

CERTIFICATION OF ENROLLMENT

**ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1960**

Chapter 260, Laws of 2026

69th Legislature  
2026 Regular Session

RENEWABLE ENERGY—TAXES AND LOCAL INVESTMENTS

EFFECTIVE DATE: January 1, 2028

Passed by the House March 11, 2026  
Yeas 86 Nays 9

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 5, 2026  
Yeas 42 Nays 6

DENNY HECK

**President of the Senate**

Approved April 1, 2026 9:48 AM

BOB FERGUSON

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1960** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

April 1, 2026

**Secretary of State  
State of Washington**



1 means that has at least 10 megawatts of storage that is not subject  
2 to the provisions of chapter 84.12 RCW. "Battery electric storage  
3 systems" does not include any form of hydroelectric power. "Battery  
4 electric storage systems" does not include a system for which  
5 payments in lieu of taxes have been made under RCW 43.52.460.

6 (2) "Energy storage" means commercially available technology that  
7 is capable of retaining electricity, storing the energy for a period  
8 of time, and delivering the electricity after storage by chemical,  
9 thermal, mechanical, or other means.

10 (3) "Personal property" has the same meaning as in RCW 84.04.080.

11 (4) "Qualified renewable energy facility" means an electric  
12 generating facility powered by wind or solar energy with alternating  
13 current nameplate capacity of at least 10 megawatts that is not  
14 subject to the provisions of chapter 84.12 RCW. "Qualified renewable  
15 energy facility" does not include a facility for which payments in  
16 lieu of taxes have been made under RCW 43.52.460.

17 (5) "Renewable energy" means energy produced by a solar or wind  
18 facility with a nameplate capacity sufficient to generate at least 10  
19 megawatts of alternating current power.

20 (6) "Renewable energy storage capacity" means the battery storage  
21 capacity per megawatt.

22 (7) "Repowered" means the cumulative rebuild or refurbishment of  
23 a majority, or more than half the nameplate capacity, of the  
24 qualified renewable energy facility or battery electric storage  
25 system due to the facility or system reaching the end of its useful  
26 life or useful reasonable economic life as determined by the county  
27 assessor. The rebuild or refurbishment does not constitute repowering  
28 if it is part of routine major maintenance or the maintenance of or  
29 replacement of equipment that does not materially affect the expected  
30 physical or economic life of the facility.

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

33 (1) (a) All personal property used primarily for the generation of  
34 renewable energy in a qualified renewable energy facility that  
35 becomes operational on or after January 1, 2028, or a qualified  
36 renewable energy facility that is repowered on or after January 1,  
37 2028, is exempt from property taxation.

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

1 operational before January 1, 2028, meets the conditions in section  
2 106 of this act, and opts into the tax imposed under section 103 of  
3 this act is exempt from property taxation.

4 (2)(a) All personal property used primarily for a battery  
5 electric storage system that becomes operational on or after January  
6 1, 2028, or that is repowered on or after January 1, 2028, is exempt  
7 from property taxation.

8 (b) All personal property used primarily for the energy storage  
9 in a qualified renewable energy facility that became operational  
10 before January 1, 2028, meets the conditions of section 106 of this  
11 act, and opts into the tax imposed under section 103 of this act is  
12 exempt from property taxation.

13 (3)(a) Each qualified renewable energy facility and battery  
14 electric storage system in this state must annually, on or before the  
15 15th day of March, make and file with the department an annual report  
16 as to the location by tax code area and nameplate capacity, energy  
17 storage capacity, and repowering of the personal property exempt  
18 under this section, as well as any other information required by the  
19 department.

20 (b) In addition to the reporting requirements in (a) of this  
21 subsection, repowering, rebuilds, or refurbishments of personal  
22 property exempt under this section must be reported to the county  
23 assessor as they occur or, if a facility has previously undertaken  
24 repowering, rebuilds, or refurbishments before the effective date of  
25 this section, within 30 days of the effective date of this section.  
26 The county assessor must determine if the repowering, rebuilds, or  
27 refurbishments meet the definition of repowered in section 101 of  
28 this act.

29 (c) The department must provide each respective county treasurer  
30 and county assessor a copy of the report filed under (a) of this  
31 subsection.

32 (4) The department may adopt such rules in accordance with  
33 chapter 34.05 RCW and prescribe such forms as it deems necessary and  
34 appropriate to implement and administer this section.

35 (5) Any delinquent taxes under this section are subject to the  
36 penalties and interest for personal property in RCW 84.56.020.

37 (6) The definitions in section 101 of this act apply throughout  
38 this section.

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

3        (1) (a) Beginning January 1, 2028, a state renewable energy excise  
4    tax is imposed and collected on the privilege of using a qualified  
5    renewable energy facility for an electric power source in the state.  
6    This tax applies to qualified renewable energy facilities:

7        (i) That begin operation on or after January 1, 2028; or  
8        (ii) For systems in operation prior to January 1, 2028, when one  
9    of the following occur:

10       (A) The repowering of a project; or  
11       (B) The project developer opts into the renewable energy excise  
12    tax pursuant to section 106 of this act.

13       (b) Beginning January 1, 2028, a state renewable energy excise  
14    tax is imposed and collected on the privilege of using a battery  
15    electric storage system. This tax applies to battery electric storage  
16    systems:

17       (i) That begin operation on or after January 1, 2028; or  
18       (ii) For systems in operation before January 1, 2028, when one of  
19    the following occur:

20       (A) The repowering of a project; or  
21       (B) The project developer opts into the renewable energy excise  
22    tax pursuant to section 106 of this act.

23       (2) The taxes must be paid monthly in the manner and form  
24    prescribed by the department.

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

27       (4) The moneys from this tax must be deposited into the local  
28    investment distribution account created in section 116 of this act.

29       NEW SECTION.    **Sec. 104.**    A new section is added to chapter 36.29  
30    RCW to read as follows:

31       (1) Beginning January 1, 2028, the legislative body of any county  
32    may impose a local renewable energy excise tax for the privilege of  
33    using a battery electric storage system or a qualified renewable  
34    energy facility for an electric power source in the state. This tax  
35    applies to battery electric storage systems and qualified renewable  
36    energy facilities:

37       (a) That begin operation on or after January 1, 2028; or  
38       (b) For systems in operation prior to January 1, 2028, when one  
39    of the following occur:

1 (i) The repowering of a project; or  
2 (ii) The project developer opts into the renewable energy excise  
3 tax pursuant to section 106 of this act.

4 (2) The application of the tax is subject to the conditions of  
5 this chapter and is in addition to any taxes imposed upon the same  
6 persons under section 103 of this act or chapter 82.04 or 82.16 RCW.

7 (3) The rate of the tax is established in section 105 of this  
8 act. The taxes must be paid semiannually in two equal payments due on  
9 April 30th and October 31st of each year and in the manner and form  
10 prescribed by the county treasurer.

11 (4) The county treasurer shall distribute any revenues received  
12 under this section to each appropriate local taxing district in the  
13 county that reflects the pro rata share of the property tax rate in  
14 the prior tax year of the district in accordance with RCW 84.56.230,  
15 except any voter-approved excess property tax levies within a taxing  
16 district authorized after January 1, 2028.

17 (5) The definitions in section 101 of this act apply throughout  
18 this section.

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

21 (1) The rates of the state and local renewable energy excise  
22 taxes authorized in sections 103 and 104 of this act on qualified  
23 renewable energy facilities are as follows:

24 (a)(i) The state renewable energy excise tax rate is \$968 per  
25 year per megawatt of nameplate capacity of alternating current power  
26 for a qualified renewable energy facility that uses solar energy to  
27 generate electricity.

28 (ii) The local renewable energy excise tax rate is \$2,905 per  
29 year per megawatt of nameplate capacity of alternating current power  
30 for a qualified renewable energy facility that uses solar energy to  
31 generate electricity.

32 (b)(i) The state renewable excise tax rate is \$1,200 per year per  
33 megawatt of nameplate capacity of alternating current power for a  
34 qualified renewable energy facility that uses wind energy to generate  
35 electricity.

36 (ii) The local renewable energy excise tax rate is \$3,600 per  
37 year per megawatt of nameplate capacity of alternating current power  
38 for a qualified renewable energy facility that uses wind energy to  
39 generate electricity.

1 (2) The rates of the state and local renewable energy excise  
2 taxes authorized in sections 103 and 104 of this act on battery  
3 electric storage system are as follows:

4 (a) The state renewable energy excise tax is \$156 per megawatt-  
5 hour of battery electric storage system capacity.

6 (b) The local renewable energy excise tax is \$467 per megawatt-  
7 hour of battery electric storage system capacity.

8 (3) The rates in this section apply for the lifetime of the  
9 qualified renewable energy facility or the battery electric storage  
10 system or until the qualified renewable energy facility or the  
11 battery electric storage system repowers.

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

14 (1)(a) A qualified renewable energy facility or a battery  
15 electric storage system that commences operation or repowers after  
16 July 1, 2026, but before January 1, 2028, may opt into the taxes  
17 imposed under sections 103 and 104 of this act and receive a property  
18 tax exemption under section 102 of this act if:

19 (i) The qualified renewable energy facility or battery electric  
20 storage system provides to the legislative authority of the county in  
21 which the qualified renewable energy facility or battery electric  
22 storage system is located notice of its intent to opt into the taxes  
23 imposed under sections 103 and 104 of this act by September 1, 2026;  
24 and

25 (ii) The legislative authority of the county in which the  
26 qualified renewable energy facility or battery electric storage  
27 system is located has authorized the imposition of a local renewable  
28 energy excise tax before March 1, 2028.

29 (b)(i) If a qualified renewable energy facility or battery  
30 electric storage system opts into the taxes imposed under sections  
31 103 and 104 of this act pursuant to this subsection (1), then the  
32 value of any personal property is exempt from property tax, as  
33 provided in section 102 of this act, beginning in the calendar year  
34 in which the taxes under sections 103 and 104 of this act are first  
35 imposed.

36 (ii) Local property taxes subject to the limitations of chapter  
37 84.55 RCW must be reduced as necessary to prevent the exemption  
38 created in (b)(i) of this subsection (1) from resulting in a higher  
39 tax rate than would have occurred in the absence of the exemption.

1 (2) A qualified renewable energy facility or battery electric  
2 storage system that submitted a completed application under chapter  
3 43.21C RCW as of November 2025, and commences operation after July 1,  
4 2026, but before December 31, 2034, may opt into the taxes imposed  
5 under sections 103 and 104 of this act and receive a personal  
6 property tax exemption under section 102 of this act.

7 (a) To opt in, the qualified renewable energy facility or the  
8 battery electric storage system must notify the department and county  
9 assessor of its intent to opt in by April 30th. Notice must occur in  
10 the manner and form required by the department and the county  
11 assessor.

12 (b) The assessment of taxes under sections 103 and 104 of this  
13 act and the personal property tax exemption under section 102 of this  
14 act apply January 1st of the immediately following calendar year.

15 (3)(a) A qualified renewable energy facility or battery electric  
16 storage system that does not meet the requirements of subsection (2)  
17 of this section, and that commences construction, becomes  
18 operational, or repowers after the effective date of this section, is  
19 subject to the personal property tax exemption in section 102 of this  
20 act and the taxes imposed pursuant to sections 103 and 104 of this  
21 act.

22 (b) The qualified renewable energy facility or the battery  
23 electric storage system must notify the department and county  
24 assessor at the time that the facility or system commences  
25 construction or repowers. Notice must occur in the manner and form  
26 required by the department and the county assessor.

27 (4)(a) A qualified renewable energy facility or a battery  
28 electric storage system which has been in operation for 25 years  
29 since the facility or system commenced operation or last repowered,  
30 may opt into the taxes imposed under sections 103 and 104 of this act  
31 and receive a personal property tax exemption under section 102 of  
32 this act.

33 (b) To opt in under this subsection (4), the qualified renewable  
34 energy facility or the battery electric storage system must notify  
35 the department and county assessor of its intent to opt in by April  
36 30th. Notice must occur in the manner and form required by the  
37 department and the county assessor.

38 (c) The assessment of taxes under sections 103 and 104 of this  
39 act and the personal property tax exemption under section 102 of this  
40 act apply January 1st of the immediately following calendar year.

1 (5) The personal property tax exemption in section 102 of this  
2 act and the taxes imposed pursuant to sections 103 and 104 of this  
3 act automatically apply to a qualified renewable energy facility or a  
4 battery electric storage system after the facility or system has  
5 operated for 35 years or more, as determined by the county assessor,  
6 starting from the date on which the facility or system commenced  
7 operation or last repowered.

8 (6) The county assessor must determine if a qualified renewable  
9 energy facility or battery electric storage system meets the  
10 requirements of this section.

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

13 (1)(a) Subject to the conditions in (b) of this subsection,  
14 beginning January 1, 2031, the legislative authority of a county may  
15 impose a special local renewable energy excise tax if a qualified  
16 renewable energy facility or a battery electric storage system is  
17 located in:

18 (i) A local taxing district within the county that imposes an  
19 excess levy as authorized pursuant to RCW 84.52.052; or

20 (ii) A school district that imposes a levy as authorized pursuant  
21 to RCW 84.52.053 or 84.52.0531 after the effective date of this  
22 section.

23 (b) The legislative authority of a county may only impose the  
24 special local renewable energy excise tax in (a) of this subsection  
25 as follows:

26 (i) If the local taxing district levy is a new levy that was not  
27 previously part of the county property tax levy within the previous  
28 10 years, the full value of the new levy may be used in the  
29 calculation of the excess levy increment in subsection (2) of this  
30 section; or

31 (ii) If the local taxing district levy or school district levy is  
32 a replacement levy for a levy that was part of the county property  
33 tax levy at the time of the passage of the replacement levy, or was  
34 part of the county property tax levy within the 10 years prior to the  
35 passage of the replacement levy, only the increase, if any, levy  
36 amount between the existing levy may be used in the calculation of  
37 the excess levy increment calculated in subsection (2) of this  
38 section.

1 (2)(a) The applicable local renewable energy excise tax rate  
2 established in section 105 of this act must be multiplied by the  
3 excess levy increment as provided in this subsection to determine the  
4 special local renewable energy excise tax rate.

5 (b) The rate of the excess levy increment is calculated by  
6 dividing the sum of the applicable excess levy amount in dollars by  
7 the county and junior taxing district property levy amounts in  
8 dollars. This is the excess levy increment unless:

9 (i) The excess levy increment exceeds five percent and there is  
10 only a single excess levy, in which case five percent must be used in  
11 the calculation of the special local renewable energy excise tax  
12 under this section; or

13 (ii) Multiple taxing districts impose excess levies, in which  
14 case the excess levy increment for all the multiple taxing districts  
15 must be combined and may not exceed 10 percent in total.

16 (c) If a junior taxing district imposing an excess levy is  
17 located in more than one county, the calculation in (b) of this  
18 subsection must be adjusted by reducing the junior taxing district's  
19 regular and excess levies to reflect only the pro rata portion of the  
20 junior taxing district regular and excess levies that are located in  
21 the county imposing the special local renewable energy excise tax.

22 (3) The special local renewable energy excise tax rate may be  
23 adjusted annually to accommodate new and expiring excess levies and  
24 expires at the same time as the corresponding levy.

25 (4) The special local renewable energy excise tax must be paid at  
26 the same time as the local renewable energy excise tax imposed  
27 pursuant to section 104 of this act.

28 (5) The proceeds of the special local renewable energy excise tax  
29 must be distributed to the taxing districts that are imposing the  
30 excess levy. If there are multiple excess levies and the excess levy  
31 increment is capped pursuant to subsection (2)(b)(ii) of this  
32 section, the distributions must be as follows:

33 (a) For excess levies authorized at different times, the priority  
34 in distributions shall go in order of authorization from first to  
35 last; or

36 (b) For all other instances, the legislative authority of the  
37 county must determine the distribution of the special local renewable  
38 energy excise tax proceeds.

1        NEW SECTION.    **Sec. 108.**    The joint legislative audit and review  
2 committee must review the tax rates contained in section 105 of this  
3 act and report to the legislature by October 31, 2031. The report  
4 must include:

5        (1) Estimates of what the taxpayer would have paid over the life  
6 cycle of the qualified renewable energy facilities and battery  
7 electric storage systems if the property remained subject to property  
8 taxes. The estimate must consider assumptions including the cost to  
9 construct, federal tax credits, trend factors, depreciation, and the  
10 average county tax rates across Washington;

11        (2) Comparisons to the qualified renewable energy facilities' and  
12 battery electric storage systems' economic and tax environments of  
13 other states;

14        (3) An analysis of the taxation of renewable energy related  
15 personal property owned by centrally assessed utility systems that  
16 are subject to the provisions of chapter 84.12 RCW and  
17 recommendations on how qualified renewable energy facilities and  
18 battery electric storage systems owned or operated by centrally  
19 assessed utilities can be transitioned into the renewable energy  
20 excise tax imposed pursuant to this act;

21        (4) An evaluation of any changes in the average per megawatt  
22 construction costs for different types of projects, the value of any  
23 federal or state tax incentives, the impact of technology  
24 improvements on the costs to construct projects, and any change in  
25 the annual project equipment depreciation guidelines compared to the  
26 previous five-year period; and

27        (5)(a) Recommendations, based on the findings, regarding future  
28 rate adjustments to ensure that taxpayers, the state, and local  
29 taxing districts are not disadvantaged by the renewable energy excise  
30 tax when new qualified renewable energy facilities and battery  
31 electric storage systems are subject to the renewable energy excise  
32 tax.

33        (b) The report must not recommend changes to the renewable energy  
34 excise tax rate for qualified renewable energy facilities and battery  
35 electric storage systems that are paying the taxes imposed by this  
36 act.

37        (c) The legislature intends that any future rate adjustments will  
38 be announced three years before the effective date of the rate change  
39 and that rate changes will not occur before January 1, 2034.

1 (6) The joint legislative audit and review committee shall  
2 collect data from the department of revenue, county assessors, and  
3 other relevant entities during the course of its review.

4 NEW SECTION. **Sec. 109.** A new section is added to chapter 82.96  
5 RCW to read as follows:

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

9 NEW SECTION. **Sec. 110.** A new section is added to chapter 82.96  
10 RCW to read as follows:

11 The department may adopt such rules in accordance with chapter  
12 34.05 RCW, and prescribe such forms, as it deems necessary and  
13 appropriate to implement and administer this chapter.

14 **Sec. 111.** RCW 84.55.010 and 2025 c 417 s 1311 are each amended  
15 to read as follows:

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

27 (a) New construction;

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

34 (c) Improvements to property;

35 (d) Any increase in the assessed value of state-assessed  
36 property; and

1 (e) Any increase in the assessed value of real property, as that  
2 term is defined in RCW 39.114.010, within an increment area as  
3 designated by any local government in RCW 39.114.020 provided that  
4 such increase is not included elsewhere under this section. This  
5 subsection (1)(e) does not apply to levies by the state or by port  
6 districts and public utility districts for the purpose of making  
7 required payments of principal and interest on general indebtedness.  
8 For the purposes of this subsection (1)(e), "increment area" does not  
9 include increment areas that are not approved by the taxing  
10 district's governing body for participation in the tax increment  
11 project pursuant to RCW 39.114.020(1)(c)(ii)(D).

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

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

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

17 **Sec. 112.** RCW 84.55.020 and 2025 c 417 s 1312 are each amended  
18 to read as follows:

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

29 (1) New construction;

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

36 (3) Improvements to property;

37 (4) Any increase in the assessed value of state-assessed  
38 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. For the purposes of this  
8 subsection (5), "increment area" does not include increment areas  
9 that are not approved by the taxing district's governing body for  
10 participation in the tax increment project pursuant to RCW  
11 39.114.020(1)(c)(ii)(D).

12 **Sec. 113.** RCW 84.55.030 and 2025 c 417 s 1313 are each amended  
13 to read as follows:

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

25 (1) New construction;

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

32 (3) Improvements to property;

33 (4) Any increase in the assessed value of state-assessed  
34 property; and

35 (5) Any increase in the assessed value of real property, as  
36 defined in RCW 39.114.010, within an increment area as designated by  
37 any local government in RCW 39.114.020 if the increase is not  
38 included elsewhere under this section. This subsection does not apply  
39 to levies by the state or by port districts or public utility

1 districts for the purpose of making required payments of principal  
2 and interest on general indebtedness. For the purposes of this  
3 subsection (5), "increment area" does not include increment areas  
4 that are not approved by the taxing district's governing body for  
5 participation in the tax increment project pursuant to RCW  
6 39.114.020(1)(c)(ii)(D).

7 **Sec. 114.** RCW 84.55.120 and 2025 c 417 s 1314 are each amended  
8 to read as follows:

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

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

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

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

35 (i) New construction;

36 (ii) Increases in assessed value due to construction of (~~wind~~  
37 ~~turbine, solar,~~) biomass(~~(r)~~) and geothermal facilities, if such  
38 facilities generate electricity and the property is not included  
39 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 (iii) Improvements to property;

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

5 (v) Any increase in the assessed value of real property, as that  
6 term is defined in RCW 39.114.010, within an increment area as  
7 designated by any local government in RCW 39.114.020 provided that  
8 such increase is not included elsewhere under this section. This  
9 subsection (3)(b)(v) does not apply to levies by the state or by port  
10 districts and public utility districts for the purpose of making  
11 required payments of principal and interest on general indebtedness.  
12 For the purposes of this subsection (3)(b)(v), "increment area" does  
13 not include increment areas that are not approved by the taxing  
14 district's governing body for participation in the tax increment  
15 project pursuant to RCW 39.114.020(1)(c)(ii)(D).

16 **Sec. 115.** RCW 82.32.330 and 2022 c 56 s 9 are each amended to  
17 read as follows:

18 (1) For purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

33 (b) Disclosing, subject to such requirements and conditions as  
34 the director prescribes by rules adopted pursuant to chapter 34.05  
35 RCW, such return or tax information regarding a taxpayer to such  
36 taxpayer or to such person or persons as that taxpayer may designate  
37 in a request for, or consent to, such disclosure, or to any other  
38 person, at the taxpayer's request, to the extent necessary to comply  
39 with a request for information or assistance made by the taxpayer to  
40 such other person. However, tax information not received from the

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

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

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

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

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

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

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 sections 103 and 104  
9 of this act.

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

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

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

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

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

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

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

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

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

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

36 NEW SECTION. **Sec. 116.** A new section is added to chapter 82.96  
37 RCW to read as follows:

38 The local investment distribution account is created in the state  
39 treasury. All receipts from the state renewable energy excise tax

1 imposed by section 103 of this act must be deposited into the  
2 account. Expenditures from the account may be used for the local  
3 investment distributions contained in sections 202 and 203 of this  
4 act.

5 **PART II**

6 **LOCAL COMMUNITY INVESTMENTS**

7 NEW SECTION. **Sec. 201.** It is the intent of the legislature to  
8 create favorable conditions that result in investments in communities  
9 hosting renewable energy project development. Encouraging such  
10 developments, including by increasing revenues for local governments,  
11 will help achieve state clean energy goals under the clean energy  
12 transformation act, achieve energy reliability and affordability, and  
13 ensure that the economic benefits of these projects accrue to the  
14 benefit of the local community.

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

17 (1) The department shall establish the renewable energy  
18 development local investment distribution program.

19 (a) Subject to the availability of amounts appropriated for this  
20 purpose, the department must provide funds through the program to  
21 each county that hosts a qualifying energy project under this  
22 section. The total distribution under this subsection must be in a  
23 proportion equal to the amount of state excise tax under section 103  
24 of this act attributable to a county during the previous tax  
25 reporting period.

26 (b)(i) Except for a rural county as defined in RCW 82.14.370,  
27 each county must distribute funds received from the department to the  
28 local taxing districts within the county in which each qualifying  
29 energy project is located, according to the taxing district's  
30 relative share of the local property tax levy.

31 (ii) For distributions for qualifying energy projects in a rural  
32 county, as defined in RCW 82.14.370, the rural county may elect to  
33 retain the full amount provided by the department, without  
34 distribution to local taxing districts.

35 (2)(a) In order for a county to be eligible to receive funds in a  
36 proportion equal to the amount of state excise tax under section 103

1 of this act attributable to a county, the department must determine  
2 that:

3 (i) The qualifying energy project is located in the county, and  
4 the project was operating before January 1, 2029;

5 (ii) The qualifying energy project is located in the county, and  
6 the project submitted a completed application under chapter 43.21C  
7 RCW as of November 2025; or

8 (iii) The qualifying energy project is located in the county, and  
9 the county has adopted or substantially adopted the model ordinance  
10 published by the department under section 203 of this act. For the  
11 purposes of this section, "substantially adopted" means, in the  
12 opinion of the department, the county has adopted development  
13 regulations that achieve the intent of the model ordinance published  
14 by the department, are not more restrictive or burdensome than the  
15 model ordinance, and do not unnecessarily impede the development of  
16 renewable energy projects within the county.

17 (b) In order for a county to be determined to be eligible to  
18 receive funds under this subsection (2) for a project that applies to  
19 and completes the county's process for development approval and files  
20 an environmental policy checklist pursuant to chapter 43.21C RCW  
21 after the effective date of this section, a county must include in  
22 its development regulations that:

23 (i) A qualifying energy project developer must:

24 (A) Initiate and document the offer to conduct early and  
25 meaningful engagement, before the submission of an environmental  
26 policy checklist under chapter 43.21C RCW, related to the qualifying  
27 energy project with each federally recognized Indian tribe within  
28 whose ceded territory and usual and accustomed area the qualifying  
29 energy project is proposed to be located in a manner that recognizes  
30 the sovereignty and legal rights of the tribe, with the objective of  
31 agreeing on a plan for protecting the archaeological and cultural  
32 resources that are potentially affected by the project;

33 (B) Notify, and offer to meet with, the department of archaeology  
34 and historic preservation regarding the geographical location,  
35 detailed scope of the proposed project, preliminary application  
36 details available to federal, state, or local jurisdictions, and all  
37 publicly available materials, with the objective of agreeing on a  
38 plan for protecting the archaeological and cultural resources that  
39 are potentially affected by the project; and

1 (C) Survey the proposed project site in a manner that reflects  
2 input solicited from the department of archaeology and historic  
3 preservation and each federally recognized Indian tribe whose lands  
4 described in this section are impacted, if any such input is received  
5 by the project developer within 60 days of the notification in  
6 (b)(i)(B) of this subsection (2); and

7 (ii) The county may condition an application by a qualifying  
8 energy project developer in accordance with a plan agreement between  
9 the qualifying energy project developer and either the federally  
10 recognized Indian tribe or the department of archaeology and historic  
11 preservation, or both, for protecting the archaeological cultural  
12 resources that are potentially affected by the project.

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

19 (4)(a) The department must establish an application process for  
20 the program.

21 (b) The department may charge a reasonable fee for administrative  
22 costs. Fees must be deposited in the local investment distribution  
23 account created in section 116 of this act.

24 (5) Beginning in fiscal year 2029, the legislature intends to  
25 dedicate at least 75 percent of the local investment distribution  
26 account appropriations each biennium to the funding of the local  
27 investment distribution program described in this section. It is the  
28 intent of the legislature to apply any balance in the local  
29 investment distribution account that is in excess of the eligible  
30 expenses for the local investment distribution program under this  
31 section first to the tribal capacity grant program in section 204 of  
32 this act and second to the general fund.

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

37 (7) For purposes of this section, the following definitions  
38 apply:

39 (a)(i) "Energy storage system" means commercially available  
40 technology that is capable of retaining electricity, storing the

1 energy for a period of time, and delivering the electricity after  
2 storage by chemical, thermal, mechanical, or other means.

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

5 (b) "Qualifying energy project" means an energy storage system, a  
6 wind or solar energy production facility, associated facilities, or  
7 any combination thereof, constructed after the effective date of this  
8 section.

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

11 (1)(a) The department shall provide technical assistance and  
12 ongoing liaison support to local governments, including methods and  
13 best practices for siting qualifying energy projects specified in  
14 section 202 of this act, for use by local governments.

15 (b) As part of this work, the department must develop and publish  
16 a model ordinance applicable to the siting of qualifying energy  
17 projects specified in section 202 of this act by July 1, 2028. The  
18 model ordinance must include, but is not limited to, standards for  
19 the decommissioning of and provision of financial assurance for wind  
20 energy facilities and means to avoid detrimental impact to natural  
21 resources and cultural resource areas. The model ordinance must also  
22 consider local government compliance with the growth management act.  
23 The department must consider whether the model ordinance should  
24 specify or encourage expedited timelines for permit review that are  
25 adhered to by the county or city. The department must develop the  
26 model ordinance in consultation with qualifying energy project  
27 developers, qualifying energy project owners, counties where at least  
28 one energy storage system or wind or solar energy production facility  
29 is located, federally recognized tribes, and other interested  
30 stakeholders.

31 (2) Effective six months after the department's publication of a  
32 model ordinance under subsection (1) of this section, to be eligible  
33 for the grant program in section 202 of this act, a county or city  
34 ordinance or other restriction that limits the siting of a qualifying  
35 energy project may not contain standards that are more restrictive or  
36 burdensome than the applicable model ordinance published by the  
37 department under subsection (1) of this section.

38 (3)(a) The department must review the model ordinance created in  
39 this section under the provisions of chapter 43.21C RCW. To the

1 maximum extent appropriate consistent with WAC 197-11-600 as it  
2 existed as of the effective date of this section, the department must  
3 use the nonproject environmental impact statements prepared by the  
4 department of ecology under RCW 43.21C.535 and by the energy facility  
5 site evaluation council under RCW 43.21C.405.

6 (b) A county that adopts the model ordinance under this section  
7 that has been reviewed by the department under the provisions of  
8 chapter 43.21C RCW is not required to review the ordinance under the  
9 provisions of chapter 43.21C RCW.

10 (4) Nothing in this section renders qualifying energy projects  
11 ineligible for the grant program in section 202 of this act on the  
12 basis of:

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

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

22 (5) For purposes of this section, "qualifying energy project" has  
23 the same meaning as in section 202 of this act.

24 NEW SECTION. **Sec. 204.** A new section is added to chapter 43.21A  
25 RCW to read as follows:

26 (1) The department must implement an ongoing program to provide  
27 biennial capacity grants to each federally recognized Indian tribe in  
28 Washington state and to each federally recognized Indian tribe with  
29 treaty-ceded lands in Washington consistent with this section and RCW  
30 70A.65.250.

31 (a) For purposes of fiscal year 2028, the legislature intends to  
32 fund the grant program with appropriations from the climate  
33 investment account created in RCW 70A.65.250.

34 (b) Beginning in fiscal year 2029, the legislature intends  
35 funding for the grant program to be increasingly paid for through the  
36 local investment distribution account created in section 116 of this  
37 act and intends to dedicate up to 25 percent of the appropriations  
38 from that account each biennium towards the total cost of the  
39 program.

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

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

6 (b) Consultation on clean energy siting projects;

7 (c) Activities supporting climate resilience and adaptation;

8 (d) Developing tribal clean energy projects, as defined in RCW  
9 43.158.010;

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

11 (f) Other activities for which funds in the climate commitment  
12 account created in RCW 70A.65.260, or the natural climate solutions  
13 account created in RCW 70A.65.270, are eligible; and

14 (g) Other related work.

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

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

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

25 **PART III**

26 **MISCELLANEOUS**

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

29 (1) RCW 84.36.680 (Generation or storage of renewable energy) and  
30 2023 c 427 s 1;

31 (2) RCW 82.96.010 (Tax on renewable energy generation or storage—  
32 Rates—Administration) and 2023 c 427 s 2;

33 (3) RCW 82.96.020 (Renewable energy local benefit account) and  
34 2023 c 427 s 3; and

35 (4) RCW 82.96.030 (Administration—Application of chapter 82.32  
36 RCW) and 2023 c 427 s 4.

1       **Sec. 302.** RCW 43.21C.525 and 2022 c 180 s 406 are each amended  
2 to read as follows:

3       Amendments to regulations and other nonproject actions taken by a  
4 city or county to adopt or implement the model ordinance created by  
5 the department under RCW 70A.207.030 (~~(is)~~) or by a county to adopt  
6 or implement the model ordinance created by the department of  
7 commerce under section 203 of this act are not subject to the  
8 requirements of this chapter.

9       NEW SECTION.   **Sec. 303.** RCW 82.32.805 and 82.32.808 do not apply  
10 to this act.

11       NEW SECTION.   **Sec. 304.** If any provision of this act or its  
12 application to any person or circumstance is held invalid, the  
13 remainder of the act or the application of the provision to other  
14 persons or circumstances is not affected.

15       NEW SECTION.   **Sec. 305.** Section 102 of this act applies to  
16 property taxes levied for collection in 2029 and thereafter.

17       NEW SECTION.   **Sec. 306.** Sections 111 through 114 of this act  
18 apply to property taxes levied for collection in 2028 and thereafter.

19       NEW SECTION.   **Sec. 307.** This act takes effect January 1, 2028.

Passed by the House March 11, 2026.  
Passed by the Senate March 5, 2026.  
Approved by the Governor April 1, 2026.  
Filed in Office of Secretary of State April 1, 2026.

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