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**SENATE BILL 5565**

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**State of Washington****68th Legislature****2023 Regular Session****By** Senators Schoesler and Rolfes

1 AN ACT Relating to modifying tax and revenue laws by making  
2 technical corrections, clarifying ambiguities, easing compliance  
3 burdens for taxpayers, and providing administrative efficiencies;  
4 amending RCW 19.150.060, 19.150.080, 19.240.080, 19.240.900,  
5 35.90.020, 59.18.312, 59.18.595, 63.30.040, 82.04.260, 82.04.4489,  
6 82.14.070, 82.32.045, 82.32.105, 82.60.020, 82.60.049, 82.60.060,  
7 82.60.070, 82.70.900, 82.73.030, 82.90.080, 84.52.120, 84.52.816,  
8 88.02.620, and 88.26.020; reenacting and amending RCW 82.08.0206;  
9 adding a new section to chapter 82.12 RCW; creating new sections;  
10 repealing RCW 82.12.02088, 82.27.060, and 82.70.050; and providing an  
11 expiration date.

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

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

15 (1) If a notice has been sent, as required by RCW 19.150.040, and  
16 the total sum due has not been paid as of the date specified in the  
17 preliminary lien notice, the lien proposed by this notice attaches as  
18 of that date and the owner may deny an occupant access to the space,  
19 enter the space, inventory the goods therein, and remove any property  
20 found therein to a place of safe keeping. The owner must provide the  
21 occupant a notice of final lien sale or final notice of disposition

1 by personal service, verified mail, or email to the occupant's last  
2 known address and alternative address or email address. If the owner  
3 sends notice required under this section to the occupant's last known  
4 email address and does not receive a reply or receipt of delivery,  
5 the owner must send a second notice to the occupant's last known  
6 postal address by verified mail. The notice required under this  
7 section must state all of the following:

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

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

14 (c) That all the property, other than personal papers and  
15 personal photographs, may be sold to satisfy the lien after a  
16 specified date which is not less than (~~fourteen~~) 14 days from the  
17 last date of sending of the final lien sale notice, or a minimum of  
18 (~~forty-two~~) 42 days after the date when any part of the rent or  
19 other charges due from the occupants remain unpaid, whichever is  
20 later, unless the amount of the lien is paid. The owner is not  
21 required to sell the personal property within a maximum number of  
22 days of when the rent or other charges first became due. If the total  
23 value of property in the storage space is less than three hundred  
24 dollars, the owner may, instead of sale, dispose of the property in  
25 any reasonable manner, subject to the restrictions of RCW  
26 19.150.080(4). After the sale or other disposition pursuant to this  
27 section has been completed, the owner shall provide an accounting of  
28 the disposition of the proceeds of the sale or other disposition to  
29 the occupant at the occupant's last known address and at the  
30 alternative address.

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

34 (e) That any excess proceeds of the sale or other disposition  
35 under RCW 19.150.080(2) over the lien amount and reasonable costs of  
36 sale will be retained by the owner and may be reclaimed by the  
37 occupant, or claimed by another person, at any time for a period of  
38 six months from the sale and that thereafter the proceeds will be  
39 turned over to the state as abandoned property as provided in chapter  
40 63.30 RCW (~~63.29.165~~).

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

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

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

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

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

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

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

21 **Sec. 2.** RCW 19.150.080 and 2007 c 113 s 5 are each amended to  
22 read as follows:

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

27 (2)(a) If the property has a value of (~~three hundred dollars~~)  
28 \$300 or more, the sale shall be conducted in a commercially  
29 reasonable manner, and, after applying the proceeds to costs of the  
30 sale and then to the amount of the lien, the owner shall retain any  
31 excess proceeds of the sale on the occupant's behalf. The occupant,  
32 or any other person having a court order or other judicial process  
33 against the property, may claim the excess proceeds, or a portion  
34 thereof sufficient to satisfy the particular claim, at any time  
35 within six months of the date of sale.

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

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

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

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

15 **Sec. 3.** RCW 19.240.080 and 2004 c 168 s 9 are each amended to  
16 read as follows:

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

21 **Sec. 4.** RCW 19.240.900 and 2004 c 168 s 18 are each amended to  
22 read as follows:

23 Sections 1 through 12 of this act apply to:

- 24 (1) Gift certificates issued on or after July 1, 2004; and  
25 (2) Those gift certificates presumed abandoned on or after July  
26 1, 2004, and not reported as provided in chapter 63.30 RCW  
27 (~~(63.29.170(4))~~).

28 **Sec. 5.** RCW 35.90.020 and 2020 c 139 s 59 are each amended to  
29 read as follows:

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

36 (a) Except as otherwise provided in subsection (3) of this  
37 section, the department must phase in the issuance and renewal of

1 general business licenses of cities that required a general business  
2 license as of July 1, 2017, and are not already partnering with the  
3 department, as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (7)(a) Except as provided in (b) of this subsection, a city may  
39 decline to partner with the department for the issuance and renewal  
40 of a general business license as provided in subsection (1) of this

1 section if the city participates in the online local business license  
2 and tax filing portal known as "FileLocal" as of July 1, 2020.

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

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

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

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

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

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

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

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

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

36 (g) Any other information the department considers relevant.

37 **Sec. 6.** RCW 59.18.312 and 2011 c 132 s 17 are each amended to  
38 read as follows:

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

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

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

34 If the property that is being stored has a cumulative value of  
35 (~~two hundred fifty dollars~~) \$250 or less, then the landlord may  
36 sell or dispose of the property in the manner provided in this  
37 section, except for personal papers, family pictures, and keepsakes.  
38 Prior to the sale or disposal of property stored pursuant to this  
39 section with a cumulative value of (~~two hundred fifty dollars~~) \$250  
40 or less, the landlord shall notify the tenant of the pending sale or



1 disposal. The notice shall either be mailed to the tenant's last  
2 known address or personally delivered to the tenant. After seven days  
3 from the date the notice is mailed or delivered to the tenant, the  
4 landlord may sell or dispose of the property.

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

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

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

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

6 REQUEST FOR STORAGE OF PERSONAL PROPERTY

7 . . . . .

8 Name of Plaintiff

9 . . . . .

10 Name(s) of Tenant(s)

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

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

19 . . . . .  
20 . . . . .  
21 . . . . .

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

24 Dated: . . . . .

25 . . . . .

26 Tenant-Print Name

27 . . . . .

28 Tenant-Print Name

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

31 . . . . .  
32 . . . . .  
33 . . . . .

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

3 . . . . .

4 Facsimile Number

5 IMPORTANT

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

10 **Sec. 7.** RCW 59.18.595 and 2015 c 264 s 3 are each amended to  
11 read as follows:

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

14 (a) The landlord, upon learning of the death of the tenant, shall  
15 promptly mail or personally deliver written notice to any known  
16 personal representative, known designated person, emergency contact  
17 identified by the tenant on the rental application, known person  
18 reasonably believed to be a successor of the tenant as defined in RCW  
19 11.62.005, and to the deceased tenant at the address of the dwelling  
20 unit. If the landlord knows of any address used for the receipt of  
21 electronic communications, the landlord shall email the notice to  
22 that address as well. The notice must include:

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

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

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

27 (iv) A statement that the tenancy will terminate (~~(fifteen)~~) 15  
28 days from the date the notice is mailed or personally delivered or  
29 the date through which rent is paid, whichever comes later, unless  
30 during that time period a tenant representative makes arrangements  
31 with the landlord to pay rent in advance for no more than (~~(sixty)~~)  
32 60 days from the date of the tenant's death to allow a tenant  
33 representative to arrange for orderly removal of the tenant's  
34 property. At the end of the period for which the rent has been paid  
35 pursuant to this subsection, the tenancy ends;

36 (v) A statement that failure to remove the tenant's property  
37 before the tenancy is terminated or ends as provided in (a)(iv) of

1 this subsection will allow the landlord to enter the dwelling unit  
2 and take possession of any property found on the premises, store it  
3 in a reasonably secure place, and charge the actual or reasonable  
4 costs, whichever is less, of drayage and storage of the property, and  
5 after service of a second notice sell or dispose of the property as  
6 provided in subsection (3) of this section; and

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

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

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

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

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

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

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

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

39 (iii) A statement that the landlord may sell or dispose of the  
40 property on or after the date through which rent is paid or at least

1 ((~~forty-five~~)) 45 days after the second notice is mailed, whichever  
2 comes later, if a tenant representative does not claim and remove the  
3 property in accordance with this subsection.

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

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

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

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

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

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

4 (iii) The landlord may apply any income derived from the sale of  
5 the property pursuant to this section against any costs of sale and  
6 moneys due the landlord, including actual or reasonable costs,  
7 whichever is less, of drayage and storage of the deceased tenant's  
8 property. Any excess income derived from the sale of such property  
9 under this section must be held by the landlord for a period of one  
10 year from the date of sale, and if no claim is made for recovery of  
11 the excess income before the expiration of that one-year period, the  
12 balance must be treated as abandoned property and deposited by the  
13 landlord with the department of revenue pursuant to chapter (~~(63.29)~~)  
14 63.30 RCW.

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

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

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

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

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

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

1       **Sec. 8.** RCW 63.30.040 and 2022 c 225 s 201 are each amended to  
2 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (16) Excess funds from the sale of an abandoned vessel by an  
25 operator of a private moorage facility conducted pursuant to RCW  
26 88.26.020, one year from the date of the sale; and

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

31 **Sec. 9.** RCW 82.04.260 and 2022 c 16 s 140 are each amended to  
32 read as follows:

33 (1) Upon every person engaging within this state in the business  
34 of manufacturing:

35 (a) Wheat into flour, barley into pearl barley, soybeans into  
36 soybean oil, canola into canola oil, canola meal, or canola by-  
37 products, or sunflower seeds into sunflower oil; as to such persons  
38 the amount of tax with respect to such business is equal to the value



1 of the flour, pearl barley, oil, canola meal, or canola by-product  
2 manufactured, multiplied by the rate of 0.138 percent;

3 (b) Beginning July 1, 2025, seafood products that remain in a  
4 raw, raw frozen, or raw salted state at the completion of the  
5 manufacturing by that person; or selling manufactured seafood  
6 products that remain in a raw, raw frozen, or raw salted state at the  
7 completion of the manufacturing, to purchasers who transport in the  
8 ordinary course of business the goods out of this state; as to such  
9 persons the amount of tax with respect to such business is equal to  
10 the value of the products manufactured or the gross proceeds derived  
11 from such sales, multiplied by the rate of 0.138 percent. Sellers  
12 must keep and preserve records for the period required by RCW  
13 82.32.070 establishing that the goods were transported by the  
14 purchaser in the ordinary course of business out of this state;

15 (c) (i) Except as provided otherwise in (c) (iii) of this  
16 subsection, from July 1, 2025, until January 1, 2036, dairy products;  
17 or selling dairy products that the person has manufactured to  
18 purchasers who either transport in the ordinary course of business  
19 the goods out of state or purchasers who use such dairy products as  
20 an ingredient or component in the manufacturing of a dairy product;  
21 as to such persons the tax imposed is equal to the value of the  
22 products manufactured or the gross proceeds derived from such sales  
23 multiplied by the rate of 0.138 percent. Sellers must keep and  
24 preserve records for the period required by RCW 82.32.070  
25 establishing that the goods were transported by the purchaser in the  
26 ordinary course of business out of this state or sold to a  
27 manufacturer for use as an ingredient or component in the  
28 manufacturing of a dairy product.

29 (ii) For the purposes of this subsection (1) (c), "dairy products"  
30 means:

31 (A) Products, not including any cannabis-infused product, that as  
32 of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts  
33 131, 133, and 135, including by-products from the manufacturing of  
34 the dairy products, such as whey and casein; and

35 (B) Products comprised of not less than (~~seventy~~) 70 percent  
36 dairy products that qualify under (c) (ii) (A) of this subsection,  
37 measured by weight or volume.

38 (iii) The preferential tax rate provided to taxpayers under this  
39 subsection (1) (c) does not apply to sales of dairy products on or  
40 after July 1, 2023, where a dairy product is used by the purchaser as

1 an ingredient or component in the manufacturing in Washington of a  
2 dairy product;

3 (d)(i) Beginning July 1, 2025, fruits or vegetables by canning,  
4 preserving, freezing, processing, or dehydrating fresh fruits or  
5 vegetables, or selling at wholesale fruits or vegetables manufactured  
6 by the seller by canning, preserving, freezing, processing, or  
7 dehydrating fresh fruits or vegetables and sold to purchasers who  
8 transport in the ordinary course of business the goods out of this  
9 state; as to such persons the amount of tax with respect to such  
10 business is equal to the value of the products manufactured or the  
11 gross proceeds derived from such sales multiplied by the rate of  
12 0.138 percent. Sellers must keep and preserve records for the period  
13 required by RCW 82.32.070 establishing that the goods were  
14 transported by the purchaser in the ordinary course of business out  
15 of this state.

16 (ii) For purposes of this subsection (1)(d), "fruits" and  
17 "vegetables" do not include cannabis, useable cannabis, or cannabis-  
18 infused products; and

19 (e) Wood biomass fuel; as to such persons the amount of tax with  
20 respect to the business is equal to the value of wood biomass fuel  
21 manufactured, multiplied by the rate of 0.138 percent. For the  
22 purposes of this section, "wood biomass fuel" means a liquid or  
23 gaseous fuel that is produced from lignocellulosic feedstocks,  
24 including wood, forest, or field residue and dedicated energy crops,  
25 and that does not include wood treated with chemical preservations  
26 such as creosote, pentachlorophenol, or copper-chrome-arsenic.

27 (2) Upon every person engaging within this state in the business  
28 of splitting or processing dried peas; as to such persons the amount  
29 of tax with respect to such business is equal to the value of the  
30 peas split or processed, multiplied by the rate of 0.138 percent.

31 (3) Upon every nonprofit corporation and nonprofit association  
32 engaging within this state in research and development, as to such  
33 corporations and associations, the amount of tax with respect to such  
34 activities is equal to the gross income derived from such activities  
35 multiplied by the rate of 0.484 percent.

36 (4) Upon every person engaging within this state in the business  
37 of slaughtering, breaking and/or processing perishable meat products  
38 and/or selling the same at wholesale only and not at retail; as to  
39 such persons the tax imposed is equal to the gross proceeds derived  
40 from such sales multiplied by the rate of 0.138 percent.

1 (5) (a) Upon every person engaging within this state in the  
2 business of acting as a travel agent or tour operator and whose  
3 annual taxable amount for the prior calendar year from such business  
4 was (~~two hundred fifty thousand dollars~~) \$250,000 or less; as to  
5 such persons the amount of the tax with respect to such activities is  
6 equal to the gross income derived from such activities multiplied by  
7 the rate of 0.275 percent.

8 (b) Upon every person engaging within this state in the business  
9 of acting as a travel agent or tour operator and whose annual taxable  
10 amount for the prior calendar year from such business was more than  
11 (~~two hundred fifty thousand dollars~~) \$250,000; as to such persons  
12 the amount of the tax with respect to such activities is equal to the  
13 gross income derived from such activities multiplied by the rate of  
14 0.275 percent through June 30, 2019, and 0.9 percent beginning July  
15 1, 2019.

16 (6) Upon every person engaging within this state in business as  
17 an international steamship agent, international customs house broker,  
18 international freight forwarder, vessel and/or cargo charter broker  
19 in foreign commerce, and/or international air cargo agent; as to such  
20 persons the amount of the tax with respect to only international  
21 activities is equal to the gross income derived from such activities  
22 multiplied by the rate of 0.275 percent.

23 (7) Upon every person engaging within this state in the business  
24 of stevedoring and associated activities pertinent to the movement of  
25 goods and commodities in waterborne interstate or foreign commerce;  
26 as to such persons the amount of tax with respect to such business is  
27 equal to the gross proceeds derived from such activities multiplied  
28 by the rate of 0.275 percent. Persons subject to taxation under this  
29 subsection are exempt from payment of taxes imposed by chapter 82.16  
30 RCW for that portion of their business subject to taxation under this  
31 subsection. Stevedoring and associated activities pertinent to the  
32 conduct of goods and commodities in waterborne interstate or foreign  
33 commerce are defined as all activities of a labor, service or  
34 transportation nature whereby cargo may be loaded or unloaded to or  
35 from vessels or barges, passing over, onto or under a wharf, pier, or  
36 similar structure; cargo may be moved to a warehouse or similar  
37 holding or storage yard or area to await further movement in import  
38 or export or may move to a consolidation freight station and be  
39 stuffed, unstuffed, containerized, separated or otherwise segregated  
40 or aggregated for delivery or loaded on any mode of transportation

1 for delivery to its consignee. Specific activities included in this  
2 definition are: Wharfage, handling, loading, unloading, moving of  
3 cargo to a convenient place of delivery to the consignee or a  
4 convenient place for further movement to export mode; documentation  
5 services in connection with the receipt, delivery, checking, care,  
6 custody and control of cargo required in the transfer of cargo;  
7 imported automobile handling prior to delivery to consignee; terminal  
8 stevedoring and incidental vessel services, including but not limited  
9 to plugging and unplugging refrigerator service to containers,  
10 trailers, and other refrigerated cargo receptacles, and securing ship  
11 hatch covers.

12 (8) (a) Upon every person engaging within this state in the  
13 business of disposing of low-level waste, as defined in RCW  
14 70A.380.010; as to such persons the amount of the tax with respect to  
15 such business is equal to the gross income of the business, excluding  
16 any fees imposed under chapter 70A.384 RCW, multiplied by the rate of  
17 3.3 percent.

18 (b) If the gross income of the taxpayer is attributable to  
19 activities both within and without this state, the gross income  
20 attributable to this state must be determined in accordance with the  
21 methods of apportionment required under RCW 82.04.460.

22 (9) Upon every person engaging within this state as an insurance  
23 producer or title insurance agent licensed under chapter 48.17 RCW or  
24 a surplus line broker licensed under chapter 48.15 RCW; as to such  
25 persons, the amount of the tax with respect to such licensed  
26 activities is equal to the gross income of such business multiplied  
27 by the rate of 0.484 percent.

28 (10) Upon every person engaging within this state in business as  
29 a hospital, as defined in chapter 70.41 RCW, that is operated as a  
30 nonprofit corporation or by the state or any of its political  
31 subdivisions, as to such persons, the amount of tax with respect to  
32 such activities is equal to the gross income of the business  
33 multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5  
34 percent thereafter.

35 (11) (a) Beginning October 1, 2005, upon every person engaging  
36 within this state in the business of manufacturing commercial  
37 airplanes, or components of such airplanes, or making sales, at  
38 retail or wholesale, of commercial airplanes or components of such  
39 airplanes, manufactured by the seller, as to such persons the amount  
40 of tax with respect to such business is, in the case of

1 manufacturers, equal to the value of the product manufactured and the  
2 gross proceeds of sales of the product manufactured, or in the case  
3 of processors for hire, equal to the gross income of the business,  
4 multiplied by the rate of:

5 (i) 0.4235 percent from October 1, 2005, through June 30, 2007;

6 (ii) 0.2904 percent beginning July 1, 2007, through March 31,  
7 2020; and

8 (iii) Beginning April 1, 2020, 0.484 percent, subject to any  
9 reduction required under (e) of this subsection (11). The tax rate in  
10 this subsection (11)(a)(iii) applies to all business activities  
11 described in this subsection (11)(a).

12 (b) Beginning July 1, 2008, upon every person who is not eligible  
13 to report under the provisions of (a) of this subsection (11) and is  
14 engaging within this state in the business of manufacturing tooling  
15 specifically designed for use in manufacturing commercial airplanes  
16 or components of such airplanes, or making sales, at retail or  
17 wholesale, of such tooling manufactured by the seller, as to such  
18 persons the amount of tax with respect to such business is, in the  
19 case of manufacturers, equal to the value of the product manufactured  
20 and the gross proceeds of sales of the product manufactured, or in  
21 the case of processors for hire, be equal to the gross income of the  
22 business, multiplied by the rate of:

23 (i) 0.2904 percent through March 31, 2020; and

24 (ii) Beginning April 1, 2020, the following rates, which are  
25 subject to any reduction required under (e) of this subsection (11):

26 (A) The rate under RCW 82.04.250(1) on the business of making  
27 retail sales of tooling specifically designed for use in  
28 manufacturing commercial airplanes or components of such airplanes;  
29 and

30 (B) 0.484 percent on all other business activities described in  
31 this subsection (11)(b).

32 (c) For the purposes of this subsection (11), "commercial  
33 airplane" and "component" have the same meanings as provided in RCW  
34 82.32.550.

35 (d)(i) In addition to all other requirements under this title, a  
36 person reporting under the tax rate provided in this subsection (11)  
37 must file a complete annual tax performance report with the  
38 department under RCW 82.32.534. However, this requirement does not  
39 apply to persons reporting under the tax rate in (a)(iii) of this  
40 subsection (11), so long as that rate remains 0.484 percent, or under

1 any of the tax rates in (b)(ii)(A) and (B) of this subsection (11),  
2 so long as those tax rates remain the rate imposed pursuant to RCW  
3 82.04.250(1) and 0.484 percent, respectively.

4 (ii) Nothing in (d)(i) of this subsection (11) may be construed  
5 as affecting the obligation of a person reporting under a tax rate  
6 provided in this subsection (11) to file a complete annual tax  
7 performance report with the department under RCW 82.32.534: (A)  
8 Pursuant to another provision of this title as a result of claiming a  
9 tax credit or exemption; or (B) pursuant to (d)(i) of this subsection  
10 (11) as a result of claiming the tax rates in (a)(ii) or (b)(i) of  
11 this subsection (11) for periods ending before April 1, 2020.

12 (e)(i) After March 31, 2021, the tax rates under (a)(iii) and  
13 (b)(ii) of this subsection (11) must be reduced to 0.357 percent  
14 provided the conditions in RCW 82.04.2602 are met. The effective date  
15 of the rates authorized under this subsection (11)(e) must occur on  
16 the first day of the next calendar quarter that is at least (~~sixty~~)  
17 60 days after the department receives the last of the two written  
18 notices pursuant to RCW 82.04.2602 (3) and (4).

19 (ii) Both a significant commercial airplane manufacturer  
20 separately and the rest of the aerospace industry as a whole,  
21 receiving the rate of 0.357 percent under this subsection (11)(e) are  
22 subject to the aerospace apprenticeship utilization rates required  
23 under RCW 49.04.220 by April 1, 2026, or five years after the  
24 effective date of the 0.357 percent rate authorized under this  
25 subsection (11)(e), whichever is later, as determined by the  
26 department of labor and industries.

27 (iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply  
28 to this subsection (11)(e).

29 (f)(i) Except as provided in (f)(ii) of this subsection (11),  
30 this subsection (11) does not apply on and after July 1, 2040.

31 (ii) With respect to the manufacturing of commercial airplanes or  
32 making sales, at retail or wholesale, of commercial airplanes, this  
33 subsection (11) does not apply on and after July 1st of the year in  
34 which the department makes a determination that any final assembly or  
35 wing assembly of any version or variant of a commercial airplane that  
36 is the basis of a siting of a significant commercial airplane  
37 manufacturing program in the state under RCW 82.32.850 has been sited  
38 outside the state of Washington. This subsection (11)(f)(ii) only  
39 applies to the manufacturing or sale of commercial airplanes that are  
40 the basis of a siting of a significant commercial airplane

1 manufacturing program in the state under RCW 82.32.850. This  
2 subsection (11)(f)(ii) continues to apply during the time that a  
3 person is subject to the tax rate in (a)(iii) of this subsection  
4 (11).

5 (g) For the purposes of this subsection, "a significant  
6 commercial airplane manufacturer" means a manufacturer of commercial  
7 airplanes with at least (~~fifty thousand~~) 50,000 full-time employees  
8 in Washington as of January 1, 2021.

9 (12)(a) Until July 1, 2045, upon every person engaging within  
10 this state in the business of extracting timber or extracting for  
11 hire timber; as to such persons the amount of tax with respect to the  
12 business is, in the case of extractors, equal to the value of  
13 products, including by-products, extracted, or in the case of  
14 extractors for hire, equal to the gross income of the business,  
15 multiplied by the rate of 0.4235 percent from July 1, 2006, through  
16 June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30,  
17 2045.

18 (b) Until July 1, 2045, upon every person engaging within this  
19 state in the business of manufacturing or processing for hire: (i)  
20 Timber into timber products or wood products; (ii) timber products  
21 into other timber products or wood products; or (iii) products  
22 defined in RCW 19.27.570(1); as to such persons the amount of the tax  
23 with respect to the business is, in the case of manufacturers, equal  
24 to the value of products, including by-products, manufactured, or in  
25 the case of processors for hire, equal to the gross income of the  
26 business, multiplied by the rate of 0.4235 percent from July 1, 2006,  
27 through June 30, 2007, and 0.2904 percent from July 1, 2007, through  
28 June 30, 2045.

29 (c) Until July 1, 2045, upon every person engaging within this  
30 state in the business of selling at wholesale: (i) Timber extracted  
31 by that person; (ii) timber products manufactured by that person from  
32 timber or other timber products; (iii) wood products manufactured by  
33 that person from timber or timber products; or (iv) products defined  
34 in RCW 19.27.570(1) manufactured by that person; as to such persons  
35 the amount of the tax with respect to the business is equal to the  
36 gross proceeds of sales of the timber, timber products, wood  
37 products, or products defined in RCW 19.27.570(1) multiplied by the  
38 rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and  
39 0.2904 percent from July 1, 2007, through June 30, 2045.

1 (d) Until July 1, 2045, upon every person engaging within this  
2 state in the business of selling standing timber; as to such persons  
3 the amount of the tax with respect to the business is equal to the  
4 gross income of the business multiplied by the rate of 0.2904  
5 percent. For purposes of this subsection (12)(d), "selling standing  
6 timber" means the sale of timber apart from the land, where the buyer  
7 is required to sever the timber within (~~(thirty)~~) 30 months from the  
8 date of the original contract, regardless of the method of payment  
9 for the timber and whether title to the timber transfers before,  
10 upon, or after severance.

11 (e) For purposes of this subsection, the following definitions  
12 apply:

13 (i) "Biocomposite surface products" means surface material  
14 products containing, by weight or volume, more than (~~(fifty)~~) 50  
15 percent recycled paper and that also use nonpetroleum-based phenolic  
16 resin as a bonding agent.

17 (ii) "Paper and paper products" means products made of interwoven  
18 cellulosic fibers held together largely by hydrogen bonding. "Paper  
19 and paper products" includes newsprint; office, printing, fine, and  
20 pressure-sensitive papers; paper napkins, towels, and toilet tissue;  
21 kraft bag, construction, and other kraft industrial papers;  
22 paperboard, liquid packaging containers, containerboard, corrugated,  
23 and solid-fiber containers including linerboard and corrugated  
24 medium; and related types of cellulosic products containing  
25 primarily, by weight or volume, cellulosic materials. "Paper and  
26 paper products" does not include books, newspapers, magazines,  
27 periodicals, and other printed publications, advertising materials,  
28 calendars, and similar types of printed materials.

29 (iii) "Recycled paper" means paper and paper products having  
30 fifty percent or more of their fiber content that comes from  
31 postconsumer waste. For purposes of this subsection (12)(e)(iii),  
32 "postconsumer waste" means a finished material that would normally be  
33 disposed of as solid waste, having completed its life cycle as a  
34 consumer item.

35 (iv) "Timber" means forest trees, standing or down, on privately  
36 or publicly owned land. "Timber" does not include Christmas trees  
37 that are cultivated by agricultural methods or short-rotation  
38 hardwoods as defined in RCW 84.33.035.

39 (v) "Timber products" means:



1 (A) Logs, wood chips, sawdust, wood waste, and similar products  
2 obtained wholly from the processing of timber, short-rotation  
3 hardwoods as defined in RCW 84.33.035, or both;

4 (B) Pulp, including market pulp and pulp derived from recovered  
5 paper or paper products; and

6 (C) Recycled paper, but only when used in the manufacture of  
7 biocomposite surface products.

8 (vi) "Wood products" means paper and paper products; dimensional  
9 lumber; engineered wood products such as particleboard, oriented  
10 strand board, medium density fiberboard, and plywood; wood doors;  
11 wood windows; and biocomposite surface products.

12 (f) Except for small harvesters as defined in RCW 84.33.035, a  
13 person reporting under the tax rate provided in this subsection (12)  
14 must file a complete annual tax performance report with the  
15 department under RCW 82.32.534.

16 (g) Nothing in this subsection (12) may be construed to affect  
17 the taxation of any activity defined as a retail sale in RCW  
18 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW  
19 82.04.060(2), or taxed under RCW 82.04.280(1) (g).

20 (13) Upon every person engaging within this state in inspecting,  
21 testing, labeling, and storing canned salmon owned by another person,  
22 as to such persons, the amount of tax with respect to such activities  
23 is equal to the gross income derived from such activities multiplied  
24 by the rate of 0.484 percent.

25 (14)(a) Upon every person engaging within this state in the  
26 business of printing a newspaper, publishing a newspaper, or both,  
27 the amount of tax on such business is equal to the gross income of  
28 the business multiplied by the rate of 0.35 percent until July 1,  
29 2024, and 0.484 percent thereafter.

30 (b) A person reporting under the tax rate provided in this  
31 subsection (14) must file a complete annual tax performance report  
32 with the department under RCW 82.32.534.

33 (c) This subsection (14) is not subject to RCW 82.32.805.

34 **Sec. 10.** RCW 82.04.4489 and 2022 c 270 s 5 are each amended to  
35 read as follows:

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

1 (2) The person must make the contribution before claiming a  
2 credit authorized under this section. Credits earned under this  
3 section may be claimed against taxes due for the calendar year in  
4 which the contribution is made. The amount of credit claimed for a  
5 reporting period may not exceed the tax otherwise due under this  
6 chapter for that reporting period. No person may claim more than  
7 \$1,000,000 of credit in any calendar year, including credit carried  
8 over from a previous calendar year. No refunds may be granted for any  
9 unused credits.

10 (3) The maximum credit that may be earned for each calendar year  
11 under this section for a person is limited to the lesser of  
12 \$1,000,000 or an amount equal to (~~one hundred~~) 100 percent of the  
13 contributions made by the person to a program during the calendar  
14 year.

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

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

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

1 notice if the amount due is paid by the due date specified in the  
2 notice, or any extension thereof.

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

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

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

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

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

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

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

30 **Sec. 11.** RCW 82.08.0206 and 2022 c 41 s 1 and 2022 c 33 s 1 are  
31 each reenacted and amended to read as follows:

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

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

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

1 (A) Is eligible for the credit provided in Title 26 U.S.C. Sec.  
2 32 of the internal revenue code; and

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

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

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

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

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

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

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

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

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

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

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

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

1 (ii) \$600 for eligible persons with one qualifying child;  
2 (iii) \$900 for eligible persons with two qualifying children; or  
3 (iv) \$1,200 for eligible persons with three or more qualifying  
4 children.

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

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

13 (ii) For eligible persons with one qualifying child, beginning at  
14 \$5,000 of income below the federal phase-out income for the prior  
15 federal tax year, by 12 percent per additional dollar of income until  
16 the minimum credit amount as specified in (c) of this subsection is  
17 reached.

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

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

28 (c) If the refund for an eligible person as calculated in this  
29 section is greater than (~~or equal to one~~) zero cents, but less than  
30 \$50, the refund amount is \$50.

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

36 (e) For purposes of this section, "consumer price index" means,  
37 for any 12-month period, the average consumer price index for that  
38 12-month period for the Seattle, Washington area for urban wage  
39 earners and clerical workers, all items, compiled by the bureau of  
40 labor statistics, United States department of labor.

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

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

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

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

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

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

27 (b) The department shall protect the privacy and confidentiality  
28 of personal data of refund recipients in accordance with chapter  
29 82.32 RCW.

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

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

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

39 (6) The department may adopt rules necessary to implement this  
40 section. This includes establishing a date by which applications will

1 be accepted, with the aim of accepting applications as soon as  
2 possible.

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

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

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

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

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

36 (9) If, within the period allowed for refunds under RCW  
37 82.32.060, the department finds that an individual received a lesser  
38 refund than the individual was entitled to, the department must remit  
39 the additional amount due under this section to the individual.

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

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

5 NEW SECTION. **Sec. 12.** A new section is added to chapter 82.12  
6 RCW to read as follows:

7 (1) The tax imposed by this chapter does not apply in respect to  
8 the use of tangible personal property when the present user is a  
9 wholly owned subsidiary and its parent company transferred the  
10 tangible personal property to the present user if:

11 (a) The transfer of the tangible personal property resulted in no  
12 change of beneficial ownership of the tangible personal property; and

13 (b) With respect to the tangible personal property transferred to  
14 the present user by its parent company, another entity that is wholly  
15 owned, directly or indirectly, by the parent company, or the parent  
16 company itself, either:

17 (i) Previously paid retail sales tax under RCW 82.08.020 or use  
18 tax under RCW 82.12.020; or

19 (ii) Acquired the tangible personal property without paying  
20 retail sales or use tax because the acquisition and subsequent use of  
21 the property were not subject to these taxes due to an exemption,  
22 deduction, or other exclusion from the tax base under RCW 82.08.020  
23 and 82.12.020.

24 (2) Nothing in this section limits the application of RCW  
25 82.32.655.

26 **Sec. 13.** RCW 82.14.070 and 2003 c 168 s 202 are each amended to  
27 read as follows:

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

32 (2) It is further the intent of this chapter that the local sales  
33 and use tax shall be imposed upon an individual taxable event  
34 simultaneously with the imposition of the state sales or use tax upon  
35 the same taxable event. The rule making powers of the state  
36 department of revenue contained in RCW 82.08.060 and 82.32.300 shall  
37 be applicable to this chapter. The department shall, as soon as  
38 practicable, and with the assistance of the appropriate associations



1 of county prosecutors and city attorneys, draft a model resolution  
2 and ordinance.

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

7 **Sec. 14.** RCW 82.32.045 and 2022 c 295 s 2 are each amended to  
8 read as follows:

9 (1) Except as otherwise provided in this chapter and subsection  
10 (6) of this section, payments of the taxes imposed under chapters  
11 82.04, 82.08, 82.12, 82.14, ~~((and))~~ 82.16, and 82.27 RCW, along with  
12 reports and returns on forms prescribed by the department, are due  
13 monthly within ~~((twenty-five))~~ 25 days after the end of the month in  
14 which the taxable activities occur.

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

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

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

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

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

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

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

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

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

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

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

15 **Sec. 15.** RCW 82.32.105 and 2017 c 323 s 106 are each amended to  
16 read as follows:

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

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

26 (a) The taxpayer requests the waiver for a tax return required to  
27 be filed under RCW 54.28.040, 82.32.045, 82.14B.061, 82.23B.020,  
28 (~~82.27.060,~~) 82.29A.050, or 84.33.086; and

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

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

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

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

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

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

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

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

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

10 (3) "Eligible area" means:

11 (a) Through June 30, 2010, a rural county as defined in RCW  
12 82.14.370; and

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

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

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

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

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

31 (ii) Construction of the qualified building, if the economic  
32 benefits of the deferral are passed to a lessee as provided in RCW  
33 82.60.025; or

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

37 (b) "Initiation of construction" does not include soil testing,  
38 site clearing and grading, site preparation, or any other related

1 activities that are initiated before the issuance of a building  
2 permit for the construction of the foundation of the building.

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

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

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

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

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

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

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

36 (10) "Qualified employment position" means a permanent full-time  
37 employee employed in the eligible investment project during the  
38 entire tax year. The term "entire tax year" means a full-time  
39 position that is filled for a period of (~~twelve~~) 12 consecutive  
40 months. The term "full-time" means at least (~~thirty-five~~) 35 hours

1 a week, (~~four hundred fifty five~~) 455 hours a quarter, or (~~one~~  
2 ~~thousand eight hundred twenty~~) 1,820 hours a year.

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

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

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

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

28 **Sec. 17.** RCW 82.60.049 and 2010 1st sp.s. c 16 s 7 are each  
29 amended to read as follows:

30 (1) For the purposes of this section:

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

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

35 (2) (~~In addition to the provisions of RCW 82.60.040, the~~) Until  
36 July 1, 2020, the department shall issue a sales and use tax deferral  
37 certificate for state and local sales and use taxes due under  
38 chapters 82.08, 82.12, and 82.14 RCW, on each eligible investment

1 project that is located in an eligible area, if the applicant  
2 establishes that at the time the project is operationally complete:

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

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

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

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

23 **Sec. 18.** RCW 82.60.060 and 2010 1st sp.s. c 16 s 8 are each  
24 amended to read as follows:

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

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

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

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

12 **Sec. 19.** RCW 82.60.070 and 2017 c 135 s 36 are each amended to  
13 read as follows:

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

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

28 (2) Except as provided in RCW 82.60.063, if, on the basis of a  
29 tax performance report under RCW 82.32.534 or other information, the  
30 department finds that an investment project is not eligible for tax  
31 deferral under this chapter, the amount of deferred taxes outstanding  
32 for the project, according to the repayment schedule in RCW  
33 82.60.060, is immediately due. For purposes of this subsection (2),  
34 the repayment schedule in RCW 82.60.060 is (~~toll~~) suspended  
35 during the period of time that a taxpayer is receiving relief from  
36 repayment of deferred taxes under RCW 82.60.063.

37 (3) A recipient who must repay deferred taxes under subsection  
38 (2) of this section because the department has found that an

1 investment project is not eligible for tax deferral under this  
2 chapter is no longer required to file annual tax performance reports  
3 under RCW 82.32.534 beginning on the date an investment project is  
4 used for nonqualifying purposes.

5 (4) Notwithstanding any other provision of this section or RCW  
6 82.32.534, deferred taxes on the following need not be repaid:

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

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

12 **Sec. 20.** RCW 82.70.900 and 2015 3rd sp.s. c 44 s 416 are each  
13 amended to read as follows:

14 (~~Except for RCW 82.70.050, this~~) This chapter expires July 1,  
15 2024.

16 **Sec. 21.** RCW 82.73.030 and 2021 c 112 s 2 are each amended to  
17 read as follows:

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

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

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

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

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

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

35 (4) The department must keep a running total of all credits  
36 approved under this chapter for each calendar year. The department  
37 may not approve any credits under this section that would cause the



1 total amount of approved credits statewide to exceed \$5,000,000 in  
2 any calendar year.

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

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

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

19 (6) Except as provided in subsection (8) of this section, the  
20 credit may be claimed against any tax due under chapters 82.04 and  
21 82.16 RCW only in the calendar year immediately following the  
22 calendar year in which the credit was approved by the department and  
23 the contribution was made to the program or the main street trust  
24 fund. Credits may not be carried over to subsequent years. No refunds  
25 may be granted for credits under this chapter.

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

28 (a) The approved credit; or

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

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

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

38 **Sec. 22.** RCW 82.90.080 and 2022 c 161 s 8 are each amended to  
39 read as follows:

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

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

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

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

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

15 **Sec. 23.** RCW 84.52.120 and 1995 c 99 s 1 are each amended to  
16 read as follows:

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

30 **Sec. 24.** RCW 84.52.816 and 2015 c 170 s 3 are each amended to  
31 read as follows:

32 A flood control zone district in a county with a population of  
33 (~~seven hundred seventy-five thousand~~) 775,000 or more, or a county  
34 within the Chehalis river basin, that is coextensive with a county  
35 may protect the levy under RCW 86.15.160 from prorationing under RCW  
36 84.52.010(3)(b)(~~(+ii)~~) (iii) by imposing up to a total of (~~twenty-~~  
37 ~~five~~) 25 cents per (~~thousand dollars~~) \$1,000 of assessed value of  
38 the tax levy authorized under RCW 86.15.160 outside of the (~~five~~

1 ~~dollars and ninety cents~~) \$5.90 per (~~thousand dollars~~) \$1,000 of  
2 assessed value limitation under RCW 84.52.043(2), if those taxes  
3 otherwise would be prorated under RCW 84.52.010(3) (~~(ii)~~) (iii).

4 **Sec. 25.** RCW 88.02.620 and 2021 c 150 s 1 are each amended to  
5 read as follows:

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

9 (a) Is currently registered or numbered under the laws of the  
10 state or (~~county [country]~~) country of principal operation, has  
11 been issued a valid number under federal law, or has a valid United  
12 States customs service cruising license issued under 19 C.F.R. Sec.  
13 4.94; and

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

16 (i) For personal use; or

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

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

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

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

34 (c) The department of revenue has provided the nonresident vessel  
35 owner written approval authorizing the permit as provided in RCW  
36 82.32.865.

37 (3) A nonresident vessel permit:

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

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

3 (c) Is valid for two months.

4 (4) The department, county auditor or other agent, or subagent  
5 appointed by the director must collect the fee required in RCW  
6 88.02.640(1)(i) when issuing nonresident vessel permits.

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

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

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

18 (b) The vessel's hull identification number;

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

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

21 (e) The expiration date for the permit; and

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

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

27 **Sec. 26.** RCW 88.26.020 and 2013 c 291 s 41 are each amended to  
28 read as follows:

29 (1) Any private moorage facility operator may take reasonable  
30 measures, including the use of chains, ropes, and locks, or removal  
31 from the water, to secure vessels within the private moorage facility  
32 so that the vessels are in the possession and control of the operator  
33 and cannot be removed from the facility. These procedures may be used  
34 if an owner mooring or storing a vessel at the facility fails, after  
35 being notified that charges are owing and of the owner's right to  
36 commence legal proceedings to contest that such charges are owing, to  
37 pay charges owed or to commence legal proceedings. Notification shall  
38 be by two separate letters, one sent by first-class mail and one sent  
39 by registered mail to the owner and any lienholder of record at the

1 last known address. In the case of a transient vessel, or where no  
2 address was furnished by the owner, the operator need not give notice  
3 prior to securing the vessel. At the time of securing the vessel, an  
4 operator shall attach to the vessel a readily visible notice. The  
5 notice shall be of a reasonable size and shall contain the following  
6 information:

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

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

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

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

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

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

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

32 (b) Making payment to the operator of all charges, or by posting  
33 with the operator a sufficient cash bond or other acceptable  
34 security, to be held in trust by the operator pending written  
35 agreement of the parties with respect to payment by the vessel owner  
36 of the amount owing, or pending resolution of the matter of the  
37 charges in a civil action in a court of competent jurisdiction. After  
38 entry of judgment, including any appeals, in a court of competent  
39 jurisdiction, or after the parties reach agreement with respect to  
40 payment, the trust shall terminate and the operator shall receive so

1 much of the bond or other security as agreed, or as is necessary, to  
2 satisfy any judgment, costs, and interest as may be awarded to the  
3 operator. The balance shall be refunded immediately to the owner at  
4 the last known address.

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

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

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

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

39 (c) The proceeds of a sale under this section shall be applied  
40 first to the payment of any liens superior to the claim for charges,

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

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

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

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

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

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

28 (2) RCW 82.27.060 (Payment of tax—Remittance—Returns) and 2006 c  
29 256 s 3, 2003 1st sp.s. c 13 s 10, 1990 c 214 s 1, & 1980 c 98 s 6;  
30 and

31 (3) RCW 82.70.050 (Credit taken, director must advise) and 2022 c  
32 182 s 312, 2015 3rd sp.s. c 44 s 415, 2015 1st sp.s. c 10 s 710, 2014  
33 c 222 s 706, & 2003 c 364 s 5.

34 NEW SECTION. **Sec. 28.** RCW 82.32.805 and 82.32.808 do not apply  
35 to section 12 of this act.

1        NEW SECTION.    **Sec. 29.**    Sections 1 through 4, 6 through 8, and 26  
2 of this act apply both prospectively and retroactively to January 1,  
3 2023.

4        NEW SECTION.    **Sec. 30.**    Section 25 of this act expires January 1,  
5 2029.

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