

## SIXTY EIGHTH LEGISLATURE - REGULAR SESSION

## SIXTY SEVENTH DAY

House Chamber, Olympia, MARCH 16, 2023

The House was called to order at 10:30 a.m. by the Speaker (Representative Orwall presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Audrey Van Kooten and Tristin Hettinger. The Speaker (Representative Orwall presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Reverend Stephen Crippen, Saint Paul's Episcopal Church, Seattle.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

There being no objection, the House advanced to the sixth order of business.

**SECOND READING**

**HOUSE BILL NO. 1018, by Representatives Tharinger, Chapman, Orcutt, Abbarno, Fey, Ryu and Wylie**

**Changing the expiration date for the sales and use tax exemption of hog fuel to comply with the 2045 deadline for fossil fuel-free electrical generation in Washington state and to protect jobs with health care and retirement benefits in economically distressed communities.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Tharinger and Orcutt spoke in favor of the passage of the bill.

**MOTION**

On motion of Representative Griffey, Representatives Chandler and Maycumber were excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of House Bill No. 1018.

**ROLL CALL**

The Clerk called the roll on the final passage of House Bill No. 1018, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler and Maycumber

HOUSE BILL NO. 1018, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1318, by Representatives Ormsby, Springer, Volz, Graham, Riccelli, Reeves and Leavitt**

**Concerning retail sales tax exemptions for certain aircraft maintenance and repair.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1318 was substituted for House Bill No. 1318 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1318 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Ormsby and Volz spoke in favor of the passage of the bill.

**MOTION**

On motion of Representative Ramel, Representative Stonier was excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1318.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute House Bill No. 1318, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler, Maycumber and Stonier

SUBSTITUTE HOUSE BILL NO. 1318, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1711, by Representatives Chapman, Tharinger, Lekanoff, Ryu, Callan, Reed, Volz, Kloba, Stearns, Stokesbary and Santos**

**Providing a sales and use tax exemption related to internet and telecommunications infrastructure projects involving a federally recognized Indian tribe.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1711 was substituted for House Bill No. 1711 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1711 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Chapman and Walsh spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1711.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1711, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler, Maycumber and Stonier

SUBSTITUTE HOUSE BILL NO. 1711, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1431, by Representatives Timmons, Stokesbary, Springer, Corry, Stonier, Abbarno, Rule, Schmick, Street, Fitzgibbon, Jacobsen, Harris, Hutchins, Riccelli, McEntire, Maycumber, Bronoske, Ramel, Robertson, Taylor, Simmons, Tharinger, Berry, Caldier, Reeves, Ortiz-Self, Thai, Christian, Kloba, Bateman, Gregerson, Barnard, Pollet, Reed, Ormsby, Doglio and Cheney**

**Clarifying that meals furnished to tenants of senior living communities as part of their rental agreement are not subject to sales and use tax.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1431 was substituted for House Bill No. 1431 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1431 was read the second time.

Representative Jacobsen moved the adoption of amendment (490):

On page 6, after line 3, insert the following:

"**NEW SECTION. Sec. 4.** A new section is added to chapter 82.04 RCW to read as follows:

(1) This chapter does not apply to amounts received for food, drink, or meals

furnished by a senior living community to tenants as part of a rental or residency agreement for which no separate charge is made if the rental or residency agreement constitutes a lease or rental of real estate exempt from taxation under this chapter.

(2) For purposes of this section, "senior living community" means any facility or campus operated under a license or registration issued under chapter 18.20 or 18.390 RCW."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

### POINT OF ORDER

Representative Paul requested a scope and object ruling on amendment (490) to SUBSTITUTE HOUSE BILL NO. 1431.

### SPEAKER'S RULING

"The title of the bill is an act relating to clarifying that meals furnished to tenants of senior living communities as part of their rental agreement are not subject to sales and use tax.

The bill exempts food, drink, or meals provided by a senior living community from retail sales and use tax.

Amendment (490) provides a business and occupation tax exemption for food, drink, or meals provided by a senior living community.

The Speaker therefore finds and rules that the amendment is outside the scope of the bill as defined by its title.

The point of order is well taken."

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Timmons and Jacobsen spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1431.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1431, and the bill passed the House by the following vote: Yeas, 95; Nays, 0; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler, Maycumber and Stonier

SUBSTITUTE HOUSE BILL NO. 1431, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1371, by Representatives Barkis, Leavitt, Orcutt, Fey, Barnard, Chapman, Low, Connors, Goehner, Chambers, Chandler, Couture, Griffey, Hutchins, Robertson, Volz, Walsh, Christian, Doglio, Schmick and Gregerson**

**Providing incentives to improve freight railroad infrastructure.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1371 was substituted for House Bill No. 1371 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1371 was read the second time.

Representative Barkis moved the adoption of the striking amendment (399):

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that railroads play a crucial role in economic development, serving nearly every industrial, wholesale, retail, and resource-based sector in Washington's economy. The legislature further finds that freight railroad infrastructure is an essential link in the supply chain and provides an efficient way to connect Washington's economy to national and international markets. The legislature further finds that maintenance and improvements to the railroad system are needed to support modern 286,000 pound railcars, foster economic development, increase infrastructure resiliency, avoid supply chain disturbances, and meet carbon reduction goals for transportation greenhouse gases. The legislature intends to provide incentives to the rail industry that can lead to a more effective short line rail system.

**NEW SECTION. Sec. 2.** A new section is added to chapter 82.04 RCW to read as follows:

(1) A credit is allowed against taxes due under this chapter for expenditures made by an eligible taxpayer pursuant to subsection (2) of this section.

(2) Qualified expenditures incurred by an eligible taxpayer may be used to generate a credit for the following amounts:

(a) For qualified short line railroad maintenance expenditures, a credit is allowed against the taxes due under this chapter in an amount equal to 50 percent of the qualified short line railroad maintenance expenditures. The amount of the credit may not exceed an amount equal to \$5,000 multiplied by the number of miles of railroad track owned or leased in the state by the eligible taxpayer as of the close of the calendar year.

(b) For qualified new rail development expenditures, a credit is allowed against the taxes due under this chapter in an amount equal to 100 percent of the new rail development expenditures of an eligible taxpayer. The amount of credit earned for new rail development expenditures may not

exceed \$2,000,000 for each eligible taxpayer in a calendar year. Credits are available on a first-in-time basis. The department must disallow any credits, or portions thereof, that would cause the total amount of credits claimed under this subsection (2)(b) during any calendar year to exceed \$15,000,000.

(c) For qualified railroad modernization and rehabilitation expenditures, a credit is allowed against the taxes due under this chapter in an amount equal to 100 percent of the qualified railroad modernization and rehabilitation expenditures by an eligible taxpayer.

(3) The credit claimed may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Any amount of credit earned under this section not claimed by the person in one calendar year may be carried forward for no more than five calendar years immediately following the year that the credit was earned.

(4)(a) An eligible taxpayer may assign distribution of all or a portion of the unused credit earned under this section to any taxpayer subject to the tax imposed under this chapter at any time during the year in which the credit is earned and five years following the year that the credit is earned.

(b) To transfer all or any portion of an unused credit earned, the taxpayer originally allowed the credit, and the subsequent transferee must jointly file a credit transfer agreement with the department. The application must include:

(i) The names, addresses, and taxpayer identification numbers of the parties to the transfer;

(ii) The amount of the credit being transferred;

(iii) The year the credit was originally earned by the transferring taxpayer;

(iv) The tax year or years for which the credit may be claimed; and

(v) Any other information or documents the department may require.

(c) No credit transfer applications under (b) of this subsection (4) may be submitted after January 1, 2035.

(5) The department shall administer the credit. The department shall provide a simple credit application form that the department shall post on its website.

(6) No new credits may be earned for qualifying expenditures after January 1, 2035.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Eligible taxpayer" means:

(i) Any railroad subject to the tax under this chapter that is classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023;

(ii) Any railroad owned by a port, city, or county in the state of Washington; or

(iii) Any owner or lessee of rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

(c) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(d) "Qualified new rail development expenditures" means expenditures for new rail development by an eligible taxpayer, which includes the construction of new track, industrial leads, switches, industrial spurs, sidings, rail loading docks, and transloading structures involved with providing rail services to new customer locations or existing customer expansions in the state by an eligible taxpayer.

(e) "Qualified railroad modernization and rehabilitation expenditures" means expenditures by an eligible taxpayer to upgrade less than 90 pound rail and switches, 286,000 capacity rail upgrades to the mainline track, major rail and tie replacement projects, track capacity enhancements, bridge rehabilitation or bridge replacement projects, or other track-related projects determined to enhance or modernize the existing track infrastructure in the state by an eligible taxpayer.

(f) "Qualified short line railroad maintenance expenditures" means expenditures for railroad infrastructure including, but not limited to, rail, ties, tie plates, joint bars, fasteners, switches, ballast, subgrade, roadbed, bridges, industrial leads, sidings, signs, safety barriers, crossing signals and gates, and related track structures owned or leased by a class II or class III railroad.

(g) "Siding" means a short section of track, distinct from a mainline, branch line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(8) This section does not apply to class I railroads or short line railroads owned by a class I railroad or any of its subsidiaries.

(9) No person may claim a credit against taxes due under both this chapter and chapter 82.16 RCW for the same qualified expenditures.

(10) This section expires January 1, 2040.

**NEW SECTION. Sec. 3.** A new section is added to chapter 82.04 RCW to read as follows:

(1) Any owner or operator of a class I railroad, or owner of a company that recycles railroad material, is eligible for an exemption from the tax under this chapter in the form of a credit as provided in this section if:

(a) The class I railroad transfers to an eligible taxpayer railroad rail, ties, tie plates, joint bars, fasteners, switches, ballast, or other equipment or materials that are part of the rail infrastructure it has removed from use on the main railroad line to be installed on tracks used by class II and class III railroads; or

(b) The owner of a company that recycles railroad materials transfers to an eligible taxpayer rail, ties, fasteners, switches, ballast, or other equipment or materials that are part of the rail infrastructure to be installed on tracks used by class II and class III railroads.

(2) The credit is equal to the fair market value of the donated materials used for track maintenance, expansion, or modernization. Materials must be given to a qualifying recipient without consideration to receive a credit.

(3)(a) An owner or operator of a class I railroad, or owner of a company that recycles railroad material, may assign distribution of all or a portion of the unused credit earned under this section to any taxpayer subject to the tax imposed under this chapter at any time during the year in which the credit is earned and five years following the year that the credit is earned.

(b) To transfer all or any portion of an unused credit earned, the taxpayer originally allowed the credit and the subsequent transferee must jointly file a credit transfer application with the department. The application must include:

(i) The names, addresses, and taxpayer identification numbers of the parties to the transfer;

(ii) The amount of the credit being transferred;

(iii) The year the credit was originally earned by the transferring taxpayer;

(iv) The tax year or years for which the credit may be claimed; and

(v) Any other information or documents the department may require.

(c) No credit transfer applications under (b) of this subsection (3) may be submitted after January 1, 2035.

(4) The department shall administer the credit. The department shall provide a simple credit application form that the department shall post on its website.

(5) The credit claimed may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Any amount of credit earned under this section not claimed by the person in one calendar year may be carried forward for no more than five calendar years immediately following the year that the credit was earned.

(6) No new credits may be earned for qualifying expenditures after January 1, 2035.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Eligible taxpayer" means:

(i) Any railroad subject to the tax under this chapter that is classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023;

(ii) Any railroad owned by a port, city, or county in the state of Washington; or

(iii) Any owner or lessee of rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

(c) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(d) "Siding" means a short section of track, distinct from a mainline, branch line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(8) Refunds are not allowed for the credits created in this section.

(9) This section does not apply to short line railroads owned by a class I railroad or any of its subsidiaries.

(10) No person may claim a credit against taxes due under both this chapter and chapter 82.16 RCW for the same donated materials used for track maintenance, expansion, or modernization.

(11) This section expires January 1, 2040.

**NEW SECTION. Sec. 4.** A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of materials required for track maintenance to:

(a) Owners and operators of class II or class III railroads;

(b) Any railroad or freight rail facility owned by a port, city, or county in the state of Washington; or

(c) Any owner or lessee of a rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Class II or class III railroad" means railroads that are classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(c) "Freight rail facilities" means the infrastructure used to transport freight by rail, specifically to rail yards, terminals, sidings, and marshalling yards that play an important role in the transportation and distribution and shipping of goods over long distances.

(d) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(e) "Materials required for track maintenance" means rail, ties, tie plates, joint bars, fasteners, switches, ballast, subgrade, roadbed, bridges, industrial leads, sidings, signs, safety barriers, crossing signals and gates, and track.

(f) "Siding" means a short section of track, distinct from a mainline, branch

line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(3) This section does not apply to class I railroads or short line railroads owned by a class I railroad or any of its subsidiaries.

(4) This section expires January 1, 2035.

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

(1) The provisions of this chapter do not apply with respect to materials required for track maintenance to:

(a) Owners and operators of class II or class III railroads;

(b) Any railroad or freight rail facility owned by a port, city, or county in the state of Washington; or

(c) Any owner or lessee of a rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Class II or class III railroad" means railroads that are classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(c) "Freight rail facilities" means the infrastructure used to transport freight by rail, specifically to rail yards, terminals, sidings, and marshalling yards that play an important role in the transportation and distribution and shipping of goods over long distances.

(d) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(e) "Materials required for track maintenance" has the same meaning as in section 4 of this act.

(f) "Siding" means a short section of track, distinct from a mainline, branch line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(3) This section does not apply to class I railroads or short line railroads owned by a class I railroad or any of its subsidiaries.

(4) This section expires January 1, 2035.

**NEW SECTION. Sec. 6.** A new section is added to chapter 82.16 RCW to read as follows:

(1) A credit is allowed against taxes due under this chapter for expenditures made by an eligible taxpayer pursuant to subsection (2) of this section.

(2) Qualified expenditures incurred by an eligible taxpayer may be used to generate a credit for the following amounts:

(a) For qualified short line railroad maintenance expenditures, a credit is

allowed against the taxes due under this chapter in an amount equal to 50 percent of the qualified short line railroad maintenance expenditures. The amount of the credit may not exceed an amount equal to \$5,000 multiplied by the number of miles of railroad track owned or leased in the state by the eligible taxpayer as of the close of the calendar year.

(b) For qualified new rail development expenditures, a credit is allowed against the taxes due under this chapter in an amount equal to 100 percent of the new rail development expenditures of an eligible taxpayer. The amount of credit earned for new rail development expenditures may not exceed \$2,000,000 for each eligible taxpayer in a calendar year. Credits are available on a first-in-time basis. The department must disallow any credits, or portions thereof, that would cause the total amount of credits claimed under this subsection (2)(b) during any calendar year to exceed \$15,000,000.

(c) For qualified railroad modernization and rehabilitation expenditures, a credit is allowed against the taxes due under this chapter in an amount equal to 100 percent of the qualified railroad modernization and rehabilitation expenditures by an eligible taxpayer.

(3) The credit claimed may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Any amount of credit earned under this section not claimed by the person in one calendar year may be carried forward for no more than five calendar years immediately following the year that the credit was earned.

(4)(a) An eligible taxpayer may assign distribution of all or a portion of the unused credit earned under this section to any taxpayer subject to the tax imposed under this chapter at any time during the year in which the credit is earned and five years following the year that the credit is earned.

(b) To transfer all or any portion of an unused credit earned, the taxpayer originally allowed the credit and the subsequent transferee must jointly file a credit transfer application with the department. The application must include:

(i) The names, addresses, and taxpayer identification numbers of the parties to the transfer;

(ii) The amount of the credit being transferred;

(iii) The year the credit was originally earned by the transferring taxpayer;

(iv) The tax year or years for which the credit may be claimed; and

(v) Any other information or documents the department may require.

(c) No credit transfer applications under (b) of this subsection (4) may be submitted after January 1, 2035.

(5) The department shall administer the credit. The department shall provide a simple credit application form that the department shall post on its website.

(6) No new credits may be earned for qualifying expenditures after January 1, 2035.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Eligible taxpayer" means:

(i) Any railroad subject to the tax under this chapter that is classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023;

(ii) Any railroad owned by a port, city, or county in the state of Washington; or

(iii) Any owner or lessee of rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

(c) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(d) "Qualified new rail development expenditures" means expenditures for new rail development by an eligible taxpayer, which includes the construction of new track, industrial leads, switches, industrial spurs, sidings, rail loading docks, and transloading structures involved with providing rail services to new customer locations or existing customer expansions in the state by an eligible taxpayer.

(e) "Qualified railroad modernization and rehabilitation expenditures" means expenditures by an eligible taxpayer to upgrade less than 90 pound rail and switches, 286,000 capacity rail upgrades to the mainline track, major rail and tie replacement projects, track capacity enhancements, bridge rehabilitation or bridge replacement projects, or other track-related projects determined to enhance or modernize the existing track infrastructure in the state by an eligible taxpayer.

(f) "Qualified short line railroad maintenance expenditures" means expenditures for railroad infrastructure including, but not limited to, rail, ties, tie plates, joint bars, fasteners, switches, ballast, subgrade, roadbed, bridges, industrial leads, sidings, signs, safety barriers, crossing signals and gates, and related track structures owned or leased by a class II or class III railroad.

(g) "Siding" means a short section of track, distinct from a mainline, branch line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(8) This section does not apply to class I railroads or short line railroads owned by a class I railroad or any of its subsidiaries.

(9) No person may claim a credit against taxes due under both this chapter and chapter 82.04 RCW for the same qualified expenditures.

(10) This section expires January 1, 2040.

**NEW SECTION. Sec. 7.** A new section is added to chapter 82.16 RCW to read as follows:

(1) Any owner or operator of a class I railroad, or owner of a company that recycles railroad material, is eligible for an exemption from the tax under this chapter in the form of a credit as provided in this section if:

(a) The class I railroad transfers to an eligible taxpayer rail, ties, tie plates, joint bars, fasteners, switches, ballast, or other equipment or materials that are part of the rail infrastructure it has removed from use on the main railroad line to be installed on tracks used by class II and class III railroads; or

(b) The owner of a company that recycles railroad materials transfers to an eligible taxpayer rail, ties, tie plates, joint bars, fasteners, switches, ballast, or other equipment or materials that are part of the rail infrastructure to be installed on tracks used by class II and class III railroads.

(2) The credit is equal to the fair market value of the donated materials used for track maintenance, expansion, or modernization. Materials must be given to a qualifying recipient without consideration to receive a credit.

(3) (a) An owner or operator of a class I railroad, or owner of a company that recycles railroad material, may assign distribution of all or a portion of the unused credit earned under this section to any taxpayer subject to the tax imposed under this chapter at any time during the year in which the credit is earned and five years following the year that the credit is earned.

(b) To transfer all or any portion of an unused credit earned, the taxpayer originally allowed the credit, and the subsequent transferee must jointly file a credit transfer application with the department. The application must include:

(i) The names, addresses, and taxpayer identification numbers of the parties to the transfer;

(ii) The amount of the credit being transferred;

(iii) The year the credit was originally earned by the transferring taxpayer;

(iv) The tax year or years for which the credit may be claimed; and

(v) Any other information or documents the department may require.

(c) No credit transfer applications under (b) of this subsection (3) may be submitted after January 1, 2035.

(4) The department shall administer the credit. The department shall provide a simple credit application form that the department shall post on its website.

(5) The credit claimed may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Any amount of credit earned under this section not claimed by the person in one calendar year may be carried forward for no more than five calendar years immediately following the year that the credit was earned.

(6) No new credits may be earned for qualifying expenditures after January 1, 2035.

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

(a) "Class I railroad" means a railroad that is classified by the United States surface transportation board as a class I railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023.

(b) "Eligible taxpayer" means:

(i) Any railroad subject to the tax under this chapter that is classified by the United States surface transportation board as a class II or class III railroad, as defined in 49 C.F.R. Sec. 1201.1-1(a), as in effect on January 1, 2023;

(ii) Any railroad owned by a port, city, or county in the state of Washington; or

(iii) Any owner or lessee of rail siding, industrial spur, or industry track located on or adjacent to a class II or class III railroad in the state of Washington.

(c) "Industrial spur" means a secondary track used by railroads and customers at a location to load and unload railcars without interfering with other railroad operations.

(d) "Siding" means a short section of track, distinct from a mainline, branch line, or spur, connected by switches to a main track and used for storage, passing, or other purposes.

(8) The credit claimed may not exceed the tax that would otherwise be due under this chapter. Refunds may not be granted in the place of credits. Any amount of credit earned under this section not claimed by the person in one calendar year may be carried forward for no more than five calendar years immediately following the year that the credit was earned.

(9) This section does not apply to short line railroads owned by a class I railroad or any of its subsidiaries.

(10) No person may claim a credit against taxes due under both this chapter and chapter 82.04 RCW for the same donated materials used for track maintenance, expansion, or modernization.

(11) This section expires January 1, 2040.

**NEW SECTION. Sec. 8.** (1) This section is the tax preference performance statement for the tax preferences contained in chapter . . . , Laws of 2023 (this act). This performance statement is only intended to be used for subsequent evaluation of the tax preferences. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes the tax preferences in this act as ones intended to accomplish a general purpose, as indicated in RCW 82.32.808(2)(f), which is to promote economic development throughout Washington.

(3) It is the legislature's specific public policy objective to encourage and expand economic development by incentivizing investment in Washington's railroad infrastructure.

(4) The legislature intends to extend the expiration date of the tax preferences in this act if a review finds that freight rail system in the state has been maintained or improved. In conducting its review under this section, the joint legislative audit

and review committee should consider, among other measures:

(a) The total miles capable of transporting 286,000-pound railcars;

(b) The number of miles of track rehabilitated to 90-pound rail or greater;

(c) The number of ties replaced;

(d) The amount of ballast replaced;

(e) The number of bridges returned from out of service or able to operate heavier loaded equipment;

(f) The number of switches installed;

(g) Any related safety benefits of addressing at-grade crossings;

(h) The number of rail cars from increased economic activity;

(i) Any improvement in federal railroad administration track classification designation up to and including class II track and the ability to operate at greater speeds; and

(j) The amount of steel or ties made obsolete pursuant to section 2 of this act that are reused by a class II or class III railroad, as defined in section 5 of this act, within Washington.

(5) In order to obtain the data necessary to perform a review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

NEW SECTION. **Sec. 9.** Sections 4, 5, and 8 of this act take effect August 1, 2023.

NEW SECTION. **Sec. 10.** Sections 3 and 7 of this act take effect July 1, 2024.

NEW SECTION. **Sec. 11.** Sections 1, 2, and 6 of this act take effect January 1, 2025."

Correct the title.

Representative Barkis moved the adoption of amendment (489) to the striking amendment (399):

On page 2, line 26 of the striking amendment, after "transfer" strike "agreement" and insert "application"

On page 3, line 35 of the striking amendment, after "mainline track," strike "major"

On page 4, at the beginning of line 24 of the striking amendment, strike "railroad"

On page 4, line 29 of the striking amendment, after "ties," insert "tie plates, joint bars,"

On page 6, beginning on line 12 of the striking amendment, strike all of subsection (8)

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 6, at the beginning of line 18 of the striking amendment, strike "used for

track maintenance, expansion, or modernization"

On page 10, line 28 of the striking amendment, after "mainline track," strike "major"

On page 13, beginning on line 7 of the striking amendment, strike all of subsection (8)

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 13, at the beginning of line 17 of the striking amendment, strike "used for track maintenance, expansion, or modernization"

On page 14, line 23 of the striking amendment, after "Sections" strike "1, 2," and insert "2"

Representatives Barkis and Leavitt spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (489) to the striking amendment (399) was adopted.

Representatives Barkis and Leavitt spoke in favor of the adoption of the striking amendment as amended.

The striking amendment (399), as amended, was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Barkis and Leavitt spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1371.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1371, and the bill passed the House by the following vote: Yeas, 92; Nays, 4; Absent, 0; Excused, 2

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Voting Nay: Representatives Berry, Chopp, Macri and Reed  
Excused: Representatives Chandler and Maycumber

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1371, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1573, by Representatives Rule, Corry, Timmons, Leavitt, Walen, Shavers, Lekanoff, Chapman, Dye, Springer, Reeves, Barnard, Eslick and Sandlin**

**Extending tax preferences for dairy, fruit and vegetable, and seafood processors.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Rule, Corry, Ybarra and Wilcox spoke in favor of the passage of the bill.

Representative Pollet spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of House Bill No. 1573.

**ROLL CALL**

The Clerk called the roll on the final passage of House Bill No. 1573, and the bill passed the House by the following vote: Yeas, 77; Nays, 19; Absent, 0; Excused, 2

Voting Yea: Representatives Abbarno, Barkis, Barnard, Berg, Bergquist, Bronoske, Caldier, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Couture, Davis, Dent, Donaghy, Duerr, Dye, Eslick, Fey, Fitzgibbon, Goehner, Goodman, Graham, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, McClintock, McEntire, Morgan, Mosbrucker, Orcutt, Orwall, Paul, Peterson, Ramel, Reeves, Riccelli, Robertson, Rude, Rule, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Voting Nay: Representatives Alvarado, Bateman, Berry, Callan, Cortes, Doglio, Entenman, Farivar, Fosse, Gregerson, Macri, Mena, Ormsby, Ortiz-Self, Pollet, Ramos, Reed, Ryu and Thai

Excused: Representatives Chandler and Maycumber

HOUSE BILL NO. 1573, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1812, by Representatives Springer, Stokesbary, Chopp and Chapman**

**Continuing the business and occupation tax deduction for federal funds received from a medicaid transformation or demonstration project or medicaid quality improvement program or standard.**

The bill was read the second time.

With the consent of the House, amendment (072) was withdrawn.

Representative Springer moved the adoption of the striking amendment (104):

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 82.04.43395 and 2019 c 350 s 1 are each amended to read as follows:

(1) An accountable community of health may deduct from the measure of tax delivery system reform incentive payments, medicaid transformation project funding, or both, distributed by the Washington state health care authority, as described in Sec. 1115

medicaid demonstration project number 11-W-00304/0, as approved by the centers for medicare and medicaid services in accordance with Sec. 1115(a) of the social security act.

(2) A hospital that is owned by a municipal corporation or political subdivision, or a hospital that is affiliated with a state institution, may deduct from the measure of tax either or both of the following:

(a) Incentive payments received through the medicaid quality improvement program established through 42 C.F.R. 438.6(b)(2) (~~as existing on July 28, 2019~~);

(b) Delivery system reform incentive payments, medicaid transformation project funding, or both, received through the project described in Sec. 1115 medicaid demonstration project number 11-W-00304/0, as approved by the centers for medicare and medicaid services in accordance with Sec. 1115(a) of the social security act.

(3) Managed care organizations may deduct from the measure of tax the incentive payments received for achieving quality performance standards established through 42 C.F.R. 438.6(b)(2), as existing on July 28, 2019.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "~~Accountable community of health~~" means (~~an entity designated by the health care authority as a community of health under RCW 41.05.800 and any additional accountable communities of health authorized by the health care authority~~) a regional nonprofit designated by the health care authority to work together with the health care delivery system, health plans, public health, social services, community-based organizations, the justice system, schools, tribal partners, and local government leaders to improve the health equity of their communities as part of Sec. 1115 medicaid demonstration project number 11-W-00304/0.

(b) "Managed care organization" has the same meaning as provided in RCW 74.60.010.

NEW SECTION. Sec. 2. RCW 82.32.805 and 82.32.808 do not apply to this act."  
Correct the title.

Representatives Springer and Stokesbary spoke in favor of the adoption of the striking amendment.

The striking amendment (104) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Springer and Stokesbary spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 1812.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed House Bill No. 1812, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Chopp, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler and Maycumber

ENGROSSED HOUSE BILL NO. 1812, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1768, by Representatives Shavers, Barnard, Chapman and Ramel**

**Exempting certain sales of electricity to qualifying green businesses from the public utilities tax.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1768 was substituted for House Bill No. 1768 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1768 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Shavers and Barnard spoke in favor of the passage of the bill.

#### MOTION

On motion of Representative Griffey, Representative Mosbrucker was excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1768.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1768, and the bill passed the House by the following vote: Yeas, 94; Nays, 1; Absent, 0; Excused, 3

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fey, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Voting Nay: Representative Chopp

Excused: Representatives Chandler, Maycumber and Mosbrucker

SUBSTITUTE HOUSE BILL NO. 1768, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1756, by Representatives Ramel, Klicker, Duerr, Rude, Schmidt, Reed, Kloba, Doglio, Senn, Ryu and Macri**

**Supporting clean energy through tax changes that increase revenue to local governments, schools, and impacted communities.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1756 was substituted for House Bill No. 1756 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1756 was read the second time.

Representative Orcutt moved the adoption of amendment (488):

On page 1, line 10, after "purpose." insert "The grant of a personal property tax exemption pursuant to this section may not result in a shift of the tax but must result in a reduction in the amount of property taxes levied for state purposes."

Representatives Orcutt and Walsh spoke in favor of the adoption of the amendment.

Representative Ramel spoke against the adoption of the amendment.

Amendment (488) was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Ramel, Klicker and Dye spoke in favor of the passage of the bill.

#### MOTION

On motion of Representative Ramel, Representatives Reed and Fey were excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1756.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1756, and the bill passed the House by the following vote: Yeas, 81; Nays, 12; Absent, 0; Excused, 5

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Christian, Connors, Cortes, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fitzgibbon, Fosse, Goehner, Goodman, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Orcutt, Ormsby, Ortiz-Self, Orwall, Peterson, Pollet, Ramel, Ramos, Reeves, Riccelli, Robertson, Rude, Ryu, Sandlin, Santos, Schmick, Senn, Simmons, Slatter, Springer, Stearns, Steele, Stonier, Street, Taylor, Thai, Tharinger, Walen, Walsh, Waters, Wilcox, Wylie and Mme. Speaker

Voting Nay: Representatives Chopp, Corry, Couture, Graham, Paul, Rule, Schmidt, Shavers, Stokesbary, Timmons, Volz and Ybarra

Excused: Representatives Chandler, Fey, Maycumber, Mosbrucker and Reed

SUBSTITUTE HOUSE BILL NO. 1756, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1175, by Representatives Doglio, Dye and Leavitt**

**Creating a state financial assurance program for petroleum underground storage tanks.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1175 was substituted for House Bill No. 1175 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1175 was read the second time.

Representative Doglio moved the adoption of amendment (151):

On page 9, line 16, after "under" strike "section 7 of"

On page 11, after line 4 insert the following:

"(3) The agency is authorized to recover the costs of remedial actions conducted by the agency under this act, including the use of cost recovery options in the model toxics control act, chapter 70A.305 RCW, or other applicable state or federal laws."

Representatives Doglio and Dye spoke in favor of the adoption of the amendment.

Amendment (151) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Doglio and Dye spoke in favor of the passage of the bill.

Representative Orcutt spoke against the passage of the bill.

**MOTION**

On motion of Representative Ramel, Representative Chopp was excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1175.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1175, and the bill passed the House by the following vote: Yeas, 63; Nays, 31; Absent, 0; Excused, 4

Voting Yea: Representatives Abbarno, Alvarado, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Callan, Chapman, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Farivar, Fitzgibbon, Fosse, Goehner, Goodman, Gregerson, Griffey, Hackney, Hansen, Harris, Leavitt, Lekanoff, Macri, Mena, Morgan, Ormsby, Ortiz-Self, Orwall, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Ryu, Santos, Senn, Simmons, Slatter, Springer, Stearns, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Walen, Waters, Wylie and Mme. Speaker

Voting Nay: Representatives Barkis, Caldier, Chambers, Cheney, Christian, Connors, Eslick, Graham, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Low, McClintock, McEntire, Mosbrucker, Orcutt, Paul, Rude, Rule, Sandlin, Schmick, Schmidt, Shavers, Steele, Timmons, Volz, Walsh, Wilcox and Ybarra

Excused: Representatives Chandler, Chopp, Fey and Maycumber

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1175, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1729, by Representatives Abbarno, Klicker, Volz, Orcutt, Schmidt and Cheney**

**Creating and expanding tax incentives for the research, development, production, and sale of hydrogen fuel products in Washington state.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1729 was substituted for House Bill No. 1729 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1729 was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Abbarno and Ramel spoke in favor of the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 1729.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute House Bill No. 1729, and the bill passed the House by the following vote: Yeas, 94; Nays, 0; Absent, 0; Excused, 4

Voting Yea: Representatives Abbarno, Alvarado, Barkis, Barnard, Bateman, Berg, Bergquist, Berry, Bronoske, Caldier, Callan, Chambers, Chapman, Cheney, Christian, Connors, Corry, Cortes, Couture, Davis, Dent, Doglio, Donaghy, Duerr, Dye, Entenman, Eslick, Farivar, Fitzgibbon, Fosse, Goehner, Goodman, Graham, Gregerson, Griffey, Hackney, Hansen, Harris, Hutchins, Jacobsen, Klicker, Kloba, Kretz, Leavitt, Lekanoff, Low, Macri, McClintock, McEntire, Mena, Morgan, Mosbrucker, Orcutt, Ormsby, Ortiz-Self, Orwall, Paul, Peterson, Pollet, Ramel, Ramos, Reed, Reeves, Riccelli, Robertson, Rude, Rule, Ryu, Sandlin, Santos, Schmick, Schmidt, Senn, Shavers, Simmons, Slatter, Springer, Stearns, Steele, Stokesbary, Stonier, Street, Taylor, Thai, Tharinger, Timmons, Volz, Walen, Walsh, Waters, Wilcox, Wylie, Ybarra and Mme. Speaker

Excused: Representatives Chandler, Chopp, Fey and Maycumber

SUBSTITUTE HOUSE BILL NO. 1729, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 9:55 a.m., Friday, March 17, 2023, the 68th Day of the 2023 Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk

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