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**SUBSTITUTE SENATE BILL 6113**

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**State of Washington**

**58th Legislature**

**2004 Regular Session**

**By** Senate Committee on Economic Development (originally sponsored by Senators T. Sheldon, Swecker, Haugen, Zarelli, Rasmussen and Benton)

READ FIRST TIME 01/29/04.

1 AN ACT Relating to the use of rural county sales and use tax  
2 proceeds; amending RCW 82.14.370; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** It is the intent of the legislature in  
5 enacting this 2004 act to reaffirm the original goals of the 1997 act  
6 which first provided distressed counties with the local option sales  
7 and use tax contained in RCW 82.14.370. The local option tax is now  
8 available to all rural counties and the continuing legislative goal for  
9 RCW 82.14.370 is to promote the creation, attraction, expansion, and  
10 retention of businesses and provide for family wage jobs.

11 **Sec. 2.** RCW 82.14.370 and 2002 c 184 s 1 are each amended to read  
12 as follows:

13 (1) The legislative authority of a rural county may impose a sales  
14 and use tax in accordance with the terms of this chapter. The tax is  
15 in addition to other taxes authorized by law and shall be collected  
16 from those persons who are taxable by the state under chapters 82.08  
17 and 82.12 RCW upon the occurrence of any taxable event within the  
18 county. The rate of tax shall not exceed 0.08 percent of the selling

1 price in the case of a sales tax or value of the article used in the  
2 case of a use tax, except that for rural counties with population  
3 densities between sixty and one hundred persons per square mile, the  
4 rate shall not exceed 0.04 percent before January 1, 2000.

5 (2) The tax imposed under subsection (1) of this section shall be  
6 deducted from the amount of tax otherwise required to be collected or  
7 paid over to the department of revenue under chapter 82.08 or 82.12  
8 RCW. The department of revenue shall perform the collection of such  
9 taxes on behalf of the county at no cost to the county.

10 (3)(a) Moneys collected under this section shall only be used (~~for~~  
11 ~~the purpose of financing~~) to finance public facilities serving  
12 economic development purposes in rural counties. The public facility  
13 must be listed as an item in the officially adopted county overall  
14 economic development plan, or the economic development section of the  
15 county's comprehensive plan, or the comprehensive plan of a city or  
16 town located within the county for those counties planning under RCW  
17 36.70A.040. For those counties that do not have an adopted overall  
18 economic development plan and do not plan under the growth management  
19 act, the public facility must be listed in the county's capital  
20 facilities plan or the capital facilities plan of a city or town  
21 located within the county.

22 (b) In implementing this section, the county shall consult with  
23 cities, towns, and port districts located within the county and the  
24 associate development organization serving the county to ensure that  
25 the expenditure meets the goals of this act and the requirements of (a)  
26 of this subsection. Each county collecting money under this section  
27 shall report to the office of the state auditor, no later than October  
28 1st of each year, a list of new projects from the prior fiscal year,  
29 showing that the county has used the funds for those projects  
30 consistent with the goals of this act and the requirements of (a) of  
31 this subsection. Any projects financed prior to the effective date of  
32 this act from the proceeds of obligations to which the tax imposed  
33 under subsection (1) of this section has been pledged shall not be  
34 deemed to be new projects under this subsection.

35 (c) For the purposes of this section, (i) "public facilities" means  
36 bridges, roads, domestic and industrial water facilities, sanitary  
37 sewer facilities, earth stabilization, storm sewer facilities,  
38 railroad, electricity, natural gas, buildings, structures,

1 telecommunications infrastructure, transportation infrastructure, or  
2 commercial infrastructure, and port facilities in the state of  
3 Washington; and (ii) "economic development purposes" means those  
4 purposes which facilitate the creation or retention of businesses and  
5 jobs in a county.

6 (4) No tax may be collected under this section before July 1, 1998.  
7 No tax may be collected under this section by a county more than  
8 twenty-five years after the date that a tax is first imposed under this  
9 section.

10 (5) For purposes of this section, "rural county" means a county  
11 with a population density of less than one hundred persons per square  
12 mile or a county smaller than two hundred twenty-five square miles as  
13 determined by the office of financial management and published each  
14 year by the department for the period July 1st to June 30th.

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