
SENATE BILL 5960

State of Washington 61st Legislature 2009 Regular Session

By Senators Regala, Fraser, and Kline

Read first time 02/10/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to authorizing cities and counties to levy and
2 collect certain additional taxes; amending RCW 82.14.450; adding a new
3 chapter to Title 82 RCW; providing an effective date; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Telephone utility" means a person providing telecommunications
9 services as defined in RCW 82.04.065.

10 (2) "Water utility" means a water distribution business as defined
11 in RCW 82.16.010.

12 (3) "Sewer utility" means a sewerage collection business as defined
13 in RCW 82.16.020.

14 (4) "Solid waste utility" means a solid waste collection business
15 as defined in RCW 82.18.010.

16 (5) "Cable service utility" means a person providing cable service
17 as defined in the federal telecommunications act of 1996.

18 (6) "Electric utility" means a light and power business as defined
19 in RCW 82.16.010.

1 (7) "Natural gas utility" means a gas distribution business as
2 defined in RCW 82.16.010.

3 (8) "Utility" means a telephone utility, water utility, sewer
4 utility, solid waste utility, cable service utility, electric utility,
5 or natural gas utility.

6 (9) "Gross income of the business" is defined as provided in RCW
7 82.04.080.

8 NEW SECTION. **Sec. 2.** (1) The legislative authority of a county,
9 by resolution or ordinance, may impose an excise tax on the privilege
10 of engaging in business as a utility within the unincorporated
11 territory of the county. The tax is equal to the gross income of the
12 business multiplied by a rate not exceeding six percent.

13 (2) Taxes imposed under this section must apply uniformly
14 throughout the unincorporated territory of the county.

15 (3) The utility must add a tax imposed under this section to the
16 rates or charges it makes for utility services and separately state the
17 amount of tax on billings.

18 (4) The resolution or ordinance adopted must provide a credit
19 against the county utility tax imposed under this chapter for the full
20 amount of any city utility tax imposed upon the same taxable event so
21 that the combined utilities' taxes do not exceed six percent.

22 NEW SECTION. **Sec. 3.** Thirty percent of the revenues received from
23 taxes imposed under this chapter must be used exclusively for criminal
24 justice purposes as defined in RCW 82.14.340.

25 NEW SECTION. **Sec. 4.** Any county in which a public utility
26 district operates works, plants, or facilities for the distribution and
27 sale of electricity has the power to levy and collect from such
28 district a tax on the gross revenues derived by such district from the
29 sale of electricity within the county, exclusive of the revenues
30 derived from the sale of electricity for purposes of resale. Such tax
31 when levied is a debt of the district, and may be collected as such.
32 Any such district has the power to add the amount of such tax to the
33 rates or charges it makes for electricity so sold within the limits of
34 such city or town.

1 **Sec. 5.** RCW 82.14.450 and 2007 c 380 s 1 are each amended to read
2 as follows:

3 (1) Until July 1, 2009, a county legislative authority may submit
4 an authorizing proposition to the county voters at a primary or general
5 election and, if the proposition is approved by a majority of persons
6 voting, impose a sales and use tax in accordance with the terms of this
7 chapter. The title of each ballot measure must clearly state the
8 purposes for which the proposed sales and use tax will be used.
9 ~~((Funds raised under this tax shall not supplant existing funds used~~
10 ~~for these purposes. For purposes of this subsection, existing funds~~
11 ~~means the actual operating expenditures for the calendar year in which~~
12 ~~the ballot measure is approved by voters. Actual operating~~
13 ~~expenditures excludes lost federal funds, lost or expired state grants~~
14 ~~or loans, extraordinary events not likely to reoccur, changes in~~
15 ~~contract provisions beyond the control of the county or city receiving~~
16 ~~the services, and major nonrecurring capital expenditures.)) The rate
17 of tax under this section shall not exceed three-tenths of one percent
18 of the selling price in the case of a sales tax, or value of the
19 article used, in the case of a use tax.~~

20 (2) Beginning July 1, 2009, a county legislative authority may, by
21 resolution or ordinance, impose a sales and use tax in accordance with
22 the terms of this chapter, provided that such sales and use tax is
23 subject to repeal by referendum, using the procedures provided in RCW
24 82.14.036. The referendum procedure provided in RCW 82.14.036 is the
25 exclusive method for subjecting any county sales and use tax ordinance
26 or resolution to a referendum vote. The rate of tax under this
27 subsection may not exceed three-tenths of one percent of the selling
28 price in the case of a sales tax, or value of the article used, in the
29 case of a use tax.

30 (3) The tax authorized in this section is in addition to any other
31 taxes authorized by law and shall be collected from those persons who
32 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
33 occurrence of any taxable event within the county.

34 ~~((+3))~~ (4) The retail sale or use of motor vehicles, and the lease
35 of motor vehicles for up to the first thirty-six months of the lease,
36 are exempt from tax imposed under this section.

37 ~~((+4))~~ (5) One-third of all money received under this section
38 shall be used solely for criminal justice purposes and fire protection

1 purposes. For the purposes of this subsection, "criminal justice
2 purposes" (~~(means additional police protection, mitigation of congested~~
3 ~~court systems, or relief of overcrowded jails or other local~~
4 ~~correctional facilities)~~) has the same meaning as in RCW 82.14.340.

5 ~~((+5))~~ (6)(a) Money received under subsections (1) and (2) of this
6 section shall be shared between the county and the cities as follows:
7 Sixty percent shall be retained by the county and forty percent shall
8 be distributed on a per capita basis to cities in the county.

9 (b) A tax imposed under subsection (1) of this section continues
10 until repealed or expires.

11 (c) If a county has imposed a sales and use tax with a rate of tax
12 equal to three-tenths of one percent under subsection (1) of this
13 section, the tax authorized in subsection (2) of this section is not
14 available to the county or any city within the county.

15 (d) If a county has imposed a sales and use tax with a rate of tax
16 less than three-tenths of one percent under subsection (1) of this
17 section, a county may impose an additional sales and use tax under
18 subsection (2) of this section so that the combined rate of tax does
19 not exceed three-tenths of one percent.

20 NEW SECTION. Sec. 6. Sections 1 through 4 of this act constitute
21 a new chapter in Title 82 RCW.

22 NEW SECTION. Sec. 7. This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 July 1, 2009.

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