
SENATE BILL 5325

State of Washington

63rd Legislature

2013 Regular Session

By Senators Rivers, Cleveland, Benton, and King

Read first time 01/28/13. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to the definition of a rural county for public
2 facilities' sales and use tax purposes; and amending RCW 82.14.370.

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

4 **Sec. 1.** RCW 82.14.370 and 2012 c 225 s 4 are each amended to read
5 as follows:

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

16 (2) The tax imposed under subsection (1) of this section must be
17 deducted from the amount of tax otherwise required to be collected or
18 paid over to the department of revenue under chapter 82.08 or 82.12

1 RCW. The department of revenue must perform the collection of such
2 taxes on behalf of the county at no cost to the county.

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

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

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

33 (i) "Public facilities" means bridges, roads, domestic and
34 industrial water facilities, sanitary sewer facilities, earth
35 stabilization, storm sewer facilities, railroads, electrical
36 facilities, natural gas facilities, research, testing, training, and
37 incubation facilities in innovation partnership zones designated under

1 RCW 43.330.270, buildings, structures, telecommunications
2 infrastructure, transportation infrastructure, or commercial
3 infrastructure, and port facilities in the state of Washington.

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

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

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

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

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

19 (5) For purposes of this section, "rural county" means a county
20 with a population density of less than one hundred persons per square
21 mile or a county smaller than two hundred twenty-five square miles as
22 determined by the office of financial management and published each
23 year by the department for the period July 1st to June 30th, or any
24 county that borders a state without a sales tax.

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