c 113 s 5 are each amended to read as follows:

(1) After the expiration of the time given in the final notice of lien sale pursuant to RCW 19.150.060, the property, other than personal papers and personal photographs, may be sold or disposed of in a reasonable manner as provided in this section.

(2)(a) If the property has a value of ((~~three hundred dollars~~)) $300 or more, the sale shall be conducted in a commercially reasonable manner, and, after applying the proceeds to costs of the sale and then to the amount of the lien, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within six months of the date of sale.

(b) If the property has a value of less than ((~~three hundred dollars~~)) $300, the property may be disposed of in a reasonable manner.

(3) Personal papers and personal photographs that are not reclaimed by the occupant within six months of a sale under subsection (2)(a) of this section or other disposition under subsection (2)(b) of this section may be disposed of in a reasonable manner.

(4) No employee or owner, or family member of an employee or owner, may acquire, directly or indirectly, the property sold pursuant to subsection (2)(a) of this section or disposed of pursuant to subsection (2)(b) of this section, or personal papers and personal photographs disposed of under subsection (3) of this section.

(5) The owner is entitled to retain any interest earned on the excess proceeds until the excess proceeds are claimed by another person or are turned over to the state as abandoned property pursuant to chapter 63.30 RCW ((~~63.29.165~~)).

**Sec.**  RCW 19.240.080 and 2004 c 168 s 9 are each amended to read as follows:

An issuer is not required to honor a gift certificate presumed abandoned under chapter 63.30 RCW ((~~63.29.110,~~)) if it is reported((~~,~~)) and delivered to the department of revenue in the dissolution of a business association.

**Sec.**  RCW 19.240.900 and 2004 c 168 s 18 are each amended to read as follows:

Sections 1 through 12 of this act apply to:

(1) Gift certificates issued on or after July 1, 2004; and

(2) Those gift certificates presumed abandoned on or after July 1, 2004, and not reported as provided in chapter 63.30 RCW ((~~63.29.170(4)~~)).

**Sec.**  RCW 35.90.020 and 2020 c 139 s 59 are each amended to read as follows:

(1) Except as otherwise provided in subsection (7) of this section, a city that requires a general business license of any person that engages in business activities within that city must partner with the department to have such license issued, and renewed if the city requires renewal, through the business licensing service in accordance with chapter 19.02 RCW.

(a) Except as otherwise provided in subsection (3) of this section, the department must phase in the issuance and renewal of general business licenses of cities that required a general business license as of July 1, 2017, and are not already partnering with the department, as follows:

(i) Between January 1, 2018, and December 31, 2021, the department must partner with at least six cities per year;

(ii) Between January 1, 2022, and December 31, 2027, the department must partner with the remaining cities; or

(iii) Between July 1, 2017 and December 31, 2022, the department must partner with all cities requiring a general business license if specific funding for the purposes of this subsection (1)(a)(iii) is appropriated in the omnibus appropriations act.

(b) A city that imposes a general business license requirement and does not partner with the department as of January 1, 2018, may continue to issue and renew its general business licenses until the city partners with the department as provided in subsection (4) of this section.

(2)(a) A city that did not require a general business license as of July 1, 2017, but imposes a new general business license requirement after that date must advise the department in writing of its intent to do so at least ((~~ninety~~)) 90 days before the requirement takes effect.

(b) If a city subject to (a) of this subsection (2) imposes a new general business license requirement after July 1, 2017, the department, in its sole discretion, may adjust resources to partner with the imposing city as of the date that the new general business licensing requirement takes effect. If the department cannot reallocate resources, the city may issue and renew its general business license until the department is able to partner with the city.

(3) The department may delay assuming the duties of issuing and renewing general business licenses beyond the dates provided in subsection (1)(a) of this section if:

(a) Insufficient funds are appropriated for this specific purpose;

(b) The department cannot ensure the business licensing system is adequately prepared to handle all general business licenses due to unforeseen circumstances;

(c) The department determines that a delay is necessary to ensure that the transition to mandatory department issuance and renewal of general business licenses is as seamless as possible; or

(d) The department receives a written notice from a city within ((~~sixty~~)) 60 days of the date that the city appears on the department's biennial partnership plan, which includes an explanation of the fiscal or technical challenges causing the city to delay joining the system. A delay under this subsection (3)(d) may be for no more than three years.

(4)(a) In consultation with affected cities and in accordance with the priorities established in subsection (5) of this section, the department must establish a biennial plan for partnering with cities to assume the issuance and renewal of general business licenses as required by this section. The plan must identify the cities that the department will partner with and the dates targeted for the department to assume the duties of issuing and renewing general business licenses.

(b) By January 1, 2018, and January 1st of each even-numbered year thereafter until the department has partnered with all cities that currently impose a general business license requirement and that have not declined to partner with the department under subsection (7) of this section, the department must submit the partnering plan required in (a) of this subsection (4) to the governor; legislative fiscal committees; house local government committee; senate financial institutions, economic development and trade committee; senate local government committee; affected cities; association of Washington cities; association of Washington business; national federation of independent business; and Washington retail association.

(c) The department may, in its sole discretion, alter the plan required in (a) of this subsection (4) with a minimum notice of ((~~thirty~~)) 30 days to affected cities.

(5) When determining the plan to partner with cities for the issuance and renewal of general business licenses as required in subsection (4) of this section, cities that notified the department of their wish to partner with the department before January 1, 2017, must be allowed to partner before other cities.

(6) A city that partners with the department for the issuance and renewal of general business licenses through the business licensing service in accordance with chapter 19.02 RCW may not issue and renew those licenses.

(7)(a) Except as provided in (b) of this subsection, a city may decline to partner with the department for the issuance and renewal of a general business license as provided in subsection (1) of this section if the city participates in the online local business license and tax filing portal known as "FileLocal" as of July 1, 2020.

(b) A city that receives at least ((~~one million nine hundred fifty thousand dollars~~)) $1,950,000 in fiscal year 2020 for temporary streamlined sales tax mitigation under the 2019 omnibus appropriations act, section 722, chapter 415, Laws of 2019, may decline to partner with the department for the issuance and renewal of a general business license as provided in subsection (1) of this section if the city participates in FileLocal as of July 1, 2021.

(c) For the purposes of this subsection (7), a city is considered to be a FileLocal participant as of the date that a business may access FileLocal for purposes of applying for or renewing that city's general business license and reporting and paying that city's local business and occupation taxes. A city that ceases participation in FileLocal after July 1, 2020, or July 1, 2021, in the case of a city eligible for the extension under (b) of this subsection, must partner with the department for the issuance and renewal of its general business license as provided in subsection (1) of this section.

(8) By January 1, 2019, and each January 1st thereafter through January 1, ((~~2028~~)) 2023, the department must submit a progress report to the legislature. The report required by this subsection must provide information about the progress of the department's efforts to partner with all cities that impose a general business license requirement and include:

(a) A list of cities that have partnered with the department as required in subsection (1) of this section;

(b) A list of cities that have not partnered with the department;

(c) A list of cities that are scheduled to partner with the department during the upcoming calendar year;

(d) A list of cities that have declined to partner with the department as provided in subsection (7) of this section;

(e) An explanation of lessons learned and any process efficiencies incorporated by the department;

(f) Any recommendations to further simplify the issuance and renewal of general business licenses by the department; and

(g) Any other information the department considers relevant.

**Sec.**  RCW 59.18.312 and 2011 c 132 s 17 are each amended to read as follows:

(1) A landlord shall, upon the execution of a writ of restitution by the sheriff, enter and take possession of any property of the tenant found on the premises. The landlord may store the property in any reasonably secure place, including the premises, and sell or dispose of the property as provided under subsection (3) of this section. The landlord must store the property if the tenant serves a written request to do so on the landlord or the landlord's representative by any of the methods described in RCW 59.18.365 no later than three days after service of the writ. A landlord may elect to store the property without such a request unless the tenant or the tenant's representative objects to the storage of the property. If the tenant or the tenant's representative objects to the storage of the property or the landlord elects not to store the property because the tenant has not served a written request on the landlord to do so, the property shall be deposited upon the nearest public property and may not be stored by the landlord. If the landlord knows that the tenant is a person with a disability as defined in RCW 49.60.040 (as amended by chapter 317, Laws of 2007) and the disability impairs or prevents the tenant or the tenant's representative from making a written request for storage, it must be presumed that the tenant has requested the storage of the property as provided in this section unless the tenant objects in writing.

(2) Property stored under this section shall be returned to the tenant after the tenant has paid the actual or reasonable drayage and storage costs, whichever is less, or until it is sold or disposed of by the landlord in accordance with subsection (3) of this section.

(3) Prior to the sale of property stored pursuant to this section with a cumulative value of over ((~~two hundred fifty dollars~~)) $250, the landlord shall notify the tenant of the pending sale. After ((~~thirty~~)) 30 days from the date the notice of the sale is mailed or personally delivered to the tenant's last known address, the landlord may sell the property, including personal papers, family pictures, and keepsakes, and dispose of any property not sold.

If the property that is being stored has a cumulative value of ((~~two hundred fifty dollars~~)) $250 or less, then the landlord may sell or dispose of the property in the manner provided in this section, except for personal papers, family pictures, and keepsakes. Prior to the sale or disposal of property stored pursuant to this section with a cumulative value of ((~~two hundred fifty dollars~~)) $250 or less, the landlord shall notify the tenant of the pending sale or disposal. The notice shall either be mailed to the tenant's last known address or personally delivered to the tenant. After seven days from the date the notice is mailed or delivered to the tenant, the landlord may sell or dispose of the property.

The landlord may apply any income derived from the sale of the tenant's property against moneys due the landlord for drayage and storage of the property. The amount of sale proceeds that the landlord may apply towards such costs may not exceed the actual or reasonable costs for drayage and storage of the property, whichever is less. Any excess income derived from the sale of such property shall be held by the landlord for the benefit of the tenant for a period of one year from the date of the sale. If no claim is made or action commenced by the tenant for the recovery of the excess income prior to the expiration of that period of time, then the balance shall be treated as abandoned property and deposited by the landlord with the department of revenue pursuant to chapter ((~~63.29~~)) 63.30 RCW.

(4) Nothing in this section shall be construed as creating a right of distress for rent.

(5) When serving a tenant with a writ of restitution pursuant to RCW 59.12.100 and 59.18.410, the sheriff shall provide written notice to the tenant that: (a) Upon execution of the writ, the landlord must store the tenant's property only if the tenant serves a written request on the landlord to do so no later than three days after service of the writ; (b) the notice to the landlord requesting storage may be served by personally delivering or mailing a copy of the request to the landlord at the address identified in, or by facsimile to the facsimile number listed on, the form described under subsection (6) of this section; (c) if the tenant has not made such a written request to the landlord, the landlord may elect to either store the tenant's property or place the tenant's property on the nearest public property unless the tenant objects; (d) if the property is stored, it may not be returned to the tenant unless the tenant pays the actual or reasonable costs of drayage and storage, whichever is less, within ((~~thirty~~)) 30 days; (e) if the tenant or the tenant's representative objects to storage of the property, it will not be stored but will be placed on the nearest public property; and (f) the landlord may sell or otherwise dispose of the property as provided in subsection (3) of this section if the landlord provides written notice to the tenant first.

(6) When serving a tenant with a writ of restitution under subsection (5) of this section, the sheriff shall also serve the tenant with a form provided by the landlord that can be used to request the landlord to store the tenant's property, which must be substantially in the following form:

REQUEST FOR STORAGE OF PERSONAL PROPERTY

. . . . . . . . . . .

Name of Plaintiff

. . . . . . . . . . .

Name(s) of Tenant(s)

I/we hereby request the landlord to store our personal property. I/we understand that I/we am/are responsible for the actual or reasonable costs of moving and storing the property, whichever is less. If I/we fail to pay these costs, the landlord may sell or dispose of the property pursuant to and within the time frame permitted under RCW 59.18.312(3).

Any notice of sale required under RCW 59.18.312(3) must be sent to the tenants at the following address:

IF NO ADDRESS IS PROVIDED, NOTICE OF SALE WILL BE SENT TO THE LAST KNOWN ADDRESS OF THE TENANT(S)

Dated: . . . . . . . . . . .

. . . . . . . . . . .

Tenant-Print Name

. . . . . . . . . . .

Tenant-Print Name

This notice may be delivered or mailed to the landlord or the landlord's representative at the following address:

This notice may also be served by facsimile to the landlord or the landlord's representative at:

. . . . . . . . . . .

Facsimile Number

IMPORTANT

IF YOU WANT YOUR LANDLORD TO STORE YOUR PROPERTY, THIS WRITTEN REQUEST MUST BE RECEIVED BY THE LANDLORD NO LATER THAN THREE (3) DAYS AFTER THE SHERIFF SERVES THE WRIT OF RESTITUTION. YOU SHOULD RETAIN PROOF OF SERVICE.

**Sec.**  RCW 59.18.595 and 2015 c 264 s 3 are each amended to read as follows:

(1) In the event of the death of a tenant who is the sole occupant of the dwelling unit:

(a) The landlord, upon learning of the death of the tenant, shall promptly mail or personally deliver written notice to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the address of the dwelling unit. If the landlord knows of any address used for the receipt of electronic communications, the landlord shall email the notice to that address as well. The notice must include:

(i) The name of the deceased tenant and address of the dwelling unit;

(ii) The approximate date of the deceased tenant's death;

(iii) The rental amount and date through which rent is paid;

(iv) A statement that the tenancy will terminate ((~~fifteen~~)) 15 days from the date the notice is mailed or personally delivered or the date through which rent is paid, whichever comes later, unless during that time period a tenant representative makes arrangements with the landlord to pay rent in advance for no more than ((~~sixty~~)) 60 days from the date of the tenant's death to allow a tenant representative to arrange for orderly removal of the tenant's property. At the end of the period for which the rent has been paid pursuant to this subsection, the tenancy ends;

(v) A statement that failure to remove the tenant's property before the tenancy is terminated or ends as provided in (a)(iv) of this subsection will allow the landlord to enter the dwelling unit and take possession of any property found on the premises, store it in a reasonably secure place, and charge the actual or reasonable costs, whichever is less, of drayage and storage of the property, and after service of a second notice sell or dispose of the property as provided in subsection (3) of this section; and

(vi) A copy of any designation executed by the tenant pursuant to RCW 59.18.590;

(b) The landlord shall turn over possession of the tenant's property to a tenant representative if a request is made in writing within the specified time period or any subsequent date agreed to by the parties;

(c) Within ((~~fourteen~~)) 14 days after the removal of the property by the tenant representative, the landlord shall refund any unearned rent and shall give a full and specific statement of the basis for retaining any deposit together with the payment of any refund due the deceased tenant under the terms and conditions of the rental agreement to the tenant representative; and

(d) Any tenant representative who removes property from the tenant's dwelling unit or the premises must, at the time of removal, provide to the landlord an inventory of the removed property and signed acknowledgment that he or she has only been given possession and not ownership of the property.

(2) A landlord shall send a second written notice before selling or disposing of a deceased tenant's property.

(a) If the tenant representative makes arrangements with the landlord to pay rent in advance as provided in subsection (1)(a)(iv) of this section, the landlord shall mail a second written notice to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the dwelling unit. The second notice must include:

(i) The name, address, and phone number or other contact information for the tenant representative, if known, who made the arrangements to pay rent in advance;

(ii) The amount of rent paid in advance and date through which rent was paid; and

(iii) A statement that the landlord may sell or dispose of the property on or after the date through which rent is paid or at least ((~~forty-five~~)) 45 days after the second notice is mailed, whichever comes later, if a tenant representative does not claim and remove the property in accordance with this subsection.

(b) If the landlord places the property in storage pursuant to subsection (1)(a) of this section, the landlord shall mail a second written notice, unless a written notice under (a) of this subsection has already been provided, to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the dwelling unit. The second notice must state that the landlord may sell or dispose of the property on or after a specified date that is at least ((~~forty-five~~)) 45 days after the second notice is mailed if a tenant representative does not claim and remove the property in accordance with this subsection.

(c) The landlord shall turn over possession of the tenant's property to a tenant representative if a written request is made within the applicable time periods after the second notice is mailed, provided the tenant representative: (i) Pays the actual or reasonable costs, whichever is less, of drayage and storage of the property, if applicable; and (ii) gives the landlord an inventory of the property and signs an acknowledgment that he or she has only been given possession and not ownership of the property.

(d) Within ((~~fourteen~~)) 14 days after the removal of the property by the tenant representative, the landlord shall refund any unearned rent and shall give a full and specific statement of the basis for retaining any deposit together with the payment of any refund due the deceased tenant under the terms and conditions of the rental agreement to the tenant representative.

(3)(a) If a tenant representative has not contacted the landlord or removed the deceased tenant's property within the applicable time periods under this section, the landlord may sell or dispose of the deceased tenant's property, except for personal papers and personal photographs, as provided in this subsection.

(i) If the landlord reasonably estimates the fair market value of the stored property to be more than ((~~one thousand dollars~~)) $1,000, the landlord shall arrange to sell the property in a commercially reasonable manner and may dispose of any property that remains unsold in a reasonable manner.

(ii) If the value of the stored property does not meet the threshold provided in (a)(i) of this subsection, the landlord may dispose of the property in a reasonable manner.

(iii) The landlord may apply any income derived from the sale of the property pursuant to this section against any costs of sale and moneys due the landlord, including actual or reasonable costs, whichever is less, of drayage and storage of the deceased tenant's property. Any excess income derived from the sale of such property under this section must be held by the landlord for a period of one year from the date of sale, and if no claim is made for recovery of the excess income before the expiration of that one-year period, the balance must be treated as abandoned property and deposited by the landlord with the department of revenue pursuant to chapter ((~~63.29~~)) 63.30 RCW.

(b) Personal papers and personal photographs that are not claimed by a tenant representative within ((~~ninety~~)) 90 days after a sale or other disposition of the deceased tenant's other property shall be either destroyed or held for the benefit of any successor of the deceased tenant as defined in RCW 11.62.005.

(c) No landlord or employee of a landlord, or his or her family members, may acquire, directly or indirectly, the property sold pursuant to (a)(i) of this subsection or disposed of pursuant to (a)(ii) of this subsection.

(4) Upon learning of the death of the tenant, the landlord may enter the deceased tenant's dwelling unit and immediately dispose of any perishable food, hazardous materials, and garbage found on the premises and turn over animals to a tenant representative or to an animal control officer, humane society, or other individual or organization willing to care for the animals.

(5) Any notices sent by the landlord under this section must include a mailing address, any address used for the receipt of electronic communications, and a telephone number of the landlord.

(6) If a landlord knowingly violates this section, the landlord is liable to the deceased tenant's estate for actual damages. The prevailing party in any action pursuant to this subsection may recover costs and reasonable attorneys' fees.

(7) A landlord who complies with this section is relieved from any liability relating to the deceased tenant's property.

**Sec.**  RCW 63.30.040 and 2022 c 225 s 201 are each amended to read as follows:

Subject to RCW 63.30.120, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

(1) A traveler's check, 15 years after issuance;

(2) A money order, five years after issuance;

(3) A state or municipal bond, bearer bond, or original issue discount bond, three years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;

(4) A debt of a business association, three years after the obligation to pay arises;

(5) A demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the later of maturity, if applicable, of the deposit or the owner's last indication of interest in the deposit, except a deposit that is automatically renewable is deemed matured on its initial date of maturity unless the apparent owner consented in a record on file with the holder to renewal at or about the time of the renewal;

(6) Money or a credit owed to a customer as a result of a retail business transaction, three years after the obligation arose;

(7) An amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, three years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

(a) With respect to an amount owed on a life or endowment insurance policy, three years after the earlier of the date:

(i) The insurance company has knowledge of the death of the insured; or

(ii) The insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve for the policy is based; and

(b) With respect to an amount owed on an annuity contract, three years after the date the insurance company has knowledge of the death of the annuitant;

(8) Property distributable by a business association in the course of dissolution, one year after the property becomes distributable;

(9) Property held by a court, including property received as proceeds of a class action, one year after the property becomes distributable;

(10) Property held by a government or governmental subdivision, agency, or instrumentality, including municipal bond interest and unredeemed principal under the administration of a paying agent or indenture trustee, one year after the property becomes distributable;

(11) Wages, commissions, bonuses, or reimbursements to which an employee is entitled, or other compensation for personal services, one year after the amount becomes payable;

(12) A deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable; ((~~and~~))

(13) Payroll card, one year after the amount becomes payable; ((~~and~~))

(14) Excess proceeds from the sale of property by an owner of a self-service storage facility conducted pursuant to RCW 19.150.080, six months from the date of sale;

(15) Excess income from the sale of tenant property by a landlord conducted pursuant to RCW 59.18.312 and 59.18.595, one year from the date of the sale;

(16) Excess funds from the sale of an abandoned vessel by an operator of a private moorage facility conducted pursuant to RCW 88.26.020, one year from the date of the sale; and

(17) Property not specified in this section or RCW 63.30.050 through 63.30.100, the earlier of three years after the owner first has a right to demand the property or the obligation to pay or distribute the property arises.

**Sec.**  RCW 82.04.4489 and 2022 c 270 s 5 are each amended to read as follows:

(1) Subject to the limitations in this section, a credit is allowed against the tax imposed under this chapter for contributions made by a person to a Washington motion picture competitiveness program.

(2) The person must make the contribution before claiming a credit authorized under this section. Credits earned under this section may be claimed against taxes due for the calendar year in which the contribution is made. The amount of credit claimed for a reporting period may not exceed the tax otherwise due under this chapter for that reporting period. No person may claim more than $1,000,000 of credit in any calendar year, including credit carried over from a previous calendar year. No refunds may be granted for any unused credits.

(3) The maximum credit that may be earned for each calendar year under this section for a person is limited to the lesser of $1,000,000 or an amount equal to ((~~one hundred~~)) 100 percent of the contributions made by the person to a program during the calendar year.

(4) Except as provided under subsection (5) of this section, a tax credit claimed under this section may not be carried over to another year.

(5) Any amount of tax credit otherwise allowable under this section not claimed by the person in any calendar year may be carried over and claimed against the person's tax liability for the next succeeding calendar year. Any credit remaining unused in the next succeeding calendar year may be carried forward and claimed against the person's tax liability for the second succeeding calendar year; and any credit not used in that second succeeding calendar year may be carried over and claimed against the person's tax liability for the third succeeding calendar year, but may not be carried over for any calendar year thereafter.

(6) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section during any calendar year to exceed $15,000,000. If this limitation is reached, the department must notify all Washington motion picture competitiveness programs that the annual statewide limit has been met. In addition, the department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within ((~~thirty~~)) 30 days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof.

(7) To claim a credit under this section, a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. Any return, form, or information required to be filed in an electronic format under this section is not filed until received by the department in an electronic format. As used in this subsection, "returns" has the same meaning as "return" in RCW 82.32.050.

(8) No application is necessary for the tax credit. The person must keep records necessary for the department to verify eligibility under this section.

(9) A Washington motion picture competitiveness program must provide to the department, upon request, such information needed to verify eligibility for credit under this section, including information regarding contributions received by the program.

(10) The department may not allow any credit under this section before July 1, 2006.

(11) For the purposes of this section, "Washington motion picture competitiveness program" or "program" means an organization established pursuant to chapter 43.365 RCW.

(12) Persons claiming a credit against the tax imposed under this chapter for contributions made to a Washington motion picture competitiveness program ((~~and not otherwise receiving funding assistance under RCW 43.365.020~~)) are exempt from the annual reporting requirements in RCW 82.32.534 and 43.365.040.

(13) No credit may be earned for contributions made on or after July 1, 2030.

**Sec.**  RCW 82.08.0206 and 2022 c 41 s 1 and 2022 c 33 s 1 are each reenacted and amended to read as follows:

(1) A working families' tax credit, in the form of a refund of tax due under this chapter and chapter 82.12 RCW, is provided to eligible low-income persons for sales and use taxes paid under this chapter and chapter 82.12 RCW after January 1, 2022.

(2) For purposes of the credit in this section, the following definitions apply:

(a)(i) "Eligible low-income person" means an individual who:

(A) Is eligible for the credit provided in Title 26 U.S.C. Sec. 32 of the internal revenue code; and

(B) Properly files a federal income tax return for the prior federal tax year, and was a Washington resident during the year for which the credit is claimed.

(ii) "Eligible low-income person" also means an individual who:

(A) Meets the requirements provided in (a)(i)(B) of this subsection; and

(B) Would otherwise qualify for the credit provided in Title 26 U.S.C. Sec. 32 of the internal revenue code except for the fact that the individual filed a federal income tax return for the prior federal tax year using a valid individual taxpayer identification number in lieu of a social security number, and the individual's spouse, if any, and all qualifying children, if any, have a valid individual taxpayer identification number or a social security number.

(b) "Income" means earned income as defined by Title 26 U.S.C. Sec. 32 of the internal revenue code.

(c) "Individual" means an individual or an individual and that individual's spouse if they file a federal joint income tax return.

(d) "Internal revenue code" means the United States internal revenue code of 1986, as amended, as of June 9, 2022, or such subsequent date as the department may provide by rule consistent with the purpose of this section.

(e) "Maximum qualifying income" means the maximum federally adjusted gross income for the prior federal tax year.

(f) "Qualifying child" means a qualifying child as defined by Title 26 U.S.C. Sec. 32 of the internal revenue code, except the child may have a valid individual taxpayer identification number in lieu of a social security number.

(g) "Washington resident" means an individual who is physically present and residing in this state for at least 183 days. "Washington resident" also includes an individual who is not physically present and residing in this state for at least 183 days but is the spouse of a Washington resident. For purposes of this subsection, "day" means a calendar day or any portion of a calendar day.

(3)(a) Except as provided in (b) and (c) of this subsection, for calendar year 2023 and thereafter, the working families' tax credit refund amount for the prior calendar year is:

(i) $300 for eligible persons with no qualifying children;

(ii) $600 for eligible persons with one qualifying child;

(iii) $900 for eligible persons with two qualifying children; or

(iv) $1,200 for eligible persons with three or more qualifying children.

(b) Except as provided in (f) of this subsection, the refund amounts provided in (a) of this subsection will be reduced, rounded to the nearest dollar, as follows:

(i) For eligible persons with no qualifying children, beginning at $2,500 of income below the federal phase-out income for the prior federal tax year, by 18 percent per additional dollar of income until the minimum credit amount as specified in (c) of this subsection is reached.

(ii) For eligible persons with one qualifying child, beginning at $5,000 of income below the federal phase-out income for the prior federal tax year, by 12 percent per additional dollar of income until the minimum credit amount as specified in (c) of this subsection is reached.

(iii) For eligible persons with two qualifying children, beginning at $5,000 of income below the federal phase-out income for the prior federal tax year, by 15 percent per additional dollar of income until the minimum credit amount as specified in (c) of this subsection is reached.

(iv) For eligible persons with three or more qualifying children, beginning at $5,000 of income below the federal phase-out income for the prior federal tax year, by 18 percent per additional dollar of income until the minimum credit amount as specified in (c) of this subsection is reached.

(c) If the refund for an eligible person as calculated in this section is greater than ((~~or equal to one~~)) zero cents, but less than $50, the refund amount is $50.

(d) The refund amounts in this section shall be adjusted for inflation every year beginning January 1, 2024, based upon changes in the consumer price index that are published by November 15th of the previous year for the most recent 12-month period. The adjusted refund amounts must be rounded to the nearest $5.

(e) For purposes of this section, "consumer price index" means, for any 12-month period, the average consumer price index for that 12-month period for the Seattle, Washington area for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(f) The percentage rate of remittance reductions in (b) of this subsection must be adjusted every year beginning January 1, 2023, based on calculations by the department that result in the minimum credit being received at the maximum qualifying income level.

(4) The working families' tax credit shall be administered as provided in this subsection.

(a) The refund paid under this section will be paid to eligible filers who apply pursuant to this subsection.

(i) Application must be made to the department in a form and manner determined by the department. If the application process is initially done electronically, the department must provide a paper application upon request. The application must include any information and documentation as required by the department.

(ii) Application for the refund under this section must be made in the year following the year for which the federal tax return was filed, but in no case may any refund be provided for any period before January 1, 2022. The department must use the eligible person's most recent federal tax filing for the tax year for which the refund is being claimed to calculate the refund.

(iii) A person may not claim a credit on behalf of a deceased individual. No individual may claim a credit under this section for any year in a disallowance period under Title 26 U.S.C. Sec. 32(k)(1) of the internal revenue code or for any year for which the individual is ineligible to claim the credit in Title 26 U.S.C. Sec. 32 of the internal revenue code by reason of Title 26 U.S.C. Sec. 32(k)(2) of the internal revenue code.

(b) The department shall protect the privacy and confidentiality of personal data of refund recipients in accordance with chapter 82.32 RCW.

(c) The department shall, in conjunction with other agencies or organizations, design and implement a public information campaign to inform potentially eligible persons of the existence of, and requirements for, the credit provided in this section.

(d) The department must work with the internal revenue service to administer the credit on an automatic basis as soon as practicable.

(5) Receipt of the refund under this section may not be used in eligibility determinations for any state income support programs or in making public charge determinations.

(6) The department may adopt rules necessary to implement this section. This includes establishing a date by which applications will be accepted, with the aim of accepting applications as soon as possible.

(7) The department must review the application and determine eligibility for the working families' tax credit based on information provided by the applicant and through audit and other administrative records, including, when it deems it necessary, verification through internal revenue service data.

(8) If, upon review of internal revenue service data or other information obtained by the department, it appears that an individual received a refund that the individual was not entitled to, or received a larger refund than the individual was entitled to, the department may assess against the individual the overpaid amount. The department may also assess such overpaid amount against the individual's spouse if the refund in question was based on both spouses filing a joint federal income tax return for the year for which the refund was claimed.

(a) Interest as provided under RCW 82.32.050 applies to assessments authorized under this subsection (8) starting six months after the date the department issued the assessment until the amount due under this subsection (8) is paid in full to the department. Except as otherwise provided in this subsection, penalties may not be assessed on amounts due under this subsection.

(b) If an amount due under this subsection is not paid in full by the date due, or the department issues a warrant for the collection of amounts due under this subsection, the department may assess the applicable penalties under RCW 82.32.090. Penalties under this subsection (8)(b) may not be made due until six months after the department's issuance of the assessment.

(c) If the department finds by clear, cogent, and convincing evidence that an individual knowingly submitted, caused to be submitted, or consented to the submission of, a fraudulent claim for refund under this section, the department must assess a penalty of 50 percent of the overpaid amount. This penalty is in addition to any other applicable penalties assessed in accordance with (b) of this subsection (8).

(9) If, within the period allowed for refunds under RCW 82.32.060, the department finds that an individual received a lesser refund than the individual was entitled to, the department must remit the additional amount due under this section to the individual.

(10) Interest does not apply to refunds provided under this section.

(11) Chapter 82.32 RCW applies to the administration of this section.

**Sec.**  RCW 82.14.070 and 2003 c 168 s 202 are each amended to read as follows:

(1) It is the intent of this chapter that any local sales and use tax adopted pursuant to this chapter be identical to the state sales and use tax, unless otherwise prohibited by federal law, and with other local sales and use taxes adopted pursuant to this chapter.

(2) It is further the intent of this chapter that the local sales and use tax shall be imposed upon an individual taxable event simultaneously with the imposition of the state sales or use tax upon the same taxable event. The rule making powers of the state department of revenue contained in RCW 82.08.060 and 82.32.300 shall be applicable to this chapter. The department shall, as soon as practicable, and with the assistance of the appropriate associations of county prosecutors and city attorneys, draft a model resolution and ordinance.

(3) Except as otherwise provided by law, all state sales and use tax exemptions, credits, and deductions apply in an identical manner to local sales and use taxes adopted pursuant to this chapter or other provision of law.

**Sec.**  RCW 82.32.045 and 2022 c 295 s 2 are each amended to read as follows:

(1) Except as otherwise provided in this chapter and subsection (6) of this section, payments of the taxes imposed under chapters 82.04, 82.08, 82.12, 82.14, ((~~and~~)) 82.16, and 82.27 RCW, along with reports and returns on forms prescribed by the department, are due monthly within ((~~twenty-five~~)) 25 days after the end of the month in which the taxable activities occur.

(2) The department of revenue may relieve any taxpayer or class of taxpayers from the obligation of remitting monthly and may require the return to cover other longer reporting periods, but in no event may returns be filed for a period greater than one year. Except as provided in subsection (3) of this section, for these taxpayers, tax payments are due on or before the last day of the month next succeeding the end of the period covered by the return.

(3) For annual filers, tax payments, along with reports and returns on forms prescribed by the department, are due on or before April 15th of the year immediately following the end of the period covered by the return.

(4) The department of revenue may also require verified annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability.

(5) Notwithstanding subsections (1) and (2) of this section, the department may relieve any person of the requirement to file returns if the following conditions are met:

(a) The person's value of products, gross proceeds of sales, or gross income of the business, from all business activities taxable under chapter 82.04 RCW, is less than $125,000 per year;

(b) The person's gross income of the business from all activities taxable under chapter 82.16 RCW is less than ((~~twenty-four thousand dollars~~)) $24,000 per year; and

(c) The person is not required to collect or pay to the department of revenue any other tax or fee which the department is authorized to collect.

(6)(a) Taxes imposed under chapter 82.08 or 82.12 RCW on taxable events that occur beginning January 1, 2019, through June 30, 2019, and payable by a consumer directly to the department are due, on returns prescribed by the department, by July 25, 2019.

(b) This subsection (6) does not apply to the reporting and payment of taxes imposed under chapters 82.08 and 82.12 RCW:

(i) On the retail sale or use of motor vehicles, vessels, or aircraft; or

(ii) By consumers who are engaged in business, unless the department has relieved the consumer of the requirement to file returns pursuant to subsection (5) of this section.

**Sec.**  RCW 82.32.105 and 2017 c 323 s 106 are each amended to read as follows:

(1) If the department finds that the payment by a taxpayer of a tax less than that properly due or the failure of a taxpayer to pay any tax by the due date was the result of circumstances beyond the control of the taxpayer, the department must waive or cancel any penalties imposed under this chapter with respect to such tax.

(2) The department must waive or cancel the penalty imposed under RCW 82.32.090(1) when the circumstances under which the delinquency occurred do not qualify for waiver or cancellation under subsection (1) of this section if:

(a) The taxpayer requests the waiver for a tax return required to be filed under RCW 54.28.040, 82.32.045, 82.14B.061, 82.23B.020, ((~~82.27.060,~~)) 82.29A.050, or 84.33.086; and

(b) The taxpayer has timely filed and remitted payment on all tax returns due for that tax program for a period of ((~~twenty~~‑~~four~~)) 24 months immediately preceding the period covered by the return for which the waiver is being requested.

(3) The department must waive or cancel interest imposed under this chapter if:

(a) The failure to timely pay the tax was the direct result of written instructions given the taxpayer by the department; or

(b) The extension of a due date for payment of an assessment of deficiency was not at the request of the taxpayer and was for the sole convenience of the department.

(4) The department must adopt rules for the waiver or cancellation of penalties and interest imposed by this chapter.

**Sec.**  RCW 82.60.020 and 2010 1st sp.s. c 16 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible area" means:

(a) Through June 30, 2010, a rural county as defined in RCW 82.14.370; and

(b) Beginning July 1, 2010, a qualifying county.

(4)(a) "Eligible investment project" means an investment project that is located, as of the date the deferral application ((~~required by RCW 82.60.030~~)) is received by the department, in an eligible area as defined in subsection (3) of this section.

(b) "Eligible investment project" does not include any portion of an investment project undertaken by a light and power business as defined in RCW 82.16.010(4), other than that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part, or investment projects that have already received deferrals under this chapter.

(5)(a) "Initiation of construction" ((~~has the same meaning as in RCW 82.63.010~~)) means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

(i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in RCW 82.60.025; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in RCW 82.60.025.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.

(c) If the investment project is a phased project, "initiation of construction" applies separately to each phase.

(6) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.

(7) "Manufacturing" means the same as defined in RCW 82.04.120. "Manufacturing" also includes:

(a) Before July 1, 2010: (i) Computer programming, the production of computer software, and other computer-related services, but only when the computer programming, production of computer software, or other computer-related services are performed by a manufacturer as defined in RCW 82.04.110 and contribute to the production of a new, different, or useful substance or article of tangible personal property for sale; (ii) the activities performed by research and development laboratories and commercial testing laboratories; and (iii) the conditioning of vegetable seeds; and

(b) Beginning July 1, 2010: (i) The activities performed by research and development laboratories and commercial testing laboratories; and (ii) the conditioning of vegetable seeds.

(8) "Person" has the meaning given in RCW 82.04.030.

(9) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for manufacturing or research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, mill, plant, or laboratory used for manufacturing or research and development. If a building is used partly for manufacturing or research and development and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

(10) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year. The term "entire tax year" means a full-time position that is filled for a period of ((~~twelve~~)) 12 consecutive months. The term "full-time" means at least ((~~thirty-five~~)) 35 hours a week, ((~~four hundred fifty-five~~)) 455 hours a quarter, or ((~~one thousand eight hundred twenty~~)) 1,820 hours a year.

(11) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(12) "Qualifying county" means a county that has an unemployment rate, as determined by the employment security department, which is at least ((~~twenty~~)) 20 percent above the state average for the three calendar years immediately preceding the year in which the list of qualifying counties is established or updated, as the case may be, as provided in RCW 82.60.120.

(13) "Recipient" means a person receiving a tax deferral under this chapter.

(14) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun, but only when such activities are intended to ultimately result in the production of a new, different, or useful substance or article of tangible personal property for sale. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed ((~~one million dollars~~)) $1,000,000.

**Sec.**  RCW 82.60.049 and 2010 1st sp.s. c 16 s 7 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Eligible area" also means a designated community empowerment zone approved under RCW 43.31C.020.

(b) "Eligible investment project" also means an investment project in an eligible area as defined in this section.

(2) ((~~In addition to the provisions of RCW 82.60.040, the~~)) Until July 1, 2020, the department shall issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW, on each eligible investment project that is located in an eligible area, if the applicant establishes that at the time the project is operationally complete:

(a) The applicant will hire at least one qualified employment position for each ((~~seven hundred fifty thousand dollars~~)) $750,000 of investment for which a deferral is requested; and

(b) The positions will be filled by persons who at the time of hire are residents of the community empowerment zone. As used in this subsection, "resident" means the person makes his or her home in the community empowerment zone or the county in which the zone is located. A mailing address alone is insufficient to establish that a person is a resident for the purposes of this section. The persons must be hired after the date the application is filed with the department.

(3) All other provisions and eligibility requirements of this chapter apply to applicants eligible under this section.

(4) The qualified employment position must be filled by the end of the calendar year following the year in which the project is certified as operationally complete. If a person does not meet the requirements for qualified employment positions by the end of the second calendar year following the year in which the project is certified as operationally complete, all deferred taxes are immediately due.

**Sec.**  RCW 82.60.060 and 2010 1st sp.s. c 16 s 8 are each amended to read as follows:

(1) ((~~The~~)) In the event the eligible investment project ceases to meet the requirements of this chapter, the recipient must begin paying the deferred taxes in the third year after the date certified by the department as the date on which the investment project has been operationally completed. The first payment ((~~will be~~)) is due on December 31st of the third calendar year after such certified date, with subsequent annual payments due on December 31st of the following four years with amounts of payment scheduled as follows:

| Repayment Year | % of Deferred Tax Repaid |
| --- | --- |
| 1 | 10% |
| 2 | 15% |
| 3 | 20% |
| 4 | 25% |
| 5 | 30% |

(2) The department may authorize an accelerated repayment schedule upon request of the recipient.

(3) Interest may not be charged on any taxes deferred under this chapter for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this chapter. The debt for deferred taxes ((~~will~~)) may not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

**Sec.**  RCW 82.60.070 and 2017 c 135 s 36 are each amended to read as follows:

(1)(a) Each recipient of a deferral of taxes granted under this chapter must file a complete annual tax performance report with the department under RCW 82.32.534. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.60.025, the lessee must file a complete annual tax performance report, and the applicant is not required to file a complete annual tax performance report.

(b) The department must use the information reported on the annual tax performance report required by this section to study the tax deferral program authorized under this chapter. The department must report to the legislature by December 1, 2018. The report must measure the effect of the program on job creation, the number of jobs created for residents of eligible areas, company growth, and such other factors as the department selects.

(2) Except as provided in RCW 82.60.063, if, on the basis of a tax performance report under RCW 82.32.534 or other information, the department finds that an investment project is not eligible for tax deferral under this chapter, the amount of deferred taxes outstanding for the project, according to the repayment schedule in RCW 82.60.060, is immediately due. For purposes of this subsection (2), the repayment schedule in RCW 82.60.060 is ((~~tolled~~)) suspended during the period of time that a taxpayer is receiving relief from repayment of deferred taxes under RCW 82.60.063.

(3) A recipient who must repay deferred taxes under subsection (2) of this section because the department has found that an investment project is not eligible for tax deferral under this chapter is no longer required to file annual tax performance reports under RCW 82.32.534 beginning on the date an investment project is used for nonqualifying purposes.

(4) Notwithstanding any other provision of this section or RCW 82.32.534, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

**Sec.**  RCW 82.70.900 and 2015 3rd sp.s. c 44 s 416 are each amended to read as follows:

((~~Except for RCW 82.70.050, this~~)) This chapter expires July 1, 2024.

**Sec.**  RCW 82.73.030 and 2021 c 112 s 2 are each amended to read as follows:

(1) Subject to the limitations in this chapter, a credit is allowed against the tax imposed by chapters 82.04 and 82.16 RCW for approved contributions that are made by a person to a program or the main street trust fund.

(2)(a) Except as provided in (b) of this subsection, the credit allowed under this section is limited to an amount equal to:

(i) Seventy-five percent of the approved contribution made by a person to a program; or

(ii) Fifty percent of the approved contribution made by a person to the main street trust fund.

(b) Beginning with contributions made in calendar year 2021, an additional credit is allowed equal to 25 percent of the approved contribution made by a person to the main street trust fund.

(3) The department may not approve credit with respect to a program in a city or town with a population of ((~~one hundred ninety thousand~~)) 190,000 persons or more at the time of designation in accordance with chapter 43.360 RCW.

(4) The department must keep a running total of all credits approved under this chapter for each calendar year. The department may not approve any credits under this section that would cause the total amount of approved credits statewide to exceed $5,000,000 in any calendar year.

(5)(a)(i) The total credits allowed under this chapter for contributions made to each program may not exceed $160,000 in a calendar year.

(ii) Between 8:00 a.m., Pacific standard time, on the second Monday in January and 8:00 a.m., Pacific daylight time, on April 1st of the same calendar year, the department must evenly allocate the amount of statewide credits allowed under subsection (4) of this section based on the total number of programs and the main street trust fund as of January 1st in the same calendar year. The department may not approve contributions for a program or the main street trust fund that would cause the total amount of approved credits for a program or the main street trust fund to exceed the allocated amount.

(b) The total credits allowed under this chapter for a person may not exceed ((~~two hundred fifty thousand dollars~~)) $250,000 in a calendar year.

(6) Except as provided in subsection (8) of this section, the credit may be claimed against any tax due under chapters 82.04 and 82.16 RCW only in the calendar year immediately following the calendar year in which the credit was approved by the department and the contribution was made to the program or the main street trust fund. Credits may not be carried over to subsequent years. No refunds may be granted for credits under this chapter.

(7) The total amount of the credit claimed in any calendar year by a person may not exceed the lesser amount of:

(a) The approved credit; or

(b) Seventy-five percent of the amount of the contribution that is made by the person to a program and 75 percent of the amount of the contribution that is made by the person to the main street trust fund, in the prior calendar year.

(8) Any credits provided in accordance with this chapter for approved contributions made in calendar year 2020 may be carried over for an additional two years and must be used by December 31, 2023.

(9) No credit is allowed or may be claimed under this section on or after January 1, 2032.

**Sec.**  RCW 82.90.080 and 2022 c 161 s 8 are each amended to read as follows:

A lessor or owner of an eligible investment project is not eligible for a deferral under this chapter unless:

(1) The underlying ownership of the qualified solar canopy vests exclusively in the same person; or

(2)(a) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

(b) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual tax performance report required under RCW ((~~82.63.020(2)~~)) 82.32.534; and

(c) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the eligible investment project and the lessee.

**Sec.**  RCW 84.52.120 and 1995 c 99 s 1 are each amended to read as follows:

A metropolitan park district with a population of ((~~one hundred fifty thousand~~)) 150,000 or more may submit a ballot proposition to voters of the district authorizing the protection of the district's tax levy from prorationing under RCW 84.52.010((~~(2)~~)) (3)(b) by imposing all or any portion of the district's ((~~twenty-five~~)) 25 cent per ((~~thousand dollars~~)) $1,000 of assessed valuation tax levy outside of the ((~~five dollar and ninety cent~~)) $5.90 per ((~~thousand dollar~~)) $1,000 of assessed valuation limitation established under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010((~~(2)(c)~~)) (3)(b)(iv), for taxes imposed in any year on or before the first day of January six years after the ballot proposition is approved. A simple majority vote of voters voting on the proposition is required for approval.

**Sec.**  RCW 84.52.816 and 2015 c 170 s 3 are each amended to read as follows:

A flood control zone district in a county with a population of ((~~seven hundred seventy-five thousand~~)) 775,000 or more, or a county within the Chehalis river basin, that is coextensive with a county may protect the levy under RCW 86.15.160 from prorationing under RCW 84.52.010(3)(b)((~~(ii)~~)) (iii) by imposing up to a total of ((~~twenty-five~~)) 25 cents per ((~~thousand dollars~~)) $1,000 of assessed value of the tax levy authorized under RCW 86.15.160 outside of the ((~~five dollars and ninety cents~~)) $5.90 per ((~~thousand dollars~~)) $1,000 of assessed value limitation under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010(3)(b)((~~(ii)~~)) (iii).

**Sec.**  RCW 88.02.620 and 2021 c 150 s 1 are each amended to read as follows:

(1) A vessel owner who is a nonresident person must obtain a nonresident vessel permit on or before the ((~~sixty-first~~)) 61st day of use in Washington state if the vessel:

(a) Is currently registered or numbered under the laws of the state or ((~~county [country]~~)) country of principal operation, has been issued a valid number under federal law, or has a valid United States customs service cruising license issued under 19 C.F.R. Sec. 4.94; and

(b) Has been brought into Washington state for not more than six months in any continuous ((~~twelve~~)) 12-month period, and is used:

(i) For personal use; or

(ii) For the purposes of chartering a vessel with a captain or crew, as long as individual charters are for at least three or more consecutive days in duration. The permit also applies for the purposes of necessary transit to or from the start or end point of such a charter, but that transit time is not counted toward the duration of the charter.

(2) In addition to the requirements in subsection (1) of this section, a nonresident vessel owner that is not a natural person, or a nonresident vessel owner who is a natural person who intends to charter the vessel with a captain or crew as provided in subsection (1)(b)(ii) of this section, may only obtain a nonresident vessel permit if:

(a) The vessel is at least ((~~thirty~~)) 30 feet in length, but no more than ((~~two hundred~~)) 200 feet in length;

(b) No Washington state resident owns the vessel or is a principal, as defined in RCW 82.32.865, of the nonresident person which owns the vessel; and

(c) The department of revenue has provided the nonresident vessel owner written approval authorizing the permit as provided in RCW 82.32.865.

(3) A nonresident vessel permit:

(a) May be obtained from the department, county auditor or other agent, or subagent appointed by the director;

(b) Must show the date the vessel first came into Washington state; and

(c) Is valid for two months.

(4) The department, county auditor or other agent, or subagent appointed by the director must collect the fee required in RCW 88.02.640(1)(i) when issuing nonresident vessel permits.

(5) A nonresident vessel permit is not required under this section if the vessel is used in conducting temporary business activity within Washington state.

(6) For any permits issued under this section to a nonresident vessel owner that is not a natural person, or for any permits issued to a natural person who intends to charter the vessel with a captain or crew as provided in subsection (1)(b)(ii) of this section, the department must maintain a record of the following information and provide it to the department of revenue quarterly or as otherwise mutually agreed to by the department and department of revenue:

(a) The name of the record owner of the vessel;

(b) The vessel's hull identification number;

(c) The amount of the fee paid under RCW 88.02.640(5);

(d) The date the vessel first entered the waters of this state;

(e) The expiration date for the permit; and

(f) Any other information mutually agreed to by the department and department of revenue.

(7) The department must adopt rules to implement this section, including rules on issuing and displaying the nonresident vessel permit.

**Sec.**  RCW 88.26.020 and 2013 c 291 s 41 are each amended to read as follows:

(1) Any private moorage facility operator may take reasonable measures, including the use of chains, ropes, and locks, or removal from the water, to secure vessels within the private moorage facility so that the vessels are in the possession and control of the operator and cannot be removed from the facility. These procedures may be used if an owner mooring or storing a vessel at the facility fails, after being notified that charges are owing and of the owner's right to commence legal proceedings to contest that such charges are owing, to pay charges owed or to commence legal proceedings. Notification shall be by two separate letters, one sent by first-class mail and one sent by registered mail to the owner and any lienholder of record at the last known address. In the case of a transient vessel, or where no address was furnished by the owner, the operator need not give notice prior to securing the vessel. At the time of securing the vessel, an operator shall attach to the vessel a readily visible notice. The notice shall be of a reasonable size and shall contain the following information:

(a) The date and time the notice was attached;

(b) A statement that if the account is not paid in full within ((~~ninety~~)) 90 days from the time the notice is attached the vessel may be sold at public auction to satisfy the charges; and

(c) The address and telephone number where additional information may be obtained concerning release of the vessel.

After a vessel is secured, the operator shall make a reasonable effort to notify the owner and any lienholder of record by registered mail in order to give the owner the information contained in the notice.

(2) A private moorage facility operator, at his or her discretion, may move moored vessels ashore for storage within properties under the operator's control or for storage with a private person under their control as bailees of the private moorage facility, if the vessel is, in the opinion of the operator, a nuisance, in danger of sinking or creating other damage, or is owing charges. The costs of any such procedure shall be paid by the vessel's owner.

(3) If a vessel is secured under subsection (1) of this section or moved ashore under subsection (2) of this section, the owner who is obligated to the private operator for charges may regain possession of the vessel by:

(a) Making arrangements satisfactory with the operator for the immediate removal of the vessel from the facility or for authorized moorage; and

(b) Making payment to the operator of all charges, or by posting with the operator a sufficient cash bond or other acceptable security, to be held in trust by the operator pending written agreement of the parties with respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of competent jurisdiction. After entry of judgment, including any appeals, in a court of competent jurisdiction, or after the parties reach agreement with respect to payment, the trust shall terminate and the operator shall receive so much of the bond or other security as agreed, or as is necessary, to satisfy any judgment, costs, and interest as may be awarded to the operator. The balance shall be refunded immediately to the owner at the last known address.

(4) If a vessel has been secured by the operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within ((~~ninety~~)) 90 days after notifying or attempting to notify the owner under subsection (1) of this section, the vessel is conclusively presumed to have been abandoned by the owner.

(5) If a vessel moored or stored at a private moorage facility is abandoned, the operator may authorize the public sale of the vessel by authorized personnel, consistent with this section, to the highest and best bidder for cash as follows:

(a) Before the vessel is sold, the vessel owner and any lienholder of record shall be given at least ((~~twenty~~)) 20 days' notice of the sale in the manner set forth in subsection (1) of this section if the name and address of the owner is known. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of charges owed with respect to the vessel. The notice of sale shall be published at least once, more than ((~~ten~~)) 10 but not more than ((~~twenty~~)) 20 days before the sale, in a newspaper of general circulation in the county in which the facility is located. This notice shall include the name of the vessel, if any, the last known owner and address, and a reasonable description of the vessel to be sold. The operator may bid all or part of its charges at the sale and may become a purchaser at the sale.

(b) Before the vessel is sold, any person seeking to redeem an impounded vessel under this section may commence a lawsuit in the superior court for the county in which the vessel was impounded to contest the validity of the impoundment or the amount of charges owing. This lawsuit must be commenced within ((~~sixty~~)) 60 days of the date the notification was provided under subsection (1) of this section, or the right to a hearing is deemed waived and the owner is liable for any charges owing the operator. In the event of litigation, the prevailing party is entitled to reasonable attorneys' fees and costs.

(c) The proceeds of a sale under this section shall be applied first to the payment of any liens superior to the claim for charges, then to payment of the charges, then to satisfy any other liens on the vessel in the order of their priority. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due diligence be located by the operator within one year of the date of the sale, the excess funds from the sale shall revert to the department of revenue under chapter ((~~63.29~~)) 63.30 RCW. If the sale is for a sum less than the applicable charges, the operator is entitled to assert a claim for deficiency, however, the deficiency judgment shall not exceed the moorage fees owed for the previous six-month period.

(d) In the event no one purchases the vessel at a sale, or a vessel is not removed from the premises or other arrangements are not made within ((~~ten~~)) 10 days of sale, title to the vessel will revert to the operator.

(e) Either a minimum bid may be established or a letter of credit may be required from the buyer, or both, to discourage the future abandonment of the vessel.

(6) The rights granted to a private moorage facility operator under this section are in addition to any other legal rights an operator may have to hold and sell a vessel and in no manner does this section alter those rights, or affect the priority of other liens on a vessel.

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1) RCW 82.12.02088 (Exemptions—Digital products—Business buyers—Concurrently available for use within and outside state—Apportionment) and 2017 c 323 s 522 & 2009 c 535 s 702;

(2) RCW 82.27.060 (Payment of tax—Remittance—Returns) and 2006 c 256 s 3, 2003 1st sp.s. c 13 s 10, 1990 c 214 s 1, & 1980 c 98 s 6; and

(3) RCW 82.70.050 (Credit taken, director must advise) and 2022 c 182 s 312, 2015 3rd sp.s. c 44 s 415, 2015 1st sp.s. c 10 s 710, 2014 c 222 s 706, & 2003 c 364 s 5.

NEW SECTION. **Sec.**  Sections 1 through 4, 6 through 8, and 24 of this act apply both prospectively and retroactively to January 1, 2023.

NEW SECTION. **Sec.**  Section 23 of this act expires January 1, 2029.

**--- END ---**