
SUBSTITUTE SENATE BILL 5605

State of Washington 61st Legislature 2009 Regular Session

By Senate Agriculture & Rural Economic Development (originally sponsored by Senator Hargrove)

READ FIRST TIME 02/09/09.

1 AN ACT Relating to the time period during which sales and use tax
2 for public facilities in rural counties may be collected; and
3 reenacting and amending RCW 82.14.370.

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

17 (2) The tax imposed under subsection (1) of this section shall be
18 deducted from the amount of tax otherwise required to be collected or

1 paid over to the department of revenue under chapter 82.08 or 82.12
2 RCW. The department of revenue shall perform the collection of such
3 taxes on behalf of the county at no cost to the county.

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

16 (b) In implementing this section, the county shall consult with
17 cities, towns, and port districts located within the county and the
18 associate development organization serving the county to ensure that
19 the expenditure meets the goals of chapter 130, Laws of 2004 and the
20 requirements of (a) of this subsection. Each county collecting money
21 under this section shall report, as follows, to the office of the state
22 auditor, within one hundred fifty days after the close of each fiscal
23 year: (i) A list of new projects begun during the fiscal year, showing
24 that the county has used the funds for those projects consistent with
25 the goals of chapter 130, Laws of 2004 and the requirements of (a) of
26 this subsection; and (ii) expenditures during the fiscal year on
27 projects begun in a previous year. Any projects financed prior to June
28 10, 2004, from the proceeds of obligations to which the tax imposed
29 under subsection (1) of this section has been pledged shall not be
30 deemed to be new projects under this subsection. No new projects
31 funded with money collected under this section may be for justice
32 system facilities.

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

34 (i) "Public facilities" means bridges, roads, domestic and
35 industrial water facilities, sanitary sewer facilities, earth
36 stabilization, storm sewer facilities, railroad, electricity, natural
37 gas, buildings, structures, telecommunications infrastructure,

1 transportation infrastructure, or commercial infrastructure, and port
2 facilities in the state of Washington.

3 (ii) "Economic development purposes" means those purposes which
4 facilitate the creation or retention of businesses and jobs in a
5 county.

6 (iii) "Economic development office" means an office of a county,
7 port districts, or an associate development organization as defined in
8 RCW 43.330.010, which promotes economic development purposes within the
9 county.

10 (4) No tax may be collected under this section before July 1, 1998.

11 (a) Except as provided in (b) of this subsection, no tax may be
12 collected under this section by a county more than twenty-five years
13 after the date that a tax is first imposed under this section.

14 (b) For counties imposing the tax at the rate of 0.09 percent
15 before August 1, 2009, the tax expires on the date that is twenty-five
16 years after the date that the 0.09 percent tax rate was first imposed
17 by that county.

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

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