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HOUSE BILL 2953

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State of Washington

60th Legislature

2008 Regular Session

By Representatives Blake, Orcutt, Takko, Hailey, Grant, Eickmeyer, Kretz, Linville, Sump, Condotta, and Kessler

Read first time 01/18/08. Referred to Committee on Finance.

1 AN ACT Relating to the sales and use tax rate for public facilities  
2 in rural counties; reenacting and amending RCW 82.14.370; and providing  
3 an effective date.

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

5 **Sec. 1.** RCW 82.14.370 and 2007 c 478 s 1 and 2007 c 250 s 1 are  
6 each reenacted and amended to read as follows:

7 (1)(a) The legislative authority of a rural county may impose a  
8 sales and use tax in accordance with the terms of this chapter. The  
9 tax is in addition to other taxes authorized by law and shall be  
10 collected from those persons who are taxable by the state under  
11 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
12 within the county. The rate of tax shall (~~not exceed 0.09 percent~~  
13 ~~of~~) be applied to the selling price in the case of a sales tax or  
14 value of the article used in the case of a use tax and may not exceed  
15 the rates in (b) of this subsection, except that for rural counties  
16 with population densities between sixty and one hundred persons per  
17 square mile, the rate shall not exceed 0.04 percent before January 1,  
18 2000.

1 (b)(i) For a rural county with a total population of twenty-five  
2 thousand persons or more, the rate of tax may not exceed 0.09 percent;

3 (ii) For a rural county with a total population between fifteen  
4 thousand and twenty-four thousand nine hundred ninety-nine persons, the  
5 rate of tax may not exceed 0.11 percent;

6 (iii) For a rural county with a total population between ten  
7 thousand and fourteen thousand nine hundred ninety-nine persons, the  
8 rate of tax may not exceed 0.25 percent; and

9 (iv) For a rural county with a total population under ten thousand  
10 persons, the rate of tax may not exceed 0.65 percent.

11 (c) For purposes of this subsection (1), county total population is  
12 determined by RCW 36.13.100.

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

18 (3)(a) Moneys collected under this section shall only be used to  
19 finance public facilities serving economic development purposes in  
20 rural counties and finance personnel in economic development offices.  
21 The public facility must be listed as an item in the officially adopted  
22 county overall economic development plan, or the economic development  
23 section of the county's comprehensive plan, or the comprehensive plan  
24 of a city or town located within the county for those counties planning  
25 under RCW 36.70A.040. For those counties that do not have an adopted  
26 overall economic development plan and do not plan under the growth  
27 management act, the public facility must be listed in the county's  
28 capital facilities plan or the capital facilities plan of a city or  
29 town located within the county.

30 (b) In implementing this section, the county shall consult with  
31 cities, towns, and port districts located within the county and the  
32 associate development organization serving the county to ensure that  
33 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
34 requirements of (a) of this subsection. Each county collecting money  
35 under this section shall report, as follows, to the office of the state  
36 auditor, within one hundred fifty days after the close of each fiscal  
37 year: (i) A list of new projects begun during the fiscal year, showing  
38 that the county has used the funds for those projects consistent with

1 the goals of chapter 130, Laws of 2004 and the requirements of (a) of  
2 this subsection; and (ii) expenditures during the fiscal year on  
3 projects begun in a previous year. Any projects financed prior to June  
4 10, 2004, from the proceeds of obligations to which the tax imposed  
5 under subsection (1) of this section has been pledged shall not be  
6 deemed to be new projects under this subsection. No new projects  
7 funded with money collected under this section may be for justice  
8 system facilities.

9 (c) The definitions in this section apply throughout this section.

10 (i) "Public facilities" means bridges, roads, domestic and  
11 industrial water facilities, sanitary sewer facilities, earth  
12 stabilization, storm sewer facilities, railroad, electricity, natural  
13 gas, buildings, structures, telecommunications infrastructure,  
14 transportation infrastructure, or commercial infrastructure, and port  
15 facilities in the state of Washington.

16 (ii) "Economic development purposes" means those purposes which  
17 facilitate the creation or retention of businesses and jobs in a  
18 county.

19 (iii) "Economic development office" means an office of a county,  
20 port districts, or an associate development organization as defined in  
21 RCW 43.330.010, which promotes economic development purposes within the  
22 county.

23 (4) No tax may be collected under this section before July 1, 1998.  
24 No tax may be collected under this section by a county more than  
25 (~~twenty-five~~) thirty-five years after the date that a tax is first  
26 imposed under this section.

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

32 NEW SECTION. **Sec. 2.** This act takes effect August 1, 2008.

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