
SENATE BILL 5899

State of Washington

66th Legislature

2019 Regular Session

By Senators Mullet, Walsh, Cleveland, Ericksen, Wilson, L., and Takko

1 AN ACT Relating to sales and use tax for public facilities in
2 rural or border counties; 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
5 read as follows:

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

17 (2) The tax imposed under subsection (1) of this section must be
18 deducted from the amount of tax otherwise required to be collected or
19 paid over to the department of revenue under chapter 82.08 or 82.12
20 RCW. The department of revenue must perform the collection of such
21 taxes on behalf of the county at no cost to the county.

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

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

36 (c) Counties may delegate their role under this section to the
37 associate development organization serving the county. The associate
38 development organization must present an annual budget to the county
39 legislative authority for approval, consistent with (b) of this
40 subsection. The proposed budget must allocate funds to be used for

1 economic development purposes, including amounts to finance the
2 economic development office of the associate development organization
3 and the amounts to finance public facilities. The proposed budget
4 must also delineate the allocation of funds to be used as grants to
5 fund economic development purposes to organizations other than the
6 associate development organization.

7 (d) The definitions in this section apply throughout this section
8 unless the context clearly requires otherwise.

9 (i) "Public facilities" means bridges, roads, domestic and
10 industrial water facilities, sanitary sewer facilities, earth
11 stabilization, storm sewer facilities, railroads, electrical
12 facilities, natural gas facilities, research, testing, training, and
13 incubation facilities in innovation partnership zones designated
14 under RCW 43.330.270, buildings, structures, telecommunications
15 infrastructure, transportation infrastructure, or commercial
16 infrastructure, and port facilities in the state of Washington.

17 (ii) "Economic development purposes" means those purposes which
18 facilitate the creation or retention of businesses and jobs in a
19 county.

20 (iii) "Economic development office" means an office of a county,
21 port districts, or an associate development organization as defined
22 in RCW 43.330.010, which promotes economic development purposes
23 within the county.

24 (iv) "Rural or border county" means:

25 (A) A county with a population density of less than one hundred
26 persons per square mile or a county smaller than two hundred twenty-
27 five square miles as determined by the office of financial management
28 and published each year by the department for the period July 1st to
29 June 30th; or

30 (B) A county contiguous with a state or foreign country.

31 (4) No tax may be collected under this section before July 1,
32 1998.

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

36 ~~(b) For counties imposing the tax at the rate of 0.09 percent~~
37 ~~before August 1, 2009, the tax expires on the date that is twenty-~~
38 ~~five years after the date that the 0.09 percent tax rate was first~~
39 ~~imposed by that county.~~

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

6 (5) The tax collected under this section is authorized through
7 December 31, 2045.

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