
SECOND SUBSTITUTE HOUSE BILL 1880

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Finance (originally sponsored by
Representatives Gombosky, Benson, Wood, Ahern, Veloria and Eickmeyer)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to authorizing a county sales and use tax to fund
2 economic development; adding a new section to chapter 82.14 RCW;
3 creating a new section; and providing expiration dates.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that it is
6 the public policy of the state of Washington to promote and facilitate
7 the orderly development and economic stability of its communities.
8 Local governments need the ability to raise revenue to finance economic
9 development efforts and fund public improvements that are designed to
10 encourage economic growth and development. The funding of economic
11 development programs and the construction of necessary public
12 improvements in accordance with local economic development plans will
13 encourage investment in job-producing private development and expand
14 the public tax base.

15 (2) It is the purpose of this act:

16 (a) To provide county governments with the authority to utilize
17 certain sales tax revenues specifically for economic development
18 purposes consistent with those traditionally provided by an associate
19 development organization;

1 (b) To provide funding for those public improvements necessary to
2 implement a county's economic development plan;

3 (c) To establish a local economic development advisory committee
4 that will assist the county's legislative authority in identifying and
5 prioritizing economic development programs and public improvement
6 projects; and

7 (d) To assist counties in their ability to attract business and
8 encourage private investment or commercial development to promote and
9 facilitate orderly development and the further creation of jobs.

10 (3) This section expires December 31, 2008.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
12 to read as follows:

13 (1) A county legislative authority located east of the Cascades
14 with a population greater than four hundred thousand residents may
15 submit an authorizing proposition to the county voters and, if the
16 proposition is approved by a majority of persons voting, impose a sales
17 and use tax in accordance with the terms of this chapter for the
18 purposes designated in subsections (5) through (7) of this section.

19 (2) The tax authorized in this section shall be in addition to any
20 other taxes authorized by law and shall be collected from those persons
21 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
22 the occurrence of any taxable event within the county. The rate of tax
23 shall equal up to one-tenth of one percent of the selling price in the
24 case of a sales tax, or value of the article used in the case of a use
25 tax.

26 (3) The retail sale or use of new motor vehicles, and the lease of
27 new motor vehicles for up to three years, are exempt from tax imposed
28 under this section.

29 (4) An economic development advisory committee, as provided in
30 subsection (8) of this section, shall provide the legislative body of
31 any county imposing the tax authorized in this section, with
32 recommendations on how money received shall be expended in accordance
33 with this section.

34 (5) No less than twenty-five percent of the money received from any
35 tax imposed under this section must be used for economic development.
36 For the purposes of this section:

1 (a) "Economic development" means economic development planning;
2 economic and community analysis; organizational administration; work
3 force training; marketing and promotion, but not to include hosting;
4 demographic and data collection and publication; and technical
5 assistance.

6 (b) "Technical assistance" means assistance with strategic
7 planning, market research, business plan development and review,
8 organization and management development, accounting and legal services,
9 grant and loan packaging, and other assistance which may be expected to
10 contribute directly to the economic development of a county.

11 (c) "Public improvement" means:

12 (i) Street and road construction and maintenance;

13 (ii) Water and sewer system construction and improvements;

14 (iii) Sidewalks and streetlights;

15 (iv) Storm water and drainage management systems;

16 (v) Incubation facilities;

17 (vi) Providing environmental analysis, professional management, and
18 planning;

19 (vii) Design, planning, legal and other professional services,
20 acquisition, site preparation, construction, reconstruction,
21 rehabilitation, improvement, and installation of public improvements;

22 (viii) Relocating, maintaining, and operating property pending
23 construction of public improvements;

24 (ix) Relocating utilities as a result of public improvements.

25 (6) The remainder of the money received from the tax imposed under
26 this section shall be used for the construction of public improvements
27 that will directly result in additional permanent jobs in the county.
28 Preference shall be given to those public improvements where other
29 sources of funding are available to pay for such public improvements.

30 (7) Before spending the receipts of the tax authorized under this
31 section, the expenditures must be specifically identified in the county
32 budget.

33 (8) The county legislative authority in each county imposing the
34 tax described in this section shall appoint members to an economic
35 development advisory committee consisting of no more than twelve
36 members. The committee members shall consist of:

37 (a) At least one representative from a business association within
38 the county;

1 (b) At least one elected official from a city or town within the
2 county;

3 (c) At least one representative from an associate development
4 organization within the county; and

5 (d) At least one representative from a work force training
6 organization located within the county.

7 (9) At no time shall the number of public sector members exceed the
8 number of private sector members on the economic development advisory
9 committee.

10 (10) The economic development advisory committee shall be chaired
11 by a member from the private sector, appointed by the county
12 legislative authority.

13 (11) The economic development advisory committee shall review
14 economic development programs and proposed public improvements related
15 to economic development. The committee shall make recommendations to
16 the county legislative authority regarding how money received from the
17 tax imposed in this section shall be distributed.

18 (12) The county legislative authority may prescribe the selection
19 process for the committee and specify the appointment, term, and
20 compensation or reimbursement of expenses for committee members.

21 (13) This section expires December 31, 2008.

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