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**SUBSTITUTE HOUSE BILL 1919**

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**State of Washington                      63rd Legislature                      2013 Regular Session**

**By** House Finance (originally sponsored by Representatives Fitzgibbon, Moscoso, Springer, Pollet, Goodman, Sullivan, Maxwell, and Upthegrove)

READ FIRST TIME 03/01/13.

1            AN ACT Relating to allowing certain county legislative authorities  
2 to impose a sales and use tax by ordinance; and amending RCW 82.14.450.

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

4            **Sec. 1.** RCW 82.14.450 and 2010 c 127 s 1 are each amended to read  
5 as follows:

6            (1)(a) A county legislative authority may submit an authorizing  
7 proposition to the county voters at a primary or general election and,  
8 if the proposition is approved by a majority of persons voting, impose  
9 a sales and use tax in accordance with the terms of this chapter.

10            (b) As an alternative to the procedure under (a) of this  
11 subsection, the legislative authority of a county may opt to impose a  
12 sales and use tax by ordinance that clearly states the purpose for  
13 which the proposed sales and use tax will be used in accordance with  
14 the terms of this chapter.

15            (c) The title of each ballot measure must clearly state the  
16 purposes for which the proposed sales and use tax will be used.

17            (d) The rate of tax under this section may not exceed three-tenths  
18 of one percent of the selling price in the case of a sales tax, or  
19 value of the article used, in the case of a use tax.

1 (2)(a) A city legislative authority may submit an authorizing  
2 proposition to the city voters at a primary or general election and, if  
3 the proposition is approved by a majority of persons voting, impose a  
4 sales and use tax in accordance with the terms of this chapter. The  
5 title of each ballot measure must clearly state the purposes for which  
6 the proposed sales and use tax will be used. The rate of tax under  
7 this subsection may not exceed one-tenth of one percent of the selling  
8 price in the case of a sales tax, or value of the article used, in the  
9 case of a use tax. A city may not begin imposing a tax approved by the  
10 voters under this subsection prior to January 1, 2011.

11 (b) If a county adopts an ordinance or resolution to submit a  
12 ballot proposition to the voters to impose the sales and use tax under  
13 subsection (1) of this section prior to a city within the county  
14 adopting an ordinance or resolution to submit a ballot proposition to  
15 the voters to impose the tax under this subsection, the rate of tax by  
16 the city under this subsection may not exceed an amount that would  
17 cause the total county and city tax rate under this section to exceed  
18 three-tenths of one percent. This subsection (2)(b) also applies if  
19 the county and city adopt an ordinance or resolution to impose sales  
20 and use taxes under this section on the same date.

21 (c) If the city adopts an ordinance or resolution to submit a  
22 ballot proposition to the voters to impose the sales and use tax under  
23 this subsection prior to the county in which the city is located, the  
24 county must provide a credit against its tax under subsection (1) of  
25 this section for the city tax under this subsection to the extent the  
26 total county and city tax rate under this section would exceed three-  
27 tenths of one percent.

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

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

35 (5) One-third of all money received under this section must be used  
36 solely for criminal justice purposes, fire protection purposes, or  
37 both. For the purposes of this subsection, "criminal justice purposes"  
38 has the same meaning as provided in RCW 82.14.340.

1           (6) Money received by a county under subsection (1) of this section  
2 must be shared between the county and the cities as follows: Sixty  
3 percent must be retained by the county and forty percent must be  
4 distributed on a per capita basis to cities in the county.

5           (7) Tax proceeds received by a city imposing a tax under this  
6 section must be shared between the county and city as follows: Fifteen  
7 percent must be distributed to the county and eighty-five percent is  
8 retained by the city.

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