FINAL BILL REPORT
SB 5082

C 184 L 02
Synopsis as Enacted

Brief Description: Defining rural counties for purposes of sales and use tax for public facilities in rural counties.

Sponsors: Senators Haugen, T. Sheldon, Rasmussen and Gardner.

Senate Committee on Economic Development & Telecommunications
Senate Committee on Ways & Means

Background: In 1997, the Legislature permitted distressed counties to impose a local option sales and use tax of 0.04 percent on all retail sales in their counties. The tax is credited against the state's 6.5 percent sales and use tax; therefore, the consumer does not see an increase in the amount of tax paid. Revenues from the local option sales and use tax are used to finance public facilities such as bridges, roads, and sewer facilities.

In 1999, the Legislature increased the local option sales and use tax to 0.08 percent and changed the definition of "distressed counties" to "rural counties."

Rural counties have population densities of less than 100 persons per square mile. Each year the Office of Financial Management determines which counties are eligible for rural county status. There are currently 31 rural counties.

Summary: The definition of "rural county" is expanded to include counties that are smaller than 225 square miles. Island County and San Juan County are the only two counties that meet this requirement. (San Juan County already qualifies under the population density criteria.)

Votes on Final Passage:

Senate	44	0
House	95	2

Effective: June 13, 2002