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**HOUSE BILL 1960**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Ramel, Berg, Doglio, Fitzgibbon, Parshley, Scott, Reed, and Hill

Prefiled 02/11/25. Read first time 02/12/25. Referred to Committee on Finance.

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 exclusively 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 exclusively 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 exclusively 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 exclusively 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 107 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 107 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  
20 107 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 for inflation. The annual  
36 adjustment is determined by multiplying the rates in subsection (1)  
37 of this section by the sum of one plus the percentage by which the  
38 most recent October consumer price index exceeds the consumer price  
39 index for October 2026 and rounding the result to the nearest \$1. No  
40 adjustment is made for a calendar year if the adjustment would result

1 in the same or a lesser applicable rate than the applicable rate in  
2 the immediately preceding calendar year. The new rates take effect at  
3 the beginning of the following calendar year, starting with January  
4 1, 2029.

5 (3) The taxes imposed by this chapter are in addition to any  
6 taxes imposed upon the same persons under chapter 82.04 or 82.16 RCW.

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

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

14 (b) "Qualified renewable energy generating system" means a set of  
15 devices whose primary purpose is to produce electricity by means of  
16 any combination of collecting, transferring, or converting renewable  
17 energy.

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

21 (d) "Renewable energy storage capacity" means the battery storage  
22 capacity per megawatt hour.

23 (e) "Renewable energy storage system" means battery storage or  
24 battery energy storage system that can store renewable energy when  
25 production exceeds demand and release energy when energy demand  
26 increases and is colocated with a qualified renewable energy  
27 generating system.

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

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

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

36 (a) The department must determine the allocation of the renewable  
37 energy excise tax to be apportioned between the state and each  
38 county. The allocation is based on the location of a qualified

1 renewable energy generating system or renewable energy storage system  
2 taxed under section 103 of this act.

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

5 (c) The local portion of the revenue must be deposited in the  
6 local community investment account created in section 114 of this  
7 act.

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

11 (b) Monthly, the state treasurer must disburse earnings from the  
12 local community investment account to the respective county treasurer  
13 proportionate to the amount of the renewable energy excise tax  
14 received.

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

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

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

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

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

30 The department may adopt such rules in accordance with chapter  
31 34.05 RCW, and prescribe such forms, as it deems necessary and  
32 appropriate to implement and administer this chapter.

33 NEW SECTION. **Sec. 107.** A new section is added to chapter 84.55  
34 RCW to read as follows:

35 For taxes levied for collection in calendar year 2027, each  
36 taxing district, other than the state, that receives renewable energy  
37 excise tax revenues under section 103 of this act must have its

1 highest lawful levy under this chapter permanently reduced by the  
2 amount of revenue based on the assessed value for property exempt  
3 under section 102 of this act that would have otherwise been levied.

4 **Sec. 108.** RCW 84.55.010 and 2021 c 207 s 10 are each amended to  
5 read as follows:

6 (1) Except as provided in this chapter, the levy for a taxing  
7 district in any year must be set so that the regular property taxes  
8 payable in the following year do not exceed the limit factor  
9 multiplied by the amount of regular property taxes lawfully levied  
10 for such district in the highest of the three most recent years in  
11 which such taxes were levied for such district, excluding any  
12 increase due to (e) of this subsection, unless the highest levy was  
13 the statutory maximum rate amount, plus an additional dollar amount  
14 calculated by multiplying the regular property tax levy rate of that  
15 district for the preceding year by the increase in assessed value in  
16 that district resulting from:

17 (a) New construction;

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

24 (c) Improvements to property;

25 (d) Any increase in the assessed value of state-assessed  
26 property; and

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

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

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

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

1       **Sec. 109.** RCW 84.55.020 and 2023 c 354 s 5 and 2023 c 28 s 9 are  
2 each reenacted and amended to read as follows:

3       Notwithstanding the limitation set forth in RCW 84.55.010, the  
4 first levy for a taxing district created from consolidation of  
5 similar taxing districts must be set so that the regular property  
6 taxes payable in the following year do not exceed the limit factor  
7 multiplied by the sum of the amount of regular property taxes each  
8 component taxing district could have levied under RCW 84.55.092 plus  
9 the additional dollar amount calculated by multiplying the regular  
10 property tax rate of each component district for the preceding year  
11 by the increase in assessed value in each component district  
12 resulting from:

13       (1) New construction;

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

20       (3) Improvements to property;

21       (4) Any increase in the assessed value of state-assessed  
22 property; and

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

30       **Sec. 110.** RCW 84.55.030 and 2023 c 354 s 6 are each amended to  
31 read as follows:

32       For the first levy for a taxing district following annexation of  
33 additional property, the limitation set forth in RCW 84.55.010 must  
34 be increased by an amount equal to the aggregate assessed valuation  
35 of the newly annexed property as shown by the current completed and  
36 balanced tax rolls of the county or counties within which such  
37 property lies, multiplied by the dollar rate that would have been  
38 used by the annexing unit in the absence of such annexation, plus the  
39 additional dollar amount calculated by multiplying the regular

1 property tax levy rate of that annexing taxing district for the  
2 preceding year by the increase in assessed value in the annexing  
3 district resulting from:

4 (1) New construction;

5 (2) Increases in assessed value due to construction of (~~wind~~  
6 ~~turbine, solar,~~) biomass(~~(r)~~) and geothermal facilities, if such  
7 facilities generate electricity and the property is not included  
8 elsewhere under this section for purposes of providing an additional  
9 dollar amount. The property may be classified as real or personal  
10 property;

11 (3) Improvements to property;

12 (4) Any increase in the assessed value of state-assessed  
13 property; and

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

21 **Sec. 111.** RCW 84.55.092 and 2017 3rd sp.s. c 13 s 309 are each  
22 amended to read as follows:

23 (1) (~~The~~) (a) Except as provided in (b) of this subsection, the  
24 regular property tax levy for each taxing district other than the  
25 state's levies may be set at the amount which would be allowed  
26 otherwise under this chapter if the regular property tax levy for the  
27 district for taxes due in prior years beginning with 1986 had been  
28 set at the full amount allowed under this chapter including any levy  
29 authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have  
30 been imposed but for the limitation in RCW 52.18.065 or 52.26.240,  
31 applicable upon imposition of the benefit charge under chapter 52.18  
32 or 52.26 RCW.

33 (b) For taxes levied for collection in 2027, a taxing district,  
34 other than the state, that received renewable energy excise tax  
35 revenues under section 103 of this act must reduce the levy in (a) of  
36 this subsection by the amount of the reduction under section 107 of  
37 this act. The purpose of this subsection (1)(b) is to reset a taxing  
38 district's maximum levy under (a) of this subsection.

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

8 (3) Subsection (1) of this section does not apply to any portion  
9 of a city or town's regular property tax levy that has been reduced  
10 as part of the formation of a fire protection district under RCW  
11 52.02.160.

12 **Sec. 112.** RCW 84.55.120 and 2021 c 207 s 11 are each amended to  
13 read as follows:

14 (1) A taxing district, other than the state, that collects  
15 regular levies must hold a public hearing on revenue sources for the  
16 district's following year's current expense budget. The hearing must  
17 include consideration of possible increases in property tax revenues  
18 and must be held prior to the time the taxing district levies the  
19 taxes or makes the request to have the taxes levied. The county  
20 legislative authority, or the taxing district's governing body if the  
21 district is a city, town, or other type of district, must hold the  
22 hearing. For purposes of this section, "current expense budget" means  
23 that budget which is primarily funded by taxes and charges and  
24 reflects the provision of ongoing services. It does not mean the  
25 capital, enterprise, or special assessment budgets of cities, towns,  
26 counties, or special purpose districts.

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

30 (3) (a) Except as provided in (b) of this subsection (3), no  
31 increase in property tax revenue may be authorized by a taxing  
32 district, other than the state, except by adoption of a separate  
33 ordinance or resolution, pursuant to notice, specifically authorizing  
34 the increase in terms of both dollars and percentage. The ordinance  
35 or resolution may cover a period of up to two years, but the  
36 ordinance must specifically state for each year the dollar increase  
37 and percentage change in the levy from the previous year.

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

- 1 (i) New construction;
- 2 (ii) Increases in assessed value due to construction of (~~wind~~  
3 ~~turbine, solar,~~) biomass(~~r~~) and geothermal facilities, if such  
4 facilities generate electricity and the property is not included  
5 elsewhere under this section for purposes of providing an additional  
6 dollar amount. The property may be classified as real or personal  
7 property;
- 8 (iii) Improvements to property;
- 9 (iv) Any increase in the value of state-assessed property; and
- 10 (v) Any increase in the assessed value of real property, as that  
11 term is defined in RCW 39.114.010, within an increment area as  
12 designated by any local government in RCW 39.114.020 provided that  
13 such increase is not included elsewhere under this section. This  
14 subsection (3)(b)(v) does not apply to levies by the state or by port  
15 districts and public utility districts for the purpose of making  
16 required payments of principal and interest on general indebtedness.

17 **Sec. 113.** RCW 82.32.330 and 2022 c 56 s 9 are each amended to  
18 read as follows:

19 (1) For purposes of this section:

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

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

28 (c) "Tax information" means (i) a taxpayer's identity, (ii) the  
29 nature, source, or amount of the taxpayer's income, payments,  
30 receipts, deductions, exemptions, credits, assets, liabilities, net  
31 worth, tax liability deficiencies, overassessments, or tax payments,  
32 whether taken from the taxpayer's books and records or any other  
33 source, (iii) whether the taxpayer's return was, is being, or will be  
34 examined or subject to other investigation or processing, (iv) a part  
35 of a written determination that is not designated as a precedent and  
36 disclosed pursuant to RCW 82.32.410, or a background file document  
37 relating to a written determination, and (v) other data received by,  
38 recorded by, prepared by, furnished to, or collected by the  
39 department of revenue with respect to the determination of the

1 existence, or possible existence, of liability, or the amount  
2 thereof, of a person under the laws of this state for a tax, penalty,  
3 interest, fine, forfeiture, or other imposition, or offense. However,  
4 data, material, or documents that do not disclose information related  
5 to a specific or identifiable taxpayer do not constitute tax  
6 information under this section. Except as provided by RCW 82.32.410,  
7 nothing in this chapter requires any person possessing data,  
8 material, or documents made confidential and privileged by this  
9 section to delete information from such data, material, or documents  
10 so as to permit its disclosure;

11 (d) "State agency" means every Washington state office,  
12 department, division, bureau, board, commission, or other state  
13 agency;

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

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

19 (2) Returns and tax information are confidential and privileged,  
20 and except as authorized by this section, neither the department of  
21 revenue nor any other person may disclose any return or tax  
22 information.

23 (3) This section does not prohibit the department of revenue  
24 from:

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

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

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

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

34 (b) Disclosing, subject to such requirements and conditions as  
35 the director prescribes by rules adopted pursuant to chapter 34.05  
36 RCW, such return or tax information regarding a taxpayer to such  
37 taxpayer or to such person or persons as that taxpayer may designate  
38 in a request for, or consent to, such disclosure, or to any other  
39 person, at the taxpayer's request, to the extent necessary to comply  
40 with a request for information or assistance made by the taxpayer to

1 such other person. However, tax information not received from the  
2 taxpayer must not be so disclosed if the director determines that  
3 such disclosure would compromise any investigation or litigation by  
4 any federal, state, or local government agency in connection with the  
5 civil or criminal liability of the taxpayer or another person, or  
6 that such disclosure would identify a confidential informant, or that  
7 such disclosure is contrary to any agreement entered into by the  
8 department that provides for the reciprocal exchange of information  
9 with other government agencies which agreement requires  
10 confidentiality with respect to such information unless such  
11 information is required to be disclosed to the taxpayer by the order  
12 of any court;

13 (c) Disclosing the name of a taxpayer against whom a warrant  
14 under RCW 82.32.210 has been either issued or filed and remains  
15 outstanding for a period of at least ten working days. The department  
16 is not required to disclose any information under this subsection if  
17 a taxpayer has entered a deferred payment arrangement with the  
18 department for the payment of a warrant that has not been filed and  
19 is making payments upon such deficiency that will fully satisfy the  
20 indebtedness within twelve months;

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

23 (e) Disclosing such return or tax information, for official  
24 purposes only, to the governor or attorney general, or to any state  
25 agency, or to any committee or subcommittee of the legislature  
26 dealing with matters of taxation, revenue, trade, commerce, the  
27 control of industry or the professions;

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

31 (g) Disclosing any such return or tax information to a peace  
32 officer as defined in RCW 9A.04.110 or county prosecuting attorney,  
33 for official purposes. The disclosure may be made only in response to  
34 a search warrant, subpoena, or other court order, unless the  
35 disclosure is for the purpose of criminal tax enforcement. A peace  
36 officer or county prosecuting attorney who receives the return or tax  
37 information may disclose that return or tax information only for use  
38 in the investigation and a related court proceeding, or in the court  
39 proceeding for which the return or tax information originally was  
40 sought;

1 (h) Disclosing any such return or tax information to the proper  
2 officer of the internal revenue service of the United States, the  
3 Canadian government or provincial governments of Canada, or to the  
4 proper officer of the tax department of any state or city or town or  
5 county, for official purposes, but only if the statutes of the United  
6 States, Canada or its provincial governments, or of such other state  
7 or city or town or county, as the case may be, grants substantially  
8 similar privileges to the proper officers of this state;

9 (i) Disclosing any such return or tax information to the United  
10 States department of justice, including the bureau of alcohol,  
11 tobacco, firearms and explosives, the department of defense, the  
12 immigration and customs enforcement and the customs and border  
13 protection agencies of the United States department of homeland  
14 security, the United States coast guard, the alcohol and tobacco tax  
15 and trade bureau of the United States department of treasury, and the  
16 United States department of transportation, or any authorized  
17 representative of these federal agencies, for official purposes;

18 (j) Publishing or otherwise disclosing the text of a written  
19 determination designated by the director as a precedent pursuant to  
20 RCW 82.32.410;

21 (k) Disclosing, in a manner that is not associated with other tax  
22 information, the taxpayer name, entity type, business address,  
23 mailing address, revenue tax registration numbers, reseller permit  
24 numbers and the expiration date and status of such permits, North  
25 American industry classification system or standard industrial  
26 classification code of a taxpayer, and the dates of opening and  
27 closing of business. This subsection may not be construed as giving  
28 authority to the department to give, sell, or provide access to any  
29 list of taxpayers for any commercial purpose;

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

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

38 (n) Disclosing to a financial institution, escrow company, or  
39 title company, in connection with specific real property that is the  
40 subject of a real estate transaction, current amounts due the

1 department for a filed tax warrant, judgment, or lien against the  
2 real property;

3 (o) Disclosing to a person against whom the department has  
4 asserted liability as a successor under RCW 82.32.140 return or tax  
5 information pertaining to the specific business of the taxpayer to  
6 which the person has succeeded;

7 (p) Disclosing real estate excise tax affidavit forms filed under  
8 RCW 82.45.150 in the possession of the department, including real  
9 estate excise tax affidavit forms for transactions exempt or  
10 otherwise not subject to tax;

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

14 (r) Disclosing such return or tax information to the court in  
15 respect to the department's application for a subpoena under RCW  
16 82.32.117;

17 (s) Disclosing to a person against whom the department has  
18 asserted liability under RCW 83.100.120 return or tax information  
19 pertaining to that person's liability for tax under chapter 83.100  
20 RCW;

21 (t) Disclosing such return or tax information to the streamlined  
22 sales tax governing board, member states of the streamlined sales tax  
23 governing board, or authorized representatives of such board or  
24 states, for the limited purposes of:

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

27 (ii) Auditing certified service providers or certified automated  
28 systems providers;

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

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

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

1 (x) Disclosing any return or tax information to an individual  
2 when the return or tax information is related directly to that  
3 person's individual liability, as part of a marital community, for  
4 amounts due under a warrant issued under the authority of RCW  
5 59.30.090 or 82.32.210; or

6 (y) Disclosing to local taxing officials, including county  
7 assessors or treasurers, the identity and tax information of persons  
8 subject to the renewable energy excise tax under section 103 of this  
9 act associated with the tax distribution under section 104 of this  
10 act.

11 (4) (a) The department may disclose return or taxpayer information  
12 to a person under investigation or during any court or administrative  
13 proceeding against a person under investigation as provided in this  
14 subsection (4). The disclosure must be in connection with the  
15 department's official duties relating to an audit, collection  
16 activity, or a civil or criminal investigation. The disclosure may  
17 occur only when the person under investigation and the person in  
18 possession of data, materials, or documents are parties to the return  
19 or tax information to be disclosed. The department may disclose  
20 return or tax information such as invoices, contracts, bills,  
21 statements, resale or exemption certificates, or checks. However, the  
22 department may not disclose general ledgers, sales or cash receipt  
23 journals, check registers, accounts receivable/payable ledgers,  
24 general journals, financial statements, expert's workpapers, income  
25 tax returns, state tax returns, tax return workpapers, or other  
26 similar data, materials, or documents.

27 (b) Before disclosure of any tax return or tax information under  
28 this subsection (4), the department must, through written  
29 correspondence, inform the person in possession of the data,  
30 materials, or documents to be disclosed. The correspondence must  
31 clearly identify the data, materials, or documents to be disclosed.  
32 The department may not disclose any tax return or tax information  
33 under this subsection (4) until the time period allowed in (c) of  
34 this subsection has expired or until the court has ruled on any  
35 challenge brought under (c) of this subsection.

36 (c) The person in possession of the data, materials, or documents  
37 to be disclosed by the department has twenty days from the receipt of  
38 the written request required under (b) of this subsection to petition  
39 the superior court of the county in which the petitioner resides for

1 injunctive relief. The court must limit or deny the request of the  
2 department if the court determines that:

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

6 (ii) The production of the data, materials, or documents sought  
7 would be unduly burdensome or expensive, taking into account the  
8 needs of the department, the amount in controversy, limitations on  
9 the petitioner's resources, and the importance of the issues at  
10 stake; or

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

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

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

20 (5) Service of a subpoena issued under RCW 82.32.117 does not  
21 constitute a disclosure of return or tax information under this  
22 section. Notwithstanding anything else to the contrary in this  
23 section, a person served with a subpoena under RCW 82.32.117 may  
24 disclose the existence or content of the subpoena to that person's  
25 legal counsel.

26 (6) Any person acquiring knowledge of any return or tax  
27 information in the course of his or her employment with the  
28 department of revenue and any person acquiring knowledge of any  
29 return or tax information as provided under subsection (3) (e), (f),  
30 (g), (h), (i), (m), (v), and (w) of this section, who discloses any  
31 such return or tax information to another person not entitled to  
32 knowledge of such return or tax information under the provisions of  
33 this section, is guilty of a misdemeanor. If the person guilty of  
34 such violation is an officer or employee of the state, such person  
35 must forfeit such office or employment and is incapable of holding  
36 any public office or employment in this state for a period of two  
37 years thereafter.

38 NEW SECTION. **Sec. 114.** A new section is added to chapter 82.96  
39 RCW to read as follows:

1 The local community investment account is created in the state  
2 treasury. All receipts from the excise tax imposed by section 103 of  
3 this act and allocated to the local counties and local taxing  
4 districts in section 104(1) of this act must be deposited into the  
5 account. Moneys must be distributed to the respective county  
6 treasurers pursuant to section 104(2) of this act.

7 **Sec. 115.** RCW 82.96.020 and 2023 c 427 s 3 are each amended to  
8 read as follows:

9 ~~((1))~~ The renewable energy local benefit account is created in  
10 the state treasury. All receipts from the ~~((production excise tax in~~  
11 ~~RCW 82.96.010))~~ renewable energy excise tax imposed pursuant to  
12 section 103 of this act and allocated to the state pursuant to  
13 section 104(1) of this act must be deposited in the account. Moneys  
14 in the account may be spent only after appropriation. Expenditures  
15 from the account may be used for ~~((qualified local counties and~~  
16 ~~qualified school districts.~~

17 ~~(2) The total amount appropriated to qualified counties and the~~  
18 ~~qualified school districts within those counties must be in~~  
19 ~~proportion to the amount of production excise tax paid by renewable~~  
20 ~~energy systems located in those counties and must be distributed as~~  
21 ~~follows:~~

22 ~~(a) Each qualified county must receive an appropriation equal to~~  
23 ~~42.5 percent of the production excise tax paid by a renewable energy~~  
24 ~~system located in the county.~~

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

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

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

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

38 ~~(b) "Qualified federally recognized Indian tribe" means a~~  
39 ~~federally recognized Indian tribe with rights or lands reserved or~~

1 ~~protected by federal treaty, statute, or executive order that are~~  
2 ~~potentially impacted by a renewable energy system that receives a tax~~  
3 ~~exemption under RCW 84.36.680 and pays the production excise tax~~  
4 ~~under RCW 82.96.010.~~

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

10 **PART II**

11 **LOCAL COMMUNITY INVESTMENTS**

12 NEW SECTION. **Sec. 201.** (1) It is the intent of the legislature  
13 to encourage agreements under this act between renewable energy  
14 project developers and local governments that result in investments  
15 in communities hosting development. Encouraging such developments  
16 will help achieve state clean energy goals under the clean energy  
17 transformation act, achieve energy reliability and affordability, and  
18 ensure that the economic benefits of these projects will accrue to  
19 the benefit of the local community.

20 (2) It is not the intent of the legislature for the agreements  
21 specified in this act to replace or supplant the important and  
22 necessary agreements between project developers and local labor  
23 organizations. Although not addressed by the substance of this act,  
24 the legislature recognizes that project labor agreements, including  
25 local hire commitments, wage standards, apprenticeship utilization  
26 commitments, and similar standards, are an important part of the  
27 benefit that renewable energy development projects can bring to the  
28 communities hosting those projects.

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

31 (1) The department shall establish the renewable energy  
32 development local investment commitment matching grant program.  
33 Through the program, the department must provide matching funds, on a  
34 first-come, first-served basis, for each eligible project in an  
35 amount that increases commensurately with increases in the value of  
36 the contribution to the local investment commitment made by the  
37 project developer and the nameplate storage and generation capacity

1 of the qualifying energy project. Each biennium, the department must  
2 establish a formula determining the size of grants awarded to  
3 applicants that considers the nameplate capacity of a qualifying  
4 energy facility, the value of the contribution to the local  
5 investment commitment made by a project developer, the total number  
6 of eligible grant applications expected to be received during the  
7 biennium, and the total amounts appropriated to the department for  
8 purposes of this program in the biennium.

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

12 (i) Include the provision of funds from a qualifying energy  
13 project developer to the primary jurisdiction in which the project is  
14 located, for use by the jurisdiction or to provide benefits to the  
15 jurisdiction's residents. A primary jurisdiction receiving funds  
16 under this section may provide for the transfer or allocation of  
17 funds to other municipal corporations of the state formed to provide  
18 benefits to the jurisdiction's residents. For purposes of this  
19 section, if a project is:

20 (A) Located entirely within a city, the city is the primary  
21 jurisdiction;

22 (B) Located entirely within the unincorporated area of a county,  
23 or partially within the unincorporated area of a county and partially  
24 within a city, the county is the primary jurisdiction; and

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

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

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

36 (iv) Include a relinquishment, by the project developer, of the  
37 property developer's right under RCW 84.40.038 to petition for a  
38 retroactive change in the assessed valuation of the property  
39 addressed in the local investment commitment, effective upon the  
40 receipt by the jurisdiction of funds under this section.

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

5 (c) In order for a local investment commitment for a project that  
6 applies to and completes the county's process for development  
7 approval and files a state environmental policy act checklist  
8 pursuant to chapter 43.21C RCW after the effective date of this  
9 section to be eligible for funding under this section, a county must  
10 include in its development regulations that a qualifying energy  
11 project developer must:

12 (i) Initiate and document the offer to conduct early and  
13 meaningful engagement, before the submission of a checklist under  
14 chapter 43.21C RCW, related to the qualifying energy project with  
15 each federally recognized Indian tribe within whose ceded territory  
16 and usual and accustomed area the qualifying energy project is  
17 proposed to be located in a manner that recognizes the sovereignty  
18 and legal rights of the tribe;

19 (ii) Notify, and offer to meet with, the department of  
20 archaeology and historic preservation regarding the geographical  
21 location, detailed scope of the proposed project, preliminary  
22 application details available to federal, state, or local  
23 jurisdictions, and all publicly available materials; and

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

29 (3) (a) A qualifying energy project may be eligible under this  
30 section if the project has received applicable permits under the  
31 energy facility site evaluation council process established in  
32 chapter 80.50 RCW, the clean energy coordinated permit process  
33 established in RCW 43.394.020, or through permit processes overseen  
34 by the city or county.

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

39 (4) (a) The department must establish an application process for  
40 the program.

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

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

7 (6) For purposes of this section, the following definitions  
8 apply:

9 (a) "Program" means the renewable energy development local  
10 investment commitment matching grant program established in this  
11 section.

12 (b) "Project developer" means a person that enters into a local  
13 investment commitment associated with a qualifying energy project.

14 (c) "Qualifying energy project" means a battery energy storage  
15 facility and a wind or solar energy production facility, associated  
16 facilities, and any combination thereof, constructed after the  
17 effective date of this section and that is located in a county or  
18 city that has entered into a local investment commitment with the  
19 project developer.

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

22 (1)(a) For purposes of the grant program in section 202 of this  
23 act, a county or city ordinance or other restriction that limits the  
24 siting of a wind qualifying energy project as follows constitutes a  
25 de facto moratoria on the development of qualifying energy projects:

26 (i) Requirements for setbacks from wind energy facilities that  
27 exceed:

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

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

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

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

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

4 (F) For public road rights-of-way: 1.1 times the maximum blade  
5 tip height of the wind tower to the center point of the public road  
6 right-of-way;

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

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

14 (ii) Requirements that a wind tower be sited so that industry  
15 standard computer modeling indicates that any occupied community  
16 building or nonparticipating residence not experience 30 hours or  
17 more per year of shadow flicker under planned operating conditions;  
18 and

19 (iii) Blade height tip limitations that are more restrictive than  
20 the height allowed under a determination of no hazard to air  
21 aviation by the federal aviation administration under 14 C.F.R. Part  
22 77.

23 (b) For purposes of the grant program in section 202 of this act,  
24 a county or city ordinance or other restriction that limits the  
25 siting of a solar qualifying energy project as follows constitutes a  
26 de facto moratoria on the development of qualifying energy projects:

27 (i) Requirements for setbacks from solar energy facilities that  
28 exceed:

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

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

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

35 (D) For boundary lines of nonparticipating properties: 50 feet to  
36 the nearest point on the property line of the nonparticipating  
37 property;

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

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

5 (c) For purposes of the grant program in section 202 of this act,  
6 a county or city ordinance or other restriction that limits the  
7 siting of any type qualifying energy project as follows constitutes a  
8 de facto moratoria on the development of qualifying energy projects:

9 (i) Sound limitations that are more restrictive on any type of  
10 qualifying energy project than the limitations that apply to other,  
11 similar types of developments or facilities in the jurisdiction;

12 (ii) Zoning regulations that disallow, permanently or  
13 temporarily, qualifying energy projects from being developed or  
14 operated in any area zoned to allow industrial or agricultural uses;

15 (iii) Application fees for qualifying energy projects that are  
16 unreasonable or that are not consistent with fees for projects in the  
17 jurisdiction with a similar capital value and cost;

18 (iv) Standards for construction, decommissioning, or  
19 deconstruction of a facility or related financial assurances that are  
20 more restrictive than those applicable to projects with a similar  
21 capital value and cost or that are not demonstrably related to the  
22 cost of anticipated decommissioning or deconstruction;

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

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

28 (vii) Requirements that a qualifying energy project developer pay  
29 costs, fees, or other charges for road work that is not specifically  
30 and uniquely attributable to the construction or operation of a  
31 qualifying energy facility; and

32 (viii) Other standards or criteria, as determined by the  
33 department, established by a city or county that apply to one or more  
34 types of qualifying energy project but that do not apply to  
35 developments or facilities similar to a qualifying energy project  
36 within the jurisdiction, and which are not intended to address a  
37 specific community impact that is unique to qualifying energy  
38 projects and is not likely to result from the other, similar types of  
39 developments or facilities.

1 (2) (a) Qualifying energy projects that receive applicable permits  
2 to develop and operate from the jurisdiction in which the project is  
3 located, and which do not use the site certification process in  
4 chapter 80.50 RCW, are located in a jurisdiction that does not have a  
5 de facto moratoria on the development of qualifying energy projects,  
6 and are eligible for the grant program in section 202 of this act.

7 (b) In order for a qualifying energy project that receives site  
8 certification under chapter 80.50 RCW to be eligible for the grant  
9 program in section 202 of this act, the primary jurisdiction in which  
10 the project is located must demonstrate to the department that the  
11 jurisdiction does not have a de facto moratoria on qualifying energy  
12 developments and that the qualifying energy development would have  
13 been eligible to receive applicable permits from the jurisdiction.

14 (3) Nothing in this section renders qualifying energy projects  
15 ineligible for the program in section 202 of this act on the basis  
16 of:

17 (a) Being located in a jurisdiction that imposes requirements,  
18 standards, or restrictions on qualifying energy projects that are  
19 consistent with the permit requirements, guidelines, or best  
20 practices for the siting, development, or operation of qualifying  
21 energy facilities imposed by a state agency or otherwise required  
22 under state law; or

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

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

28 (a) "Nonparticipating property" means a property other than a  
29 participating property.

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

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

39 (d) "Participating property" means real property that is owned by  
40 the project developer or is the subject of a written agreement

1 between the project developer and the owner of the real property that  
2 provides the project developer an easement, option, lease, or license  
3 to use the real property for purposes of the qualifying energy  
4 project.

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

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

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

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

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

16 (1) The department must identify, for purposes of qualification  
17 for the grant program established in section 202 of this act, minimum  
18 standards for the decommissioning of a facility that includes the  
19 production of wind energy. The minimum standards for the  
20 decommissioning of a facility under a wind power facility agreement  
21 must, at minimum:

22 (a) Provide that the grantee is responsible for removing the  
23 grantee's wind power facilities from the landowner's property and  
24 that the grantee shall safely:

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

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

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

30 (C) Each substation; and

31 (D) All liquids, greases, or similar substances contained in a  
32 substation;

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

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

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

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

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

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

12 (iv) Clear, clean, and remove from the property each overhead  
13 power or communications line installed by the grantee on the  
14 property;

15 (b) Provide that, at the request of the landowner, the grantee  
16 must:

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

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

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

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

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

28 (iii) Ensure that:

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

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

37 (2) In order to qualify for the grant program established in  
38 section 202 of this act, a wind power facility agreement must provide  
39 that the grantee obtain and deliver to the landowner evidence of  
40 financial assurance meeting the requirements of this subsection to

1 secure the performance of the grantee's obligation to remove the  
2 grantee's wind power facilities located on the landowner's property  
3 as described in subsection (1) of this section.

4 (a) Acceptable forms of financial assurance include a parent  
5 company guaranty with a minimum investment grade credit rating for  
6 the parent company issued by a major domestic credit rating agency, a  
7 letter of credit, a bond, or another form of financial assurance  
8 acceptable to the landowner.

9 (b) The amount of the financial assurance must be at least equal  
10 to the estimated amount by which the cost of removing the wind power  
11 facilities from the landowner's property and restoring the property  
12 to as near as reasonably possible the condition of the property as of  
13 the date the agreement begins exceeds the salvage value of the wind  
14 power facilities, minus any portion of the value of the wind power  
15 facilities pledged to secure outstanding debt.

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

17 (i) The estimated cost of removing the wind power facilities from  
18 the landowner's property and restoring the property to as near as  
19 reasonably possible the condition of the property as of the date the  
20 agreement begins and the estimated salvage value of the wind power  
21 facilities must be determined by an independent, third-party  
22 professional engineer licensed in Washington;

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

28 (iii) The grantee is responsible for ensuring that the amount of  
29 the financial assurance remains sufficient to cover the amount  
30 required by (b) of this subsection, consistent with the estimates  
31 required by this subsection (2)(c).

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

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

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

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

1 (f) The grantee may not cancel financial assurance before the  
2 date the grantee has completed the grantee's obligation to remove the  
3 grantee's wind power facilities located on the landowner's property  
4 in the manner provided by this section, unless the grantee provides  
5 the landowner with replacement financial assurance at the time of or  
6 before the cancellation. In the event of a transfer of ownership of  
7 the grantee's wind power facilities, the financial security provided  
8 by the grantee must remain in place until the date evidence of  
9 financial security meeting the requirements of this section is  
10 provided to the landowner.

11 (3) Nothing in this section requires a wind energy production  
12 facility to meet the decommissioning standards established in  
13 subsection (1) of this section or provide the financial assurance  
14 described in subsection (2) of this section, except for purposes of  
15 qualifying for the grant program in section 202 of this act.

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

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

19 (i) Leases property from a landowner; and

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

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

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

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

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

34 (b) Beginning in fiscal year 2026, the legislature intends  
35 funding for the grant program to be increasingly paid for through the  
36 local community investment account created in section 114 of this act  
37 and intends to dedicate up to 50 percent of the available funds in  
38 that account towards the total cost of the program, with the balance

1 of \$21,500,000 being funded through the climate commitment account  
2 created in RCW 70A.65.260.

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

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

8 (b) Consultation on clean energy siting projects;

9 (c) Activities supporting climate resilience and adaptation;

10 (d) Developing tribal clean energy projects, as defined in RCW  
11 43.158.010;

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

13 (f) Other activities for which funds in the climate commitment  
14 account, or the natural climate solutions account created in RCW  
15 70A.65.270, are eligible; and

16 (g) Other related work.

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

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

22 (5) Nothing in this section limits the authority of a tribe that  
23 receives funds under this section to administratively object to or  
24 legally appeal a qualifying energy project or component thereof or to  
25 be eligible for grant funds under this section if they file such an  
26 objection or appeal.

27 **PART III**

28 **MISCELLANEOUS**

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

31 (1) RCW 84.36.680 (Generation or storage of renewable energy) and  
32 2023 c 427 s 1; and

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

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

1        NEW SECTION.    **Sec. 303.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.    **Sec. 304.**    Sections 101 through 107 and 111 of this  
6 act apply to property taxes levied for collection in 2027 and  
7 thereafter.

8        NEW SECTION.    **Sec. 305.**    Sections 108 through 110 and 112 of this  
9 act apply to property taxes levied for collection in 2026 and  
10 thereafter.

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

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