
HOUSE BILL 2663

State of Washington 62nd Legislature 2012 Regular Session

By Representatives Ryu, Kenney, Santos, Ladenburg, and Moscoso

Read first time 01/23/12. Referred to Committee on Community & Economic Development & Housing.

1 AN ACT Relating to authorizing use of sales and use tax proceeds
2 for certain public facilities in innovation partnership zones for
3 economic development purposes; 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 2009 c 511 s 1 are each amended to read
6 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~~) is
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~~) may not exceed 0.09
13 percent of the selling price in the case of a sales tax or value of the
14 article used in the case of a use tax, except that for rural counties
15 with population densities between sixty and one hundred persons per
16 square mile, the rate shall not exceed 0.04 percent before January 1,
17 2000.

18 (2) The tax imposed under subsection (1) of this section (~~shall~~)
19 must be deducted from the amount of tax otherwise required to be

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

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

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

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

35 (i) "Public facilities" means bridges, roads, domestic and
36 industrial water facilities, sanitary sewer facilities, earth
37 stabilization, storm sewer facilities, railroads, (~~electricity~~)
38 electrical facilities, natural gas facilities, research, testing,

1 training, and incubation facilities in innovation partnership zones
2 designated under RCW 43.330.270, buildings, structures,
3 telecommunications infrastructure, transportation infrastructure, or
4 commercial infrastructure, and port facilities in the state of
5 Washington.

6 (ii) "Economic development purposes" means those purposes which
7 facilitate the creation or retention of businesses and jobs in a
8 county.

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

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

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

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

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

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