
HOUSE BILL 1880

State of Washington 58th Legislature 2003 Regular Session

By Representatives Gombosky, Benson, Wood, Ahern, Voloria and Eickmeyer

Read first time 02/13/2003. Referred to Committee on Trade & Economic Development.

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; and
3 creating a new section.

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

12 (1) A county legislative authority may submit an authorizing
13 proposition to the county voters and, if the proposition is approved by
14 a majority of persons voting, impose a sales and use tax in accordance
15 with the terms of this chapter for the purposes designated in
16 subsections (4) through (6) of this section.

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

23 (3) An economic development advisory committee, as provided in
24 subsection (7) of this section, shall provide the legislative body of
25 any county imposing the tax authorized in this section, with
26 recommendations on how money received shall be expended in accordance
27 with this section.

28 (4) No less than twenty-five percent of the money received from any
29 tax imposed under this section must be used for economic development.
30 For the purposes of this section:

31 (a) "Economic development" means economic development planning;
32 economic and community analysis; organizational administration; work
33 force training; marketing and promotion, but not to include hosting;
34 demographic and data collection and publication; and technical
35 assistance.

36 (b) "Technical assistance" means assistance with strategic
37 planning, market research, business plan development and review,

1 organization and management development, accounting and legal services,
2 grant and loan packaging, and other assistance which may be expected to
3 contribute directly to the economic development of a county.

4 (c) "Public improvement" means:

5 (i) Infrastructure improvements that include:

6 (A) Street and road construction and maintenance;

7 (B) Water and sewer system construction and improvements;

8 (C) Sidewalks and streetlights;

9 (D) Storm water and drainage management systems;

10 (ii) Incubation facilities;

11 (iii) Expenditures for any of the following purposes:

12 (A) Providing environmental analysis, professional management, and
13 planning;

14 (B) Historic preservation activities authorized under RCW
15 35.21.395; or

16 (iv) Funding for the:

17 (A) Design, planning, legal and other professional services,
18 acquisition, site preparation, construction, reconstruction,
19 rehabilitation, improvement, and installation of public improvements;

20 (B) Relocating, maintaining, and operating property pending
21 construction of public improvements;

22 (C) Relocating utilities as a result of public improvements.

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

28 (6) Before spending the receipts of the tax authorized under this
29 section, the expenditures must be specifically identified in the county
30 budget.

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

35 (a) At least one representative from a business association within
36 the county;

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

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

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

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

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

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

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

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