
SUBSTITUTE HOUSE BILL 1960

State of Washington

69th Legislature

2025 Regular Session

By House Finance (originally sponsored by Representatives Ramel, Berg, Doglio, Fitzgibbon, Parshley, Scott, Reed, and Hill)

READ FIRST TIME 02/26/25.

1 AN ACT Relating to encouraging renewable energy in Washington
2 through tax policy and investment in local communities; amending RCW
3 84.55.010, 84.55.030, 84.55.092, 84.55.120, 82.32.330, and 82.96.020;
4 reenacting and amending RCW 84.55.020; adding new sections to chapter
5 84.36 RCW; adding new sections to chapter 82.96 RCW; adding a new
6 section to chapter 84.55 RCW; adding new sections to chapter 43.63A
7 RCW; adding a new section to chapter 43.21A RCW; creating new
8 sections; repealing RCW 84.36.680 and 82.96.010; and providing an
9 effective date.

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

11 **PART I**

12 **RENEWABLE ENERGY EXCISE TAX**

13 NEW SECTION. **Sec. 101.** A new section is added to chapter 84.36
14 RCW to read as follows:

15 (1) All personal property used primarily for the generation of
16 renewable energy in a qualified renewable energy facility that
17 becomes operational on or after January 1, 2026, or a renewable
18 energy facility that is repowered on or after January 1, 2026, is
19 exempt from property taxation.

1 (2) All personal property used primarily for renewable energy
2 storage in a qualified renewable energy facility that becomes
3 operational on or after January 1, 2026, or a renewable energy
4 facility that is repowered on or after January 1, 2026, is exempt
5 from property taxation.

6 (3)(a) Each qualified renewable energy facility in this state
7 must annually, on or before the 15th day of March, make and file with
8 the department an annual report as to the location and nameplate
9 capacity of the personal property exempt under this section.

10 (b) The department must provide each respective county treasurer
11 and county assessor a copy of the report filed under (a) of this
12 subsection.

13 (4) The department may adopt such rules in accordance with
14 chapter 34.05 RCW and prescribe such forms as it deems necessary and
15 appropriate to implement and administer this section and section 102
16 of this act.

17 (5) For the purposes of this section and section 102 of this act,
18 the following definitions apply:

19 (a) "Personal property" has the same meaning as in RCW 84.04.080.

20 (b) "Qualified renewable energy facility" means:

21 (i) A renewable energy facility that becomes operational on or
22 after January 1, 2026, or a renewable energy facility that is
23 repowered on or after January 1, 2026, and is exempt under this
24 section; or

25 (ii) A renewable energy facility that becomes operational before
26 January 1, 2026, and is exempt under section 102 of this act.

27 (c) "Renewable energy" means energy produced by a solar or wind
28 facility with a nameplate capacity sufficient to generate at least 50
29 megawatts of alternating current power.

30 (d) "Renewable energy storage" means a battery storage or battery
31 energy storage system that can store renewable energy when production
32 exceeds demand and release that energy when energy demand increases.

33 (e) "Repowered" means the replacement of 30 percent or more of
34 solar panels or wind turbines in a qualified renewable energy
35 facility after it first becomes operational.

36 NEW SECTION. **Sec. 102.** A new section is added to chapter 84.36
37 RCW to read as follows:

38 (1) All personal property used primarily for the generation of
39 renewable energy in a qualified renewable energy facility that

1 becomes operational before January 1, 2026, is exempt from property
2 taxation.

3 (2) All personal property used primarily for renewable energy
4 storage in a qualified renewable energy facility that becomes
5 operational before January 1, 2026, is exempt from property taxation.

6 (3) (a) The assessed value of the personal property exempted under
7 this section must be excluded from the calculation of the property
8 tax levy as provided in chapter 84.55 RCW pursuant to section 108 of
9 this act for any taxing district, other than the state, where the
10 exempt personal property is located; and

11 (b) (i) For taxes levied for collection in calendar year 2027, the
12 county assessor must use the most recent assessed valuation available
13 to determine the value of any personal property exempted under this
14 section to be removed from the assessment roll under section 108 of
15 this act; and

16 (ii) On or before June 30, 2026, if any personal property has
17 been previously assessed under chapter 84.12 RCW, the department must
18 provide the county assessor with the apportioned assessed value from
19 the prior year to be removed from the assessment roll under section
20 108 of this act.

21 (4) (a) By March 15, 2026, and each March 15th thereafter, each
22 qualified renewable energy facility in this state must annually make
23 and file with the department an annual report as to the location and
24 nameplate capacity of the personal property exempt under this
25 section.

26 (b) The department must provide each respective county treasurer
27 and county assessor a copy of the report under (a) of this
28 subsection.

29 NEW SECTION. **Sec. 103.** A new section is added to chapter 82.96
30 RCW to read as follows:

31 (1) (a) Beginning January 1, 2027, a renewable energy excise tax
32 is imposed and collected on the privilege of using qualified
33 renewable energy systems for an electric power source in the state.
34 The rate of the tax is as follows:

35 (i) (A) \$4,000 per year per megawatt of nameplate capacity of
36 alternating current power for a qualified renewable energy generating
37 system that uses solar energy to generate electricity if the system
38 became operational before January 1, 2027.

1 (B) \$4,500 per year per megawatt of nameplate capacity of
2 alternating current power for a qualified renewable energy generating
3 system that uses solar energy to generate electricity if the system
4 became operational on or after January 1, 2027, or was repowered on
5 or after January 1, 2027.

6 (ii)(A) \$800 per year per megawatt of nameplate capacity of
7 alternating current power for a qualified renewable energy generating
8 system that uses wind energy to generate electricity if the system
9 became operational on or before December 31, 2004.

10 (B) \$2,900 per year per megawatt of nameplate capacity of
11 alternating current power for a qualified renewable energy generating
12 system that uses wind energy to generate electricity if the system
13 became operational on or after January 1, 2005, and before January 1,
14 2020, or was repowered on or after January 1, 2005, and before
15 January 1, 2020.

16 (C) \$6,000 per year per megawatt of nameplate capacity of
17 alternating current power for a qualified renewable energy generating
18 system that uses wind energy to generate electricity if the system
19 became operational on or after January 1, 2020, and before January 1,
20 2027, or was repowered on or after January 1, 2020, and before
21 January 1, 2027.

22 (D) \$6,300 per year per megawatt of nameplate capacity of
23 alternating current power for a qualified renewable energy generating
24 system that uses wind energy to generate electricity if the system
25 became operational on or after January 1, 2027, or was repowered on
26 or after January 1, 2027.

27 (b)(i) Beginning January 1, 2027, an annual renewable energy
28 excise tax is imposed and collected on the privilege of using a
29 renewable energy storage system of a qualified renewable energy
30 generating system.

31 (ii) The rate of tax is \$1,500 per megawatt hour of renewable
32 energy storage capacity.

33 (2) Beginning October 1, 2028, and every year thereafter, the
34 renewable energy excise tax under subsection (1) of this section must
35 be adjusted annually by the department by one percent. The adjusted
36 rate applies at the beginning of the following calendar year,
37 starting with January 1, 2029.

38 (3) The taxes must be paid semiannually in two equal payments in
39 the manner and form as prescribed by the department.

1 (4) The taxes imposed by this chapter are in addition to any
2 taxes imposed upon the same persons under chapter 82.04 or 82.16 RCW.

3 (5) For the purposes of this section, the following definitions
4 apply:

5 (a) "Consumer price index" means the consumer price index for all
6 urban consumers, all items, for the Seattle area as calculated by the
7 United States bureau of labor statistics. For the purposes of this
8 subsection, "Seattle area" means the geographic area sample that
9 includes Seattle.

10 (b) "Qualified renewable energy generating system" means a set of
11 devices whose primary purpose is to produce electricity by means of
12 any combination of collecting, transferring, or converting renewable
13 energy.

14 (c) "Renewable energy" means energy produced by a solar or wind
15 facility with a nameplate capacity sufficient to generate at least 50
16 megawatts of alternating current power.

17 (d) "Renewable energy storage capacity" means the battery storage
18 capacity per megawatt hour.

19 (e) "Renewable energy storage system" means commercially
20 available technology that is capable of retaining electricity,
21 storing the energy for a period of time, and delivering the
22 electricity after storage by chemical, thermal, mechanical, or other
23 means.

24 (f) "Repowered" means the replacement of 30 percent or more of
25 solar panels or wind turbines in a qualified renewable energy
26 facility after it first became operational.

27 NEW SECTION. **Sec. 104.** A new section is added to chapter 82.96
28 RCW to read as follows:

29 (1) In computing the tax imposed under this chapter, a credit is
30 allowed for each person for the payment of a property tax on an item
31 of personal property that qualifies for the exemption in section 101
32 of this act if the payment of the property tax occurred while the
33 qualified renewable energy facility was under construction.

34 (2) The credit is equal to the amount of state or local property
35 taxes paid while the qualified renewable energy facility was under
36 construction on items of personal property exempted under section 101
37 of this act.

38 (3) The credit must be claimed against taxes due for the same
39 year that the personal property items become subject to the tax under

1 this chapter. The credit may be carried over to subsequent years. The
2 credit for a calendar year may not exceed the amount of tax otherwise
3 due under this chapter for the same calendar year. Refunds may not be
4 granted in the place of the credit.

5 (4) Any person claiming the credit must file a form prescribed by
6 the department that must include the amount of the credit claimed, an
7 estimate of the taxable amount during the calendar year for which the
8 credit is claimed, and such additional information as the department
9 may prescribe.

10 NEW SECTION. **Sec. 105.** A new section is added to chapter 82.96
11 RCW to read as follows:

12 (1) All revenue received by the department from the renewable
13 energy excise tax under section 103 of this act must be distributed
14 as follows:

15 (a) The department must determine the allocation of the renewable
16 energy excise tax to be apportioned between the state and each
17 county. The allocation is based on the location of a qualified
18 renewable energy generating system or renewable energy storage system
19 taxed under section 103 of this act.

20 (b) The state portion of the revenue must be deposited in the
21 renewable energy local benefit account created in RCW 82.96.020.

22 (c) The local portion of the revenue must be deposited in the
23 local community investment account created in section 115 of this
24 act.

25 (2)(a) Monthly, the state treasurer must make distributions from
26 the local community investment account to the respective county
27 treasurer from where the renewable energy excise tax was received.

28 (b) Monthly, the state treasurer must disburse earnings from the
29 local community investment account to the respective county treasurer
30 proportionate to the amount of the renewable energy excise tax
31 received.

32 (c) The state treasurer shall make the distribution under this
33 subsection without appropriation.

34 (3) The county treasurer shall distribute any revenues received
35 under this section to each appropriate local taxing district in the
36 county that reflects the pro rata share of the property tax rate in
37 the prior tax year of the district in accordance with RCW 84.56.230,
38 except any voter-approved excess property tax levies within a taxing
39 district authorized after January 1, 2026.

1 NEW SECTION. **Sec. 106.** A new section is added to chapter 82.96
2 RCW to read as follows:

3 All of the provisions contained in chapter 82.32 RCW not
4 inconsistent with this chapter have full force and application with
5 respect to taxes imposed under this chapter.

6 NEW SECTION. **Sec. 107.** A new section is added to chapter 82.96
7 RCW to read as follows:

8 The department may adopt such rules in accordance with chapter
9 34.05 RCW, and prescribe such forms, as it deems necessary and
10 appropriate to implement and administer this chapter.

11 NEW SECTION. **Sec. 108.** A new section is added to chapter 84.55
12 RCW to read as follows:

13 For taxes levied for collection in calendar year 2027, each
14 taxing district, other than the state, that receives renewable energy
15 excise tax revenues under section 103 of this act must have its
16 highest lawful levy under this chapter permanently reduced by the
17 amount of revenue based on the assessed value for property exempt
18 under section 102 of this act that would have otherwise been levied.

19 **Sec. 109.** RCW 84.55.010 and 2021 c 207 s 10 are each amended to
20 read as follows:

21 (1) Except as provided in this chapter, the levy for a taxing
22 district in any year must be set so that the regular property taxes
23 payable in the following year do not exceed the limit factor
24 multiplied by the amount of regular property taxes lawfully levied
25 for such district in the highest of the three most recent years in
26 which such taxes were levied for such district, excluding any
27 increase due to (e) of this subsection, unless the highest levy was
28 the statutory maximum rate amount, plus an additional dollar amount
29 calculated by multiplying the regular property tax levy rate of that
30 district for the preceding year by the increase in assessed value in
31 that district resulting from:

32 (a) New construction;

33 (b) Increases in assessed value due to construction of ((wind
34 turbine, solar)) biomass((r)) and geothermal facilities, if such
35 facilities generate electricity and the property is not included
36 elsewhere under this section for purposes of providing an additional

1 dollar amount. The property may be classified as real or personal
2 property;

3 (c) Improvements to property;

4 (d) Any increase in the assessed value of state-assessed
5 property; and

6 (e) Any increase in the assessed value of real property, as that
7 term is defined in RCW 39.114.010, within an increment area as
8 designated by any local government in RCW 39.114.020 provided that
9 such increase is not included elsewhere under this section. This
10 subsection (1)(e) does not apply to levies by the state or by port
11 districts and public utility districts for the purpose of making
12 required payments of principal and interest on general indebtedness.

13 (2) The requirements of this section do not apply to:

14 (a) State property taxes levied under RCW 84.52.065(1) for
15 collection in calendar years 2019 through 2021; and

16 (b) State property taxes levied under RCW 84.52.065(2) for
17 collection in calendar years 2018 through 2021.

18 **Sec. 110.** RCW 84.55.020 and 2023 c 354 s 5 and 2023 c 28 s 9 are
19 each reenacted and amended to read as follows:

20 Notwithstanding the limitation set forth in RCW 84.55.010, the
21 first levy for a taxing district created from consolidation of
22 similar taxing districts must be set so that the regular property
23 taxes payable in the following year do not exceed the limit factor
24 multiplied by the sum of the amount of regular property taxes each
25 component taxing district could have levied under RCW 84.55.092 plus
26 the additional dollar amount calculated by multiplying the regular
27 property tax rate of each component district for the preceding year
28 by the increase in assessed value in each component district
29 resulting from:

30 (1) New construction;

31 (2) Increases in assessed value due to construction of ((wind
32 turbine, solar)) biomass((r)) and geothermal facilities, if such
33 facilities generate electricity and the property is not included
34 elsewhere under this section for purposes of providing an additional
35 dollar amount. The property may be classified as real or personal
36 property;

37 (3) Improvements to property;

38 (4) Any increase in the assessed value of state-assessed
39 property; and

1 (5) Any increase in the assessed value of real property, as
2 defined in RCW 39.114.010, within an increment area as designated by
3 any local government under RCW 39.114.020 if the increase is not
4 included elsewhere under this section. This subsection (5) does not
5 apply to levies by the state or by port districts and public utility
6 districts for the purpose of making required payments of principal
7 and interest on general indebtedness.

8 **Sec. 111.** RCW 84.55.030 and 2023 c 354 s 6 are each amended to
9 read as follows:

10 For the first levy for a taxing district following annexation of
11 additional property, the limitation set forth in RCW 84.55.010 must
12 be increased by an amount equal to the aggregate assessed valuation
13 of the newly annexed property as shown by the current completed and
14 balanced tax rolls of the county or counties within which such
15 property lies, multiplied by the dollar rate that would have been
16 used by the annexing unit in the absence of such annexation, plus the
17 additional dollar amount calculated by multiplying the regular
18 property tax levy rate of that annexing taxing district for the
19 preceding year by the increase in assessed value in the annexing
20 district resulting from:

21 (1) New construction;

22 (2) Increases in assessed value due to construction of ((wind
23 turbine, solar,)) biomass((,)) and geothermal facilities, if such
24 facilities generate electricity and the property is not included
25 elsewhere under this section for purposes of providing an additional
26 dollar amount. The property may be classified as real or personal
27 property;

28 (3) Improvements to property;

29 (4) Any increase in the assessed value of state-assessed
30 property; and

31 (5) Any increase in the assessed value of real property, as
32 defined in RCW 39.114.010, within an increment area as designated by
33 any local government in RCW 39.114.020 if the increase is not
34 included elsewhere under this section. This subsection does not apply
35 to levies by the state or by port districts or public utility
36 districts for the purpose of making required payments of principal
37 and interest on general indebtedness.

1 **Sec. 112.** RCW 84.55.092 and 2017 3rd sp.s. c 13 s 309 are each
2 amended to read as follows:

3 (1) ~~((The))~~ (a) Except as provided in (b) of this subsection, the
4 regular property tax levy for each taxing district other than the
5 state's levies may be set at the amount which would be allowed
6 otherwise under this chapter if the regular property tax levy for the
7 district for taxes due in prior years beginning with 1986 had been
8 set at the full amount allowed under this chapter including any levy
9 authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have
10 been imposed but for the limitation in RCW 52.18.065 or 52.26.240,
11 applicable upon imposition of the benefit charge under chapter 52.18
12 or 52.26 RCW.

13 (b) For taxes levied for collection in 2027, a taxing district,
14 other than the state, that received renewable energy excise tax
15 revenues under section 103 of this act must reduce the levy in (a) of
16 this subsection by the amount of the reduction under section 108 of
17 this act. The purpose of this subsection (1)(b) is to reset a taxing
18 district's maximum levy under (a) of this subsection.

19 (2) The purpose of subsection (1)(a) of this section is to remove
20 the incentive for a taxing district to maintain its tax levy at the
21 maximum level permitted under this chapter, and to protect the future
22 levy capacity of a taxing district that reduces its tax levy below
23 the level that it otherwise could impose under this chapter, by
24 removing the adverse consequences to future levy capacities resulting
25 from such levy reductions.

26 (3) Subsection (1) of this section does not apply to any portion
27 of a city or town's regular property tax levy that has been reduced
28 as part of the formation of a fire protection district under RCW
29 52.02.160.

30 **Sec. 113.** RCW 84.55.120 and 2021 c 207 s 11 are each amended to
31 read as follows:

32 (1) A taxing district, other than the state, that collects
33 regular levies must hold a public hearing on revenue sources for the
34 district's following year's current expense budget. The hearing must
35 include consideration of possible increases in property tax revenues
36 and must be held prior to the time the taxing district levies the
37 taxes or makes the request to have the taxes levied. The county
38 legislative authority, or the taxing district's governing body if the
39 district is a city, town, or other type of district, must hold the

1 hearing. For purposes of this section, "current expense budget" means
2 that budget which is primarily funded by taxes and charges and
3 reflects the provision of ongoing services. It does not mean the
4 capital, enterprise, or special assessment budgets of cities, towns,
5 counties, or special purpose districts.

6 (2) If the taxing district is otherwise required to hold a public
7 hearing on its proposed regular tax levy, a single public hearing may
8 be held on this matter.

9 (3) (a) Except as provided in (b) of this subsection (3), no
10 increase in property tax revenue may be authorized by a taxing
11 district, other than the state, except by adoption of a separate
12 ordinance or resolution, pursuant to notice, specifically authorizing
13 the increase in terms of both dollars and percentage. The ordinance
14 or resolution may cover a period of up to two years, but the
15 ordinance must specifically state for each year the dollar increase
16 and percentage change in the levy from the previous year.

17 (b) Exempt from the requirements of (a) of this subsection are
18 increases in revenue resulting from the addition of:

19 (i) New construction;

20 (ii) Increases in assessed value due to construction of (~~wind~~
21 ~~turbine, solar,~~) biomass(~~(r)~~) and geothermal facilities, if such
22 facilities generate electricity and the property is not included
23 elsewhere under this section for purposes of providing an additional
24 dollar amount. The property may be classified as real or personal
25 property;

26 (iii) Improvements to property;

27 (iv) Any increase in the value of state-assessed property; and

28 (v) Any increase in the assessed value of real property, as that
29 term is defined in RCW 39.114.010, within an increment area as
30 designated by any local government in RCW 39.114.020 provided that
31 such increase is not included elsewhere under this section. This
32 subsection (3) (b) (v) does not apply to levies by the state or by port
33 districts and public utility districts for the purpose of making
34 required payments of principal and interest on general indebtedness.

35 **Sec. 114.** RCW 82.32.330 and 2022 c 56 s 9 are each amended to
36 read as follows:

37 (1) For purposes of this section:

38 (a) "Disclose" means to make known to any person in any manner
39 whatever a return or tax information;

1 (b) "Return" means a tax or information return or claim for
2 refund required by, or provided for or permitted under, the laws of
3 this state which is filed with the department of revenue by, on
4 behalf of, or with respect to a person, and any amendment or
5 supplement thereto, including supporting schedules, attachments, or
6 lists that are supplemental to, or part of, the return so filed;

7 (c) "Tax information" means (i) a taxpayer's identity, (ii) the
8 nature, source, or amount of the taxpayer's income, payments,
9 receipts, deductions, exemptions, credits, assets, liabilities, net
10 worth, tax liability deficiencies, overassessments, or tax payments,
11 whether taken from the taxpayer's books and records or any other
12 source, (iii) whether the taxpayer's return was, is being, or will be
13 examined or subject to other investigation or processing, (iv) a part
14 of a written determination that is not designated as a precedent and
15 disclosed pursuant to RCW 82.32.410, or a background file document
16 relating to a written determination, and (v) other data received by,
17 recorded by, prepared by, furnished to, or collected by the
18 department of revenue with respect to the determination of the
19 existence, or possible existence, of liability, or the amount
20 thereof, of a person under the laws of this state for a tax, penalty,
21 interest, fine, forfeiture, or other imposition, or offense. However,
22 data, material, or documents that do not disclose information related
23 to a specific or identifiable taxpayer do not constitute tax
24 information under this section. Except as provided by RCW 82.32.410,
25 nothing in this chapter requires any person possessing data,
26 material, or documents made confidential and privileged by this
27 section to delete information from such data, material, or documents
28 so as to permit its disclosure;

29 (d) "State agency" means every Washington state office,
30 department, division, bureau, board, commission, or other state
31 agency;

32 (e) "Taxpayer identity" means the taxpayer's name, address,
33 telephone number, registration number, or any combination thereof, or
34 any other information disclosing the identity of the taxpayer; and

35 (f) "Department" means the department of revenue or its officer,
36 agent, employee, or representative.

37 (2) Returns and tax information are confidential and privileged,
38 and except as authorized by this section, neither the department of
39 revenue nor any other person may disclose any return or tax
40 information.

1 (3) This section does not prohibit the department of revenue
2 from:

3 (a) Disclosing such return or tax information in a civil or
4 criminal judicial proceeding or an administrative proceeding:

5 (i) In respect of any tax imposed under the laws of this state if
6 the taxpayer or its officer or other person liable under this title
7 or chapter 83.100 RCW is a party in the proceeding;

8 (ii) In which the taxpayer about whom such return or tax
9 information is sought and another state agency are adverse parties in
10 the proceeding; or

11 (iii) Brought by the department under RCW 18.27.040 or 19.28.071;

12 (b) Disclosing, subject to such requirements and conditions as
13 the director prescribes by rules adopted pursuant to chapter 34.05
14 RCW, such return or tax information regarding a taxpayer to such
15 taxpayer or to such person or persons as that taxpayer may designate
16 in a request for, or consent to, such disclosure, or to any other
17 person, at the taxpayer's request, to the extent necessary to comply
18 with a request for information or assistance made by the taxpayer to
19 such other person. However, tax information not received from the
20 taxpayer must not be so disclosed if the director determines that
21 such disclosure would compromise any investigation or litigation by
22 any federal, state, or local government agency in connection with the
23 civil or criminal liability of the taxpayer or another person, or
24 that such disclosure would identify a confidential informant, or that
25 such disclosure is contrary to any agreement entered into by the
26 department that provides for the reciprocal exchange of information
27 with other government agencies which agreement requires
28 confidentiality with respect to such information unless such
29 information is required to be disclosed to the taxpayer by the order
30 of any court;

31 (c) Disclosing the name of a taxpayer against whom a warrant
32 under RCW 82.32.210 has been either issued or filed and remains
33 outstanding for a period of at least ten working days. The department
34 is not required to disclose any information under this subsection if
35 a taxpayer has entered a deferred payment arrangement with the
36 department for the payment of a warrant that has not been filed and
37 is making payments upon such deficiency that will fully satisfy the
38 indebtedness within twelve months;

39 (d) Publishing statistics so classified as to prevent the
40 identification of particular returns or reports or items thereof;

1 (e) Disclosing such return or tax information, for official
2 purposes only, to the governor or attorney general, or to any state
3 agency, or to any committee or subcommittee of the legislature
4 dealing with matters of taxation, revenue, trade, commerce, the
5 control of industry or the professions;

6 (f) Permitting the department of revenue's records to be audited
7 and examined by the proper state officer, his or her agents and
8 employees;

9 (g) Disclosing any such return or tax information to a peace
10 officer as defined in RCW 9A.04.110 or county prosecuting attorney,
11 for official purposes. The disclosure may be made only in response to
12 a search warrant, subpoena, or other court order, unless the
13 disclosure is for the purpose of criminal tax enforcement. A peace
14 officer or county prosecuting attorney who receives the return or tax
15 information may disclose that return or tax information only for use
16 in the investigation and a related court proceeding, or in the court
17 proceeding for which the return or tax information originally was
18 sought;

19 (h) Disclosing any such return or tax information to the proper
20 officer of the internal revenue service of the United States, the
21 Canadian government or provincial governments of Canada, or to the
22 proper officer of the tax department of any state or city or town or
23 county, for official purposes, but only if the statutes of the United
24 States, Canada or its provincial governments, or of such other state
25 or city or town or county, as the case may be, grants substantially
26 similar privileges to the proper officers of this state;

27 (i) Disclosing any such return or tax information to the United
28 States department of justice, including the bureau of alcohol,
29 tobacco, firearms and explosives, the department of defense, the
30 immigration and customs enforcement and the customs and border
31 protection agencies of the United States department of homeland
32 security, the United States coast guard, the alcohol and tobacco tax
33 and trade bureau of the United States department of treasury, and the
34 United States department of transportation, or any authorized
35 representative of these federal agencies, for official purposes;

36 (j) Publishing or otherwise disclosing the text of a written
37 determination designated by the director as a precedent pursuant to
38 RCW 82.32.410;

39 (k) Disclosing, in a manner that is not associated with other tax
40 information, the taxpayer name, entity type, business address,

1 mailing address, revenue tax registration numbers, reseller permit
2 numbers and the expiration date and status of such permits, North
3 American industry classification system or standard industrial
4 classification code of a taxpayer, and the dates of opening and
5 closing of business. This subsection may not be construed as giving
6 authority to the department to give, sell, or provide access to any
7 list of taxpayers for any commercial purpose;

8 (l) Disclosing such return or tax information that is also
9 maintained by another Washington state or local governmental agency
10 as a public record available for inspection and copying under the
11 provisions of chapter 42.56 RCW or is maintained by a court of record
12 and is not otherwise prohibited from disclosure;

13 (m) Disclosing such return or tax information to the United
14 States department of agriculture for the limited purpose of
15 investigating food stamp fraud by retailers;

16 (n) Disclosing to a financial institution, escrow company, or
17 title company, in connection with specific real property that is the
18 subject of a real estate transaction, current amounts due the
19 department for a filed tax warrant, judgment, or lien against the
20 real property;

21 (o) Disclosing to a person against whom the department has
22 asserted liability as a successor under RCW 82.32.140 return or tax
23 information pertaining to the specific business of the taxpayer to
24 which the person has succeeded;

25 (p) Disclosing real estate excise tax affidavit forms filed under
26 RCW 82.45.150 in the possession of the department, including real
27 estate excise tax affidavit forms for transactions exempt or
28 otherwise not subject to tax;

29 (q) Disclosing to local taxing jurisdictions the identity of
30 sellers granted relief under RCW 82.32.430(5)(b)(i) and the period
31 for which relief is granted;

32 (r) Disclosing such return or tax information to the court in
33 respect to the department's application for a subpoena under RCW
34 82.32.117;

35 (s) Disclosing to a person against whom the department has
36 asserted liability under RCW 83.100.120 return or tax information
37 pertaining to that person's liability for tax under chapter 83.100
38 RCW;

39 (t) Disclosing such return or tax information to the streamlined
40 sales tax governing board, member states of the streamlined sales tax

1 governing board, or authorized representatives of such board or
2 states, for the limited purposes of:

3 (i) Conducting on behalf of member states sales and use tax
4 audits of taxpayers; or

5 (ii) Auditing certified service providers or certified automated
6 systems providers;

7 (u) Disclosing any such return or tax information when the
8 disclosure is specifically authorized under any other section of the
9 Revised Code of Washington;

10 (v) Disclosing to an individual to whom the department has issued
11 an assessment under RCW 82.32.145 for unpaid trust fund taxes of a
12 defunct or insolvent entity, return or tax information of that entity
13 pertaining to those unpaid trust fund taxes;

14 (w) Disclosing any such return or tax information pursuant to a
15 federal grand jury subpoena or subpoena issued by a United States
16 attorney, only to be used in the criminal investigation and related
17 court proceedings, or in the court proceeding for which the return or
18 tax information originally was sought; ((~~or~~))

19 (x) Disclosing any return or tax information to an individual
20 when the return or tax information is related directly to that
21 person's individual liability, as part of a marital community, for
22 amounts due under a warrant issued under the authority of RCW
23 59.30.090 or 82.32.210; or

24 (y) Disclosing to local taxing officials, including county
25 assessors or treasurers, the identity and tax information of persons
26 subject to the renewable energy excise tax under section 103 of this
27 act associated with the tax distribution under section 105 of this
28 act.

29 (4) (a) The department may disclose return or taxpayer information
30 to a person under investigation or during any court or administrative
31 proceeding against a person under investigation as provided in this
32 subsection (4). The disclosure must be in connection with the
33 department's official duties relating to an audit, collection
34 activity, or a civil or criminal investigation. The disclosure may
35 occur only when the person under investigation and the person in
36 possession of data, materials, or documents are parties to the return
37 or tax information to be disclosed. The department may disclose
38 return or tax information such as invoices, contracts, bills,
39 statements, resale or exemption certificates, or checks. However, the
40 department may not disclose general ledgers, sales or cash receipt

1 journals, check registers, accounts receivable/payable ledgers,
2 general journals, financial statements, expert's workpapers, income
3 tax returns, state tax returns, tax return workpapers, or other
4 similar data, materials, or documents.

5 (b) Before disclosure of any tax return or tax information under
6 this subsection (4), the department must, through written
7 correspondence, inform the person in possession of the data,
8 materials, or documents to be disclosed. The correspondence must
9 clearly identify the data, materials, or documents to be disclosed.
10 The department may not disclose any tax return or tax information
11 under this subsection (4) until the time period allowed in (c) of
12 this subsection has expired or until the court has ruled on any
13 challenge brought under (c) of this subsection.

14 (c) The person in possession of the data, materials, or documents
15 to be disclosed by the department has twenty days from the receipt of
16 the written request required under (b) of this subsection to petition
17 the superior court of the county in which the petitioner resides for
18 injunctive relief. The court must limit or deny the request of the
19 department if the court determines that:

20 (i) The data, materials, or documents sought for disclosure are
21 cumulative or duplicative, or are obtainable from some other source
22 that is more convenient, less burdensome, or less expensive;

23 (ii) The production of the data, materials, or documents sought
24 would be unduly burdensome or expensive, taking into account the
25 needs of the department, the amount in controversy, limitations on
26 the petitioner's resources, and the importance of the issues at
27 stake; or

28 (iii) The data, materials, or documents sought for disclosure
29 contain trade secret information that, if disclosed, could harm the
30 petitioner.

31 (d) The department must reimburse reasonable expenses for the
32 production of data, materials, or documents incurred by the person in
33 possession of the data, materials, or documents to be disclosed.

34 (e) Requesting information under (b) of this subsection that may
35 indicate that a taxpayer is under investigation does not constitute a
36 disclosure of tax return or tax information under this section.

37 (5) Service of a subpoena issued under RCW 82.32.117 does not
38 constitute a disclosure of return or tax information under this
39 section. Notwithstanding anything else to the contrary in this
40 section, a person served with a subpoena under RCW 82.32.117 may

1 disclose the existence or content of the subpoena to that person's
2 legal counsel.

3 (6) Any person acquiring knowledge of any return or tax
4 information in the course of his or her employment with the
5 department of revenue and any person acquiring knowledge of any
6 return or tax information as provided under subsection (3) (e), (f),
7 (g), (h), (i), (m), (v), and (w) of this section, who discloses any
8 such return or tax information to another person not entitled to
9 knowledge of such return or tax information under the provisions of
10 this section, is guilty of a misdemeanor. If the person guilty of
11 such violation is an officer or employee of the state, such person
12 must forfeit such office or employment and is incapable of holding
13 any public office or employment in this state for a period of two
14 years thereafter.

15 NEW SECTION. **Sec. 115.** A new section is added to chapter 82.96
16 RCW to read as follows:

17 The local community investment account is created in the state
18 treasury. All receipts from the excise tax imposed by section 103 of
19 this act and allocated to the local counties and local taxing
20 districts in section 105(1) of this act must be deposited into the
21 account. Moneys must be distributed to the respective county
22 treasurers pursuant to section 105(2) of this act. Expenditures from
23 the account may be used for the local community investments contained
24 in sections 202, 203, and 204 of this act.

25 **Sec. 116.** RCW 82.96.020 and 2023 c 427 s 3 are each amended to
26 read as follows:

27 ~~((1))~~ The renewable energy local benefit account is created in
28 the state treasury. All receipts from the ~~((production excise tax in~~
29 ~~RCW 82.96.010))~~ renewable energy excise tax imposed pursuant to
30 section 103 of this act and allocated to the state pursuant to
31 section 105(1) of this act must be deposited in the account. Moneys
32 in the account may be spent only after appropriation. Expenditures
33 from the account may be used for ~~((qualified local counties and~~
34 ~~qualified school districts.~~

35 ~~(2) The total amount appropriated to qualified counties and the~~
36 ~~qualified school districts within those counties must be in~~
37 ~~proportion to the amount of production excise tax paid by renewable~~

1 ~~energy systems located in those counties and must be distributed as~~
2 ~~follows:~~

3 ~~(a) Each qualified county must receive an appropriation equal to~~
4 ~~42.5 percent of the production excise tax paid by a renewable energy~~
5 ~~system located in the county.~~

6 ~~(b) Qualified federally recognized Indian tribes must receive an~~
7 ~~appropriation totaling 15 percent of the production excise tax paid~~
8 ~~by a renewable energy system impacting the tribes' resources or~~
9 ~~rights.~~

10 ~~(c) Each qualified school district must receive an appropriation~~
11 ~~from the remaining 42.5 percent of the production excise tax paid by~~
12 ~~a renewable energy system located in the same county in proportion to~~
13 ~~the number of students being served by that district.~~

14 ~~(3) For the purposes of this section, the definitions in this~~
15 ~~subsection apply unless the context clearly requires otherwise.~~

16 ~~(a) "Qualified county" means a county that has a renewable energy~~
17 ~~system that receives a tax exemption under RCW 84.36.680 and pays the~~
18 ~~production excise tax under RCW 82.96.010.~~

19 ~~(b) "Qualified federally recognized Indian tribe" means a~~
20 ~~federally recognized Indian tribe with rights or lands reserved or~~
21 ~~protected by federal treaty, statute, or executive order that are~~
22 ~~potentially impacted by a renewable energy system that receives a tax~~
23 ~~exemption under RCW 84.36.680 and pays the production excise tax~~
24 ~~under RCW 82.96.010.~~

25 ~~(c) "Qualified school district" means a school district that is~~
26 ~~located in a county that has a renewable energy system that receives~~
27 ~~a tax exemption under RCW 84.36.680 and pays the production excise~~
28 ~~tax under RCW 82.96.010)) the local community investments contained~~
29 ~~in sections 202, 203, and 204 of this act.~~

30 **PART II**

31 **LOCAL COMMUNITY INVESTMENTS**

32 NEW SECTION. **Sec. 201.** (1) It is the intent of the legislature
33 to encourage agreements under this act between renewable energy
34 project developers and local governments that result in investments
35 in communities hosting development. Encouraging such developments
36 will help achieve state clean energy goals under the clean energy
37 transformation act, achieve energy reliability and affordability, and

1 ensure that the economic benefits of these projects will accrue to
2 the benefit of the local community.

3 (2) It is not the intent of the legislature for the agreements
4 specified in this act to replace or supplant the important and
5 necessary agreements between project developers and local labor
6 organizations. Although not addressed by the substance of this act,
7 the legislature recognizes that project labor agreements, including
8 local hire commitments, wage standards, apprenticeship utilization
9 commitments, and similar standards, are an important part of the
10 benefit that renewable energy development projects can bring to the
11 communities hosting those projects.

12 NEW SECTION. **Sec. 202.** A new section is added to chapter 43.63A
13 RCW to read as follows:

14 (1) The department shall establish the renewable energy
15 development local investment commitment matching grant program.
16 Through the program, the department must provide matching funds, on a
17 first-come, first-served basis, for each eligible project in an
18 amount that increases commensurately with increases in the value of
19 the contribution to the local investment commitment made by the
20 project developer and the nameplate storage and generation capacity
21 of the qualifying energy project. Each biennium, the department must
22 establish a formula determining the size of grants awarded to
23 applicants that considers the nameplate capacity of a qualifying
24 energy facility, the value of the contribution to the local
25 investment commitment made by a project developer, the total number
26 of eligible grant applications expected to be received during the
27 biennium, and the total amounts appropriated to the department for
28 purposes of this program in the biennium.

29 (2)(a) In order for a jurisdiction to be eligible for matching
30 funds from the program, a local investment commitment finalized after
31 the effective date of this section must:

32 (i) Include the provision of funds from a qualifying energy
33 project developer to the primary jurisdiction in which the project is
34 located, for use by the jurisdiction or to provide benefits to the
35 jurisdiction's residents. A primary jurisdiction receiving funds
36 under this section may provide for the transfer or allocation of
37 funds to other municipal corporations of the state formed to provide
38 benefits to the jurisdiction's residents. For purposes of this
39 section, if a project is:

1 (A) Located entirely within a city, the city is the primary
2 jurisdiction;

3 (B) Located entirely within the unincorporated area of a county,
4 or partially within the unincorporated area of a county and partially
5 within a city, the county is the primary jurisdiction; and

6 (C) Located partially within multiple counties, each county is a
7 primary jurisdiction and must receive benefits under a local
8 investment commitment with the project developer in an amount
9 proportional to the nameplate capacity located in each county;

10 (ii) Benefit only counties or cities, or both, that have not
11 established explicit or de facto moratoria on the development of
12 qualifying energy projects determined consistent with section 203 of
13 this act;

14 (iii) For wind energy production facilities, include commitments
15 for the project developer to decommission the facility and provide
16 financial assurance consistent with section 204 of this act; and

17 (iv) Include a relinquishment, by the project developer, of the
18 property developer's right under RCW 84.40.038 to petition for a
19 retroactive change in the assessed valuation of the property
20 addressed in the local investment commitment, effective upon the
21 receipt by the jurisdiction of funds under this section.

22 (b) Jurisdictions entering into local investment commitments
23 finalized between January 1, 2023, and the effective date of this
24 section are eligible for grants under this section and are not
25 required to meet the criteria in (a) of this subsection.

26 (c) In order for a local investment commitment for a project that
27 applies to and completes the county's process for development
28 approval and files a state environmental policy act checklist
29 pursuant to chapter 43.21C RCW after the effective date of this
30 section to be eligible for funding under this section, a county must
31 include in its development regulations that a qualifying energy
32 project developer must:

33 (i) Initiate and document the offer to conduct early and
34 meaningful engagement, before the submission of a checklist under
35 chapter 43.21C RCW, related to the qualifying energy project with
36 each federally recognized Indian tribe within whose ceded territory
37 and usual and accustomed area the qualifying energy project is
38 proposed to be located in a manner that recognizes the sovereignty
39 and legal rights of the tribe;

1 (ii) Notify, and offer to meet with, the department of
2 archaeology and historic preservation regarding the geographical
3 location, detailed scope of the proposed project, preliminary
4 application details available to federal, state, or local
5 jurisdictions, and all publicly available materials; and

6 (iii) Survey the proposed project site in a manner that reflects
7 input solicited from the department of archaeology and historic
8 preservation and each federally recognized Indian tribe whose lands
9 described in this section are impacted, if any such input is received
10 by the project developer.

11 (3)(a) A qualifying energy project may be eligible under this
12 section if the project has received applicable permits under the
13 energy facility site evaluation council process established in
14 chapter 80.50 RCW, the clean energy coordinated permit process
15 established in RCW 43.394.020, or through permit processes overseen
16 by the city or county.

17 (b) A jurisdiction receiving a grant under this section may not
18 expend state funds in a manner that conflicts with Article VIII,
19 section 5 or Article VIII, section 7 of the Washington state
20 Constitution.

21 (4)(a) The department must establish an application process for
22 the program.

23 (b) The department may expend up to five percent of the funds
24 appropriated for the program for administrative costs.

25 (5) Nothing in this section limits the authority of a county or
26 city to administratively object to or legally appeal a qualifying
27 energy project or component thereof or to be eligible for grant funds
28 under this section if they file such an objection or appeal.

29 (6) For purposes of this section, the following definitions
30 apply:

31 (a)(i) "Energy storage system" means commercially available
32 technology that is capable of retaining electricity, storing the
33 energy for a period of time, and delivering the electricity after
34 storage by chemical, thermal, mechanical, or other means.

35 (ii) "Energy storage system" does not include a solar or wind
36 energy production facility.

37 (b) "Program" means the renewable energy development local
38 investment commitment matching grant program established in this
39 section.

1 (c) "Project developer" means a person that enters into a local
2 investment commitment associated with a qualifying energy project.

3 (d) "Qualifying energy project" means an energy storage system, a
4 wind or solar energy production facility, associated facilities, or
5 any combination thereof, constructed after the effective date of this
6 section and that is located in a county or city that has entered into
7 a local investment commitment with the project developer.

8 NEW SECTION. **Sec. 203.** A new section is added to chapter 43.63A
9 RCW to read as follows:

10 (1)(a) To be eligible for the grant program in section 202 of
11 this act, a county or city ordinance or other restriction that limits
12 the siting of a wind qualifying energy project may not contain
13 standards that are more restrictive than the following:

14 (i) Requirements for setbacks from wind energy facilities that
15 exceed:

16 (A) For occupied community buildings: 2.1 times the maximum blade
17 tip height of the wind tower to the nearest point on the outside wall
18 of the structure;

19 (B) For participating residences: 1.1 times the maximum blade tip
20 height of the wind tower to the nearest point on the outside wall of
21 the structure;

22 (C) For nonparticipating residences: 2.1 times the maximum blade
23 tip height of the wind tower to the nearest point on the outside wall
24 of the structure;

25 (D) For participating property boundary lines: Zero feet;

26 (E) For nonparticipating property boundary lines: 1.1 times the
27 maximum blade tip height of the wind tower to the nearest point on
28 the property line of the nonparticipating property;

29 (F) For public road rights-of-way: 1.1 times the maximum blade
30 tip height of the wind tower to the edge of the public road right-of-
31 way;

32 (G) For overhead communication and electrical transmission and
33 distribution facilities other than overhead utility service lines to
34 individual houses or outbuildings: 1.1 times the maximum blade tip
35 height of the wind tower to the nearest edge of the property line,
36 easement, or right-of-way containing the overhead line; and

37 (H) For overhead utility service lines to individual houses or
38 outbuildings: Zero feet;

1 (ii) Requirements that a wind tower be sited so that industry
2 standard computer modeling indicates that any occupied community
3 building or nonparticipating residence not experience 30 hours or
4 more per year of shadow flicker under planned operating conditions;
5 and

6 (iii) Blade height tip limitations that are more restrictive than
7 the height allowed under a determination of no hazard to air
8 avigation by the federal aviation administration under 14 C.F.R. Part
9 77.

10 (b) To be eligible for the grant program in section 202 of this
11 act, a county or city ordinance or other restriction that limits the
12 siting of a solar qualifying energy project may not contain standards
13 more restrictive than the following:

14 (i) Requirements for setbacks from solar energy facilities that
15 exceed:

16 (A) For occupied community buildings and dwellings on
17 nonparticipating properties: 150 feet from the nearest point on the
18 outside wall of the structure;

19 (B) For boundary lines of participating properties: Zero feet;

20 (C) For public road rights-of-way: 50 feet from the nearest edge
21 of any component of the facility; and

22 (D) For boundary lines of nonparticipating properties: 50 feet to
23 the nearest point on the property line of the nonparticipating
24 property;

25 (ii) A requirement for commercial solar energy facilities to be
26 sited so that the facility's perimeter is enclosed by fencing having
27 a height of 10 feet or more;

28 (iii) A requirement for commercial solar energy facilities to be
29 sited so that components of the solar panel must have a height of 20
30 feet or less above ground when the facility's arrays are at full
31 tilt.

32 (c) To be eligible for the grant program in section 202 of this
33 act, a county or city ordinance or other restriction that limits the
34 siting of any type of qualifying energy project may not contain
35 standards more restrictive than the following:

36 (i) Noise limitations that are more restrictive on any type of
37 qualifying energy project than the limitations that apply to other,
38 similar types of developments or facilities in the jurisdiction;

39 (ii) Zoning regulations that disallow, permanently or
40 temporarily, qualifying energy projects from being developed or

1 operated in any area zoned to allow industrial or agricultural uses,
2 except for regulations adopted under RCW 36.70A.060 that are
3 necessary to prevent conversion of agricultural resource lands of
4 long-term commercial significance or to prevent operational
5 interference with agricultural activities on agricultural resource
6 lands of long-term significance;

7 (iii) Application fees for qualifying energy projects that are
8 unreasonable;

9 (iv) Standards for construction, decommissioning, or
10 deconstruction of a facility or related financial assurances that are
11 more restrictive than those applicable to projects with a similar
12 capital value and cost or that are not demonstrably related to the
13 cost of anticipated decommissioning or deconstruction;

14 (v) Requirements, including the conditioning of approval, upon a
15 property value guarantee or the payment by a facility owner into a
16 neighboring property devaluation escrow account;

17 (vi) Requirements for earthen berms or similar structures other
18 than vegetative screenings surrounding a qualifying energy facility;

19 (vii) Requirements that a qualifying energy project developer pay
20 costs, fees, or other charges for road work that is not rationally
21 related or roughly proportional to the construction or operation of a
22 qualifying energy facility; and

23 (viii) Other standards or criteria, as determined by the
24 department, established by a city or county that apply to one or more
25 types of qualifying energy project but that do not apply to
26 developments or facilities similar to a qualifying energy project
27 within the jurisdiction, and which are not intended to address a
28 specific community impact that is unique to qualifying energy
29 projects and is not likely to result from the other, similar types of
30 developments or facilities.

31 (2) (a) Qualifying energy projects that receive applicable permits
32 to develop and operate from the jurisdiction in which the project is
33 located, and which do not use the site certification process in
34 chapter 80.50 RCW, are eligible for the grant program in section 202
35 of this act.

36 (b) In order for a qualifying energy project that receives site
37 certification under chapter 80.50 RCW to be eligible for the grant
38 program in section 202 of this act, the primary jurisdiction in which
39 the project is located must demonstrate to the department that the
40 jurisdiction has established standards for qualifying energy projects

1 that are more restrictive than the applicable standards referenced in
2 subsection (1)(a), (b), or (c) of this section, and that the
3 qualifying energy project would have been eligible to receive
4 applicable permits from the jurisdiction.

5 (3) Nothing in this section renders qualifying energy projects
6 ineligible for the program in section 202 of this act on the basis
7 of:

8 (a) Being located in a jurisdiction that imposes requirements,
9 standards, or restrictions on qualifying energy projects that are
10 consistent with the permit requirements, guidelines, or best
11 practices for the siting, development, or operation of qualifying
12 energy facilities imposed by a state agency or otherwise required
13 under state law; or

14 (b) Mitigation being imposed as a result of environmental review
15 under chapter 43.21C or 80.50 RCW to address a probable significant
16 adverse environmental impact.

17 (4) For purposes of this section, the following definitions
18 apply:

19 (a) "Nonparticipating property" means a property other than a
20 participating property.

21 (b) "Nonparticipating residence" means a residence that is
22 existing and occupied on the date that an application for a permit or
23 site certification to develop the qualifying energy project is filed,
24 and that is not located on participating property.

25 (c) "Occupied community building" means any one or more of the
26 following buildings that is existing and occupied on the date that
27 the application for a permit or site certification to develop a
28 qualifying energy project is filed: School, places of worship, day
29 care facility, public library, or community center.

30 (d) "Participating property" means real property that is owned by
31 the project developer or is the subject of a written agreement
32 between the project developer and the owner of the real property that
33 provides the project developer an easement, option, lease, or license
34 to use the real property for purposes of the qualifying energy
35 project.

36 (e) "Participating residence" means a residence that is existing
37 and occupied on the date that an application for a permit or site
38 certification to develop the qualifying energy project is filed and
39 is located on a participating property.

40 (f) "Program" has the same meaning as in section 202 of this act.

1 (g) "Project developer" has the same meaning as in section 202 of
2 this act.

3 (h) "Qualifying energy project" has the same meaning as in
4 section 202 of this act.

5 NEW SECTION. **Sec. 204.** A new section is added to chapter 43.63A
6 RCW to read as follows:

7 (1) The department must identify, for purposes of qualification
8 for the grant program established in section 202 of this act, minimum
9 standards for the decommissioning of a facility that includes the
10 production of wind energy. The minimum standards for the
11 decommissioning of a facility under a wind power facility agreement
12 must, at minimum:

13 (a) Provide that the grantee is responsible for removing the
14 grantee's wind power facilities from the landowner's property and
15 that the grantee shall safely:

16 (i) Clear, clean, and remove from the property:

17 (A) Each wind turbine generator, including towers and pad-mount
18 transformers;

19 (B) All liquids, greases, or similar substances contained in a
20 wind turbine generator;

21 (C) Each substation; and

22 (D) All liquids, greases, or similar substances contained in a
23 substation;

24 (ii) For each tower foundation and pad-mount transformer
25 foundation installed in the ground:

26 (A) Clear, clean, and remove the foundation from the ground to a
27 depth of at least three feet below the surface grade of the land in
28 which the foundation is installed; and

29 (B) Ensure that each hole or cavity created in the ground by the
30 removal is filled with topsoil by the same type or a similar type as
31 the predominant topsoil found on the property;

32 (iii) For each buried cable, including power, fiber optic, and
33 communications cables, installed in the ground:

34 (A) Clear, clean, and remove the cable from the ground to a depth
35 of at least three feet below the surface grade of the land in which
36 the cable is installed; and

37 (B) Ensure that each hole or cavity created in the ground by the
38 removal is filled with topsoil of the same type or a similar type as
39 the predominant topsoil found on the property; and

1 (iv) Clear, clean, and remove from the property each overhead
2 power or communications line installed by the grantee on the
3 property;

4 (b) Provide that, at the request of the landowner, the grantee
5 must:

6 (i) Clear, clean, and remove each road constructed by the grantee
7 on the property; and

8 (ii) Ensure that each hole or cavity created in the ground by the
9 removal is filled with topsoil of the same type or a similar type as
10 the predominant topsoil found on the property;

11 (c) Provide that, at the request of a landowner, the grantee
12 must, if reasonable:

13 (i) Remove from the property all rocks over 12 inches in diameter
14 excavated during the decommissioning or removal process;

15 (ii) Return the property to a tillable state using scarification,
16 v-rip, or disc methods, as appropriate; and

17 (iii) Ensure that:

18 (A) Each hole or cavity created in the ground by the removal
19 under (c)(i) of this subsection (1) is filled with topsoil of the
20 same type or a similar type as the predominant topsoil found on the
21 property; and

22 (B) The surface is returned as near as reasonably possible to the
23 same condition as before the grantee dug holes or cavities, including
24 by reseeding pasture land with native grasses prescribed by an
25 appropriate governmental agency, if any.

26 (2) In order to qualify for the grant program established in
27 section 202 of this act, a wind power facility agreement must provide
28 that the grantee obtain and deliver to the landowner evidence of
29 financial assurance meeting the requirements of this subsection to
30 secure the performance of the grantee's obligation to remove the
31 grantee's wind power facilities located on the landowner's property
32 as described in subsection (1) of this section.

33 (a) Acceptable forms of financial assurance include a parent
34 company guaranty with a minimum investment grade credit rating for
35 the parent company issued by a major domestic credit rating agency, a
36 letter of credit, a bond, or another form of financial assurance
37 acceptable to the landowner.

38 (b) The amount of the financial assurance must be at least equal
39 to the estimated amount by which the cost of removing the wind power
40 facilities from the landowner's property and restoring the property

1 to as near as reasonably possible the condition of the property as of
2 the date the agreement begins exceeds the salvage value of the wind
3 power facilities, minus any portion of the value of the wind power
4 facilities pledged to secure outstanding debt.

5 (c) The wind power facility agreement must provide that:

6 (i) The estimated cost of removing the wind power facilities from
7 the landowner's property and restoring the property to as near as
8 reasonably possible the condition of the property as of the date the
9 agreement begins and the estimated salvage value of the wind power
10 facilities must be determined by an independent, third-party
11 professional engineer licensed in Washington;

12 (ii) The grantee must deliver to the landowner an updated
13 estimate, prepared by an independent, third-party professional
14 engineer licensed in Washington, of the cost of removal and the
15 salvage value at least once every five years for the remainder of the
16 term of the agreement; and

17 (iii) The grantee is responsible for ensuring that the amount of
18 the financial assurance remains sufficient to cover the amount
19 required by (b) of this subsection, consistent with the estimates
20 required by this subsection (2)(c).

21 (d) The grantee is responsible for the costs of obtaining
22 financial assurance described in this subsection (2) and the costs of
23 determining the estimated removal costs and salvage value.

24 (e) The agreement must provide that the grantee must deliver the
25 financial assurance no later than the earlier of:

26 (i) The date the wind power facility agreement is terminated; or

27 (ii) The 10th anniversary of the commercial operations date of
28 the wind power facilities.

29 (f) The grantee may not cancel financial assurance before the
30 date the grantee has completed the grantee's obligation to remove the
31 grantee's wind power facilities located on the landowner's property
32 in the manner provided by this section, unless the grantee provides
33 the landowner with replacement financial assurance at the time of or
34 before the cancellation. In the event of a transfer of ownership of
35 the grantee's wind power facilities, the financial security provided
36 by the grantee must remain in place until the date evidence of
37 financial security meeting the requirements of this section is
38 provided to the landowner.

39 (3) Nothing in this section requires a wind energy production
40 facility to meet the decommissioning standards established in

1 subsection (1) of this section or provide the financial assurance
2 described in subsection (2) of this section, except for purposes of
3 qualifying for the grant program in section 202 of this act.

4 (4) For purposes of this section, the following definitions
5 apply:

6 (a) "Grantee" means a person that:

7 (i) Leases property from a landowner; and

8 (ii) Operates a wind power facility on the property.

9 (b) "Wind power facility agreement" means a lease agreement
10 between a grantee and a landowner that authorizes the grantee to
11 operate a wind power facility on the leased property.

12 NEW SECTION. **Sec. 205.** A new section is added to chapter 43.21A
13 RCW to read as follows:

14 (1) The department must establish an ongoing program to provide
15 biennial capacity grants to federally recognized tribes consistent
16 with this section. It is the intent of the legislature to fund this
17 program in the amount of \$21,500,000 each biennium, adjusted for
18 inflation using the most recent consumer price index.

19 (a) For purposes of fiscal year 2025, the legislature intends to
20 fund the grant program with appropriations from the climate
21 commitment account created in RCW 70A.65.260.

22 (b) Beginning in fiscal year 2026, the legislature intends
23 funding for the grant program to be increasingly paid for through the
24 local community investment account created in section 115 of this act
25 and intends to dedicate up to 50 percent of the available funds in
26 that account towards the total cost of the program, with the balance
27 of \$21,500,000 being funded through the climate commitment account
28 created in RCW 70A.65.260.

29 (2) A capacity grant may be used by a recipient federally
30 recognized tribe, at the discretion of each tribe in a manner that
31 recognizes their sovereignty, for:

32 (a) Consultation on spending decisions on grants in accordance
33 with RCW 70A.65.305;

34 (b) Consultation on clean energy siting projects;

35 (c) Activities supporting climate resilience and adaptation;

36 (d) Developing tribal clean energy projects, as defined in RCW
37 43.158.010;

38 (e) Applying for state or federal grant funding;

1 (f) Other activities for which funds in the climate commitment
2 account, or the natural climate solutions account created in RCW
3 70A.65.270, are eligible; and

4 (g) Other related work.

5 (3) In order to satisfy the requirements of RCW 70A.65.230(1)(b),
6 tribal applicants are encouraged to include a tribal resolution
7 supporting their request with their grant application.

8 (4) The department must award funds available under this section
9 equally among grant applicants.

10 (5) Nothing in this section limits the authority of a tribe that
11 receives funds under this section to administratively object to or
12 legally appeal a qualifying energy project or component thereof or to
13 be eligible for grant funds under this section if they file such an
14 objection or appeal.

15 **PART III**
16 **MISCELLANEOUS**

17 NEW SECTION. **Sec. 301.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 84.36.680 (Generation or storage of renewable energy) and
20 2023 c 427 s 1; and

21 (2) RCW 82.96.010 (Tax on renewable energy generation or storage—
22 Rates—Administration) and 2023 c 427 s 2.

23 NEW SECTION. **Sec. 302.** RCW 82.32.805 and 82.32.808 do not apply
24 to this act.

25 NEW SECTION. **Sec. 303.** If any provision of this act or its
26 application to any person or circumstance is held invalid, the
27 remainder of the act or the application of the provision to other
28 persons or circumstances is not affected.

29 NEW SECTION. **Sec. 304.** Sections 101 through 108 and 112 of this
30 act apply to property taxes levied for collection in 2027 and
31 thereafter.

32 NEW SECTION. **Sec. 305.** Sections 109 through 111 and 113 of this
33 act apply to property taxes levied for collection in 2026 and
34 thereafter.

1 NEW SECTION. **Sec. 306.** This act takes effect January 1, 2026.

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