
SENATE BILL 5901

State of Washington

67th Legislature

2022 Regular Session

By Senators Randall and Billig

1 AN ACT Relating to economic development tax incentives for
2 targeted counties; amending RCW 82.08.820 and 82.12.820; adding a new
3 chapter to Title 82 RCW; creating a new section; providing an
4 effective date; and providing expiration dates.

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

6 **PART I**

7 **CREATING A SALES AND USE TAX DEFERRAL PROGRAM TO INCENTIVIZE**
8 **MANUFACTURING AND RESEARCH AND DEVELOPMENT ACTIVITIES IN CERTAIN**
9 **DESIGNATED COUNTIES**

10 NEW SECTION. **Sec. 101.** (1) The legislature finds that there are
11 counties in the state that face additional economic development
12 challenges beyond the challenges faced by counties located in the
13 central Puget Sound region. The legislature further finds that these
14 regions do not experience the same degree of job growth and
15 investment. The legislature further finds that, in some areas,
16 increased economic development incentives are needed to help support
17 economic growth and that a one-size-fits-all approach to economic
18 development does not work for the diversity of the statewide economy.
19 For these reasons, the legislature intends to establish a tax
20 deferral program to be effective solely in certain targeted counties.

1 The legislature declares that this limited program serves the vital
2 public purpose of creating employment opportunities and generally
3 spurring economic development in these counties of the state.

4 (2) The legislature also finds that this act is consistent with
5 the Substitute House Bill No. 1170, the Washington BEST manufacturing
6 act, enacted in 2021. The 2021 Washington BEST manufacturing act
7 recognized that the state must retain and build on its leadership in
8 the manufacturing and research and development sectors and also
9 recognized that a thriving manufacturing and research sector are
10 complimentary and should be promoted in every region of the state.
11 Therefore, the legislature further finds the sales and use tax
12 deferral program for manufacturing and research and development in
13 this act is a critical tool and strategy to help achieve the goals
14 expressed in the Washington BEST manufacturing act of doubling the
15 state's manufacturing employment base, the number of small
16 businesses, and the number of women and minority-owned manufacturing
17 businesses in the next 10 years.

18 NEW SECTION. **Sec. 102.** Unless the context clearly requires
19 otherwise, the definitions in this section apply throughout this
20 chapter.

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

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

24 (3) "Eligible area" means a qualifying county.

25 (4)(a) "Eligible investment project" means an investment project
26 that is located, as of the date the application required by section
27 103 of this act is received by the department, in an eligible area as
28 defined in subsection (3) of this section.

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

36 (5) "Initiation of construction" has the same meaning as in RCW
37 82.63.010.

38 (6) "Investment project" means an investment in qualified
39 buildings or qualified machinery and equipment, including labor and

1 services rendered in the planning, installation, and construction of
2 the project.

3 (7) "Manufacturing" means the same as defined in RCW 82.04.120.

4 "Manufacturing" also includes:

5 (a) The activities performed by research and development
6 laboratories and commercial testing laboratories; and

7 (b) The conditioning of vegetable seeds.

8 (8) "Meaningful construction" means an active construction site,
9 where excavation of a building site, laying of a building foundation,
10 or other tangible signs of construction are taking place and that
11 clearly show a progression in the construction process at the
12 location designated by the taxpayer in the application for deferral.
13 Planning, permitting, or land clearing before excavation of the
14 building site, without more, does not constitute "meaningful
15 construction."

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

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

29 (11) "Qualified employment position" means a permanent full-time
30 employee employed in the eligible investment project during the
31 entire tax year. The term "entire tax year" means a full-time
32 position that is filled for a period of 12 consecutive months. The
33 term "full-time" means at least 35 hours a week, 455 hours a quarter,
34 or 1,820 hours a year.

35 (12) "Qualified machinery and equipment" means all new industrial
36 and research fixtures, equipment, and support facilities that are an
37 integral and necessary part of a manufacturing or research and
38 development operation. "Qualified machinery and equipment" includes:
39 Computers; software; data processing equipment; laboratory equipment;
40 manufacturing components such as belts, pulleys, shafts, and moving

1 parts; molds, tools, and dies; operating structures; and all
2 equipment used to control or operate the machinery.

3 (13) "Qualifying county" means a county that has a population
4 less than 650,000 at the time an application is submitted under
5 section 103 of this act.

6 (14) "Recipient" means a person receiving a tax deferral under
7 this chapter.

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

17 NEW SECTION. **Sec. 103.** (1) Application for deferral of taxes
18 under this chapter must be made before initiation of the construction
19 of the investment project or acquisition of equipment or machinery.
20 The application must be made to the department in a form and manner
21 prescribed by the department. The application must contain
22 information regarding the location of the investment project, the
23 applicant's average employment in the state for the prior year,
24 estimated or actual new employment related to the project, estimated
25 or actual wages of employees related to the project, estimated or
26 actual costs, time schedules for completion and operation, and other
27 information required by the department. The department must rule on
28 the application within 60 days.

29 (2) The department may not accept applications for the deferral
30 under this chapter after June 30, 2032.

31 (3) This section expires July 1, 2032.

32 NEW SECTION. **Sec. 104.** (1) The department must issue a sales
33 and use tax deferral certificate for state and local sales and use
34 taxes due under chapters 82.08, 82.12, and 82.14 RCW on each eligible
35 investment project.

36 (2) The department must keep a running total of all deferrals
37 granted under this chapter during each fiscal biennium. The amount of
38 state and local sales and use taxes eligible for deferral under this

1 chapter is limited to \$400,000 per eligible investment project per
2 person.

3 (3) This section expires July 1, 2032.

4 NEW SECTION. **Sec. 105.** (1) The recipient of a deferral
5 certificate under section 104 of this act must begin meaningful
6 construction on an eligible investment project within two years of
7 receiving a deferral certificate, unless construction was delayed due
8 to circumstances beyond the recipient's control. Lack of funding is
9 not considered a circumstance beyond the recipient's control.

10 (2) If the recipient does not begin meaningful construction on an
11 eligible investment project within two years of receiving a deferral
12 certificate, the deferral certificate issued under section 104 of
13 this act is invalid and taxes deferred under this chapter are due
14 immediately.

15 NEW SECTION. **Sec. 106.** (1)(a) Each recipient of a deferral of
16 taxes granted under this chapter must file a complete annual tax
17 performance report with the department under RCW 82.32.534 during the
18 period covered by the schedule under subsection (2) of this section.
19 If the economic benefits of the deferral are passed to a lessee as
20 provided in section 108 of this act, the lessee must file a complete
21 annual tax performance report, and the applicant is not required to
22 file a complete annual tax performance report.

23 (b) The joint legislative audit and review committee, as part of
24 its tax preference review process under chapter 43.136 RCW, must use
25 the information reported on the annual tax performance report
26 required by this section to study the tax deferral program authorized
27 under this chapter. The committee must report to the legislature by
28 December 1, 2030. The report must measure the effect of the program
29 on job creation, the number of jobs created for residents of eligible
30 areas, company growth, and such other factors as the committee
31 selects.

32 (2)(a) Except as otherwise provided in this chapter, taxes
33 deferred under this chapter need not be repaid.

34 (b) If the investment project is not operationally complete
35 within five calendar years from the issuance of the tax deferral
36 certificate, or if, on the basis of the tax performance report under
37 RCW 82.32.534 or other information, the department finds that an
38 investment project is used for purposes other than a qualified

1 manufacturing or research and development operation at any time
2 during the calendar year in which the investment project is certified
3 by the department as having been operationally completed, or at any
4 time during any of the seven succeeding calendar years, a portion of
5 deferred taxes is immediately due according to the following
6 schedule:

7	Year in which	% of deferred taxes due
8	use occurs	
9	1	100%
10	2	87.5%
11	3	75%
12	4	62.5%
13	5	50%
14	6	37.5%
15	7	25%
16	8	12.5%

17 (c) If the economic benefits of the deferral are passed to a
18 lessee as provided in section 108 of this act, the lessee is
19 responsible for payment to the extent the lessee has received the
20 economic benefit.

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

26 (4) The department must assess interest at the rate provided for
27 delinquent taxes, but not penalties, retroactively to the date of
28 deferral for a recipient who must repay deferred taxes under this
29 section because the department has found that an investment project
30 is not eligible for tax deferral. The debt for deferred taxes will
31 not be extinguished by insolvency or other failure of the recipient.
32 Transfer of ownership does not terminate the deferral. The deferral
33 is transferred, subject to the successor meeting the eligibility
34 requirements of this chapter, for the remaining periods of the
35 deferral.

36 (5) Notwithstanding any other provision of this section or RCW
37 82.32.534, deferred taxes on the following need not be repaid:

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

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

6 NEW SECTION. **Sec. 107.** The department must establish a list of
7 qualifying counties, effective July 1, 2022. The list of qualifying
8 counties is effective for a 24-month period and must be updated by
9 July 1st of the year that is two calendar years after the list was
10 established or last updated, as the case may be.

11 NEW SECTION. **Sec. 108.** The lessor or owner of a qualified
12 building is not eligible for a deferral unless:

13 (1) The underlying ownership of the buildings, machinery, and
14 equipment vests exclusively in the same person; or

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

17 (b) The lessee that receives the economic benefit of the deferral
18 agrees in writing with the department to complete the annual tax
19 performance report required under section 106 of this act; and

20 (c) The economic benefit of the deferral passed to the lessee is
21 no less than the amount of tax deferred by the lessor and is
22 evidenced by written documentation of any type of payment, credit, or
23 other financial arrangement between the lessor or owner of the
24 qualified building and the lessee.

25 NEW SECTION. **Sec. 109.** Chapter 82.32 RCW applies to the
26 administration of this chapter.

27 NEW SECTION. **Sec. 110.** Applications, reports, and any other
28 information received by the department under this chapter, except
29 applications not approved by the department, are not confidential and
30 are subject to disclosure.

31 **PART II**

32 **MODIFYING THE SALES AND USE TAX EXEMPTION FOR WAREHOUSES,**
33 **DISTRIBUTION CENTERS, AND GRAIN ELEVATORS**

1 **Sec. 201.** RCW 82.08.820 and 2014 c 140 s 23 are each amended to
2 read as follows:

3 (1) Wholesalers or third-party warehouse owners who own or operate
4 warehouses or grain elevators and retailers who own or operate
5 distribution centers, and who have paid the tax levied by RCW
6 82.08.020 on:

7 (a) Material-handling and racking equipment, and labor and
8 services rendered in respect to installing, repairing, cleaning,
9 altering, or improving the equipment; or

10 (b) Construction of a warehouse or grain elevator, including
11 materials, and including service and labor costs,
12 are eligible for an exemption in the form of a remittance. The amount
13 of the remittance is computed under subsection (3) of this section
14 and is based on the state share of sales tax.

15 (2) For purposes of this section and RCW 82.12.820:

16 (a) "Agricultural products" has the meaning given in RCW
17 82.04.213;

18 (b) (i) "Construction" means the actual construction of a
19 warehouse or grain elevator that did not exist before the
20 construction began. (~~"Construction"~~) Except as provided in (b) (ii)
21 of this subsection, "construction" includes expansion if the
22 expansion adds at least two hundred thousand square feet of
23 additional space to an existing warehouse or additional storage
24 capacity of at least one million bushels to an existing grain
25 elevator. "Construction" does not include renovation, remodeling, or
26 repair;

27 (ii) For an existing warehouse located in a qualifying county, as
28 defined in section 102 of this act, "construction" includes expansion
29 if the expansion adds at least 100,000 square feet of additional
30 space to an existing warehouse;

31 (c) "Department" means the department of revenue;

32 (d) "Distribution center" means a warehouse that is used
33 exclusively by a retailer solely for the storage and distribution of
34 finished goods to retail outlets of the retailer. "Distribution
35 center" does not include a warehouse at which retail sales occur;

36 (e) "Finished goods" means tangible personal property intended
37 for sale by a retailer or wholesaler. "Finished goods" does not
38 include:

1 (i) Agricultural products stored by wholesalers, third-party
2 warehouses, or retailers if the storage takes place on the land of
3 the person who produced the agricultural product;

4 (ii) Logs, minerals, petroleum, gas, or other extracted products
5 stored as raw materials or in bulk; or

6 (iii) Marijuana, useable marijuana, or marijuana-infused
7 products;

8 (f) "Grain elevator" means a structure used for storage and
9 handling of grain in bulk;

10 (g) "Material-handling equipment and racking equipment" means
11 equipment in a warehouse or grain elevator that is primarily used to
12 handle, store, organize, convey, package, or repackage finished
13 goods. The term includes tangible personal property with a useful
14 life of one year or more that becomes an ingredient or component of
15 the equipment, including repair and replacement parts. The term does
16 not include equipment in offices, lunchrooms, restrooms, and other
17 like space, within a warehouse or grain elevator, or equipment used
18 for nonwarehousing purposes. "Material-handling equipment" includes
19 but is not limited to: Conveyers, carousels, lifts, positioners,
20 pick-up-and-place units, cranes, hoists, mechanical arms, and robots;
21 mechanized systems, including containers that are an integral part of
22 the system, whose purpose is to lift or move tangible personal
23 property; and automated handling, storage, and retrieval systems,
24 including computers that control them, whose purpose is to lift or
25 move tangible personal property; and forklifts and other off-the-road
26 vehicles that are used to lift or move tangible personal property and
27 that cannot be operated legally on roads and streets. "Racking
28 equipment" includes, but is not limited to, conveying systems,
29 chutes, shelves, racks, bins, drawers, pallets, and other containers
30 and storage devices that form a necessary part of the storage system;

31 (h) "Person" has the meaning given in RCW 82.04.030;

32 (i) "Retailer" means a person who makes "sales at retail" as
33 defined in chapter 82.04 RCW of tangible personal property;

34 (j) "Square footage" means the product of the two horizontal
35 dimensions of each floor of a specific warehouse. The entire
36 footprint of the warehouse must be measured in calculating the square
37 footage, including space that juts out from the building profile such
38 as loading docks. "Square footage" does not mean the aggregate of the
39 square footage of more than one warehouse at a location or the

1 aggregate of the square footage of warehouses at more than one
2 location;

3 (k) "Third-party warehouser" means a person taxable under RCW
4 82.04.280(1)(d);

5 (l) "Warehouse" means an enclosed building or structure in which
6 finished goods are stored. A warehouse building or structure may have
7 more than one storage room and more than one floor. Office space,
8 lunchrooms, restrooms, and other space within the warehouse and
9 necessary for the operation of the warehouse are considered part of
10 the warehouse as are loading docks and other such space attached to
11 the building and used for handling of finished goods. Landscaping and
12 parking lots are not considered part of the warehouse. A storage yard
13 is not a warehouse, nor is a building in which manufacturing takes
14 place; and

15 (m) "Wholesaler" means a person who makes "sales at wholesale" as
16 defined in chapter 82.04 RCW of tangible personal property, but
17 "wholesaler" does not include a person who makes sales exempt under
18 RCW 82.04.330.

19 (3)(a) A person claiming an exemption from state tax in the form
20 of a remittance under this section must pay the tax imposed by RCW
21 82.08.020. The buyer may then apply to the department for remittance
22 of all or part of the tax paid under RCW 82.08.020. For grain
23 elevators with bushel capacity of one million but less than two
24 million, the remittance is equal to fifty percent of the amount of
25 tax paid. ~~((For))~~ Except as provided under (d) of this subsection,
26 for warehouses with square footage of two hundred thousand or more
27 and for grain elevators with bushel capacity of two million or more,
28 the remittance is equal to one hundred percent of the amount of tax
29 paid for qualifying construction, materials, service, and labor, and
30 fifty percent of the amount of tax paid for qualifying material-
31 handling equipment and racking equipment, and labor and services
32 rendered in respect to installing, repairing, cleaning, altering, or
33 improving the equipment. The maximum amount of tax that may be
34 remitted under this section and RCW 82.12.820 for the construction or
35 expansion of a warehouse or grain elevator is \$400,000.

36 (b) The department must determine eligibility under this section
37 based on information provided by the buyer and through audit and
38 other administrative records. The buyer must on a quarterly basis
39 submit an information sheet, in a form and manner as required by the
40 department by rule, specifying the amount of exempted tax claimed and

1 the qualifying purchases or acquisitions for which the exemption is
2 claimed. The buyer must retain, in adequate detail to enable the
3 department to determine whether the equipment or construction meets
4 the criteria under this section: Invoices; proof of tax paid;
5 documents describing the material-handling equipment and racking
6 equipment; location and size of warehouses and grain elevators; and
7 construction invoices and documents.

8 (c) The department must on a quarterly basis remit exempted
9 amounts to qualifying persons who submitted applications during the
10 previous quarter.

11 (d) For warehouses located in a qualifying county, as defined in
12 section 102 of this act, the square footage requirement is 100,000
13 square feet or more.

14 (4) Warehouses, grain elevators, and material-handling equipment
15 and racking equipment for which an exemption, credit, or deferral has
16 been or is being received under chapter 82.60, 82.62, or 82.63 RCW or
17 RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance
18 under this section. Warehouses and grain elevators upon which
19 construction was initiated before May 20, 1997, are not eligible for
20 a remittance under this section.

21 (5) The lessor or owner of a warehouse or grain elevator is not
22 eligible for a remittance under this section unless the underlying
23 ownership of the warehouse or grain elevator and the material-
24 handling equipment and racking equipment vests exclusively in the
25 same person, or unless the lessor by written contract agrees to pass
26 the economic benefit of the remittance to the lessee in the form of
27 reduced rent payments.

28 (6) This section expires July 1, 2032.

29 **Sec. 202.** RCW 82.12.820 and 2006 c 354 s 13 are each amended to
30 read as follows:

31 (1) Wholesalers or third-party warehouse owners who own or operate
32 warehouses or grain elevators, and retailers who own or operate
33 distribution centers, and who have paid the tax levied under RCW
34 82.12.020 on:

35 (a) Material-handling equipment and racking equipment and labor
36 and services rendered in respect to installing, repairing, cleaning,
37 altering, or improving the equipment; or

38 (b) Materials incorporated in the construction of a warehouse or
39 grain elevator, are eligible for an exemption on tax paid in the form

1 of a remittance or credit against tax owed. The amount of the
2 remittance or credit is computed under subsection (2) of this section
3 and is based on the state share of use tax.

4 (2) (a) A person claiming an exemption from state tax in the form
5 of a remittance under this section must pay the tax imposed by RCW
6 82.12.020 to the department. The person may then apply to the
7 department for remittance of all or part of the tax paid under RCW
8 82.12.020. For grain elevators with bushel capacity of one million
9 but less than two million, the remittance is equal to fifty percent
10 of the amount of tax paid. (~~For~~) Except as provided under (d) of
11 this subsection, for warehouses with square footage of two hundred
12 thousand or more and for grain elevators with bushel capacity of two
13 million or more, the remittance is equal to one hundred percent of
14 the amount of tax paid for qualifying construction materials, and
15 fifty percent of the amount of tax paid for qualifying material-
16 handling equipment and racking equipment. The maximum amount of tax
17 that may be remitted under this section and RCW 82.08.820 for the
18 construction or expansion of a warehouse or grain elevator is
19 \$400,000.

20 (b) The department shall determine eligibility under this section
21 based on information provided by the buyer and through audit and
22 other administrative records. The buyer shall on a quarterly basis
23 submit an information sheet, in a form and manner as required by the
24 department by rule, specifying the amount of exempted tax claimed and
25 the qualifying purchases or acquisitions for which the exemption is
26 claimed. The buyer shall retain, in adequate detail to enable the
27 department to determine whether the equipment or construction meets
28 the criteria under this section: Invoices; proof of tax paid;
29 documents describing the material-handling equipment and racking
30 equipment; location and size of warehouses, if applicable; and
31 construction invoices and documents.

32 (c) The department shall on a quarterly basis remit or credit
33 exempted amounts to qualifying persons who submitted applications
34 during the previous quarter.

35 (d) For warehouses located in a qualifying county, as defined in
36 section 102 of this act, the square footage requirement is 100,000
37 square feet or more.

38 (3) Warehouse, grain elevators, and material-handling equipment
39 and racking equipment for which an exemption, credit, or deferral has
40 been or is being received under chapter 82.60, 82.62, or 82.63 RCW or

1 RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance
2 under this section. Materials incorporated in warehouses and grain
3 elevators upon which construction was initiated prior to May 20,
4 1997, are not eligible for a remittance under this section.

5 (4) The lessor or owner of the warehouse or grain elevator is not
6 eligible for a remittance or credit under this section unless the
7 underlying ownership of the warehouse or grain elevator and material-
8 handling equipment and racking equipment vests exclusively in the
9 same person, or unless the lessor by written contract agrees to pass
10 the economic benefit of the exemption to the lessee in the form of
11 reduced rent payments.

12 (5) The definitions in RCW 82.08.820 apply to this section.

13 (6) This section expires July 1, 2032.

14 NEW SECTION. **Sec. 203.** (1) This section is the tax preference
15 performance statement for the warehousing, distribution, and grain
16 elevator sales and use tax exemptions in sections 201 and 202,
17 chapter . . . , Laws of 2022 (sections 201 and 202 of this act). The
18 performance statement is only intended to be used for subsequent
19 evaluation of the tax preference. It is not intended to create a
20 private right of action by any party or be used to determine
21 eligibility for preferential tax treatment.

22 (2) The legislature categorizes this tax preference as one
23 intended to accomplish the general purposes indicated in RCW
24 82.32.808(2) (a) and (c) to induce certain designated behavior by
25 businesses and to create jobs.

26 (3) It is the legislature's specific public policy objective to
27 induce the construction of new or expanded warehouses and
28 distribution centers in certain targeted counties by reducing the
29 square footage requirement in order to diversify the tax base and
30 increase employment within the targeted counties.

31 (4) To measure the effectiveness of these exemptions in achieving
32 the specific public policy objectives described in subsection (3) of
33 this section, the joint legislative audit and review committee must
34 evaluate the changes in the number of employment positions in the
35 warehousing and distribution industry sector in the targeted counties
36 and changes to the tax base as a result of increased warehousing and
37 distribution activity.

38 (5) In order to obtain the data necessary to perform the review
39 in subsection (4) of this section, the joint legislative audit and

1 review committee may refer to the remittance data prepared by the
2 department of revenue and the annual tax preference performance
3 report submitted by the beneficiary of the tax preference under RCW
4 82.32.534. A person claiming an exemption from state tax in the form
5 of a remittance under RCW 82.08.820 or 82.12.820 for a warehouse or
6 distribution center must file the annual tax preference performance
7 report under RCW 82.32.534 beginning in the first calendar year
8 following the year the warehouse or distribution center is
9 operationally complete and for the next two subsequent years.

10 NEW SECTION. **Sec. 204.** Sections 101 through 110 of this act
11 constitute a new chapter in Title 82 RCW.

12 NEW SECTION. **Sec. 205.** This act takes effect July 1, 2022.

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