

SB 5868 - H COMM AMD
By Committee on Finance

ADOPTED 03/02/2022

1 Strike everything after the enacting clause and insert the
2 following:

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

5 (1) The legislative authority of a rural county may impose a
6 sales and use tax in accordance with the terms of this chapter. The
7 tax is in addition to other taxes authorized by law and must be
8 collected from those persons who are taxable by the state under
9 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event
10 within the county. The rate of tax may not exceed 0.09 percent of the
11 selling price in the case of a sales tax or value of the article used
12 in the case of a use tax, except that for rural counties with
13 population densities between ((sixty)) 60 and ((one-hundred)) 100
14 persons per square mile, the rate shall not exceed 0.04 percent
15 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
19 RCW. The department of revenue must perform the collection of such
20 taxes on behalf of the county at no cost to the county.

21 (3)(a) Moneys collected under this section may only be used to
22 finance public facilities serving economic development purposes in
23 rural counties and finance personnel in economic development offices.
24 The public facility must be listed as an item in the officially
25 adopted county overall economic development plan, or the economic
26 development section of the county's comprehensive plan, or the
27 comprehensive plan of a city or town located within the county for
28 those counties planning under RCW 36.70A.040, or provide affordable
29 workforce housing infrastructure or facilities. For those counties
30 that do not have an adopted overall economic development plan and do
31 not plan under the growth management act, the public facility must be
32 listed in the county's capital facilities plan or the capital

1 facilities plan of a city or town located within the county, or
2 provide affordable workforce housing infrastructure or facilities.

3 (b) In implementing this section, the county must consult with
4 cities, towns, and port districts located within the county and the
5 associate development organization serving the county to ensure that
6 the expenditure meets the goals of chapter 130, Laws of 2004 and the
7 requirements of (a) of this subsection. Each county collecting money
8 under this section must report, as follows, to the office of the
9 state auditor, within (~~one hundred fifty~~) 150 days after the close
10 of each fiscal year: (i) A list of new projects begun during the
11 fiscal year, showing that the county has used the funds for those
12 projects consistent with the goals of chapter 130, Laws of 2004 and
13 the requirements of (a) of this subsection; and (ii) expenditures
14 during the fiscal year on projects begun in a previous year. Any
15 projects financed prior to June 10, 2004, from the proceeds of
16 obligations to which the tax imposed under subsection (1) of this
17 section has been pledged may not be deemed to be new projects under
18 this subsection. No new projects funded with money collected under
19 this section may be for justice system facilities.

20 (c) The definitions in this section apply throughout this
21 section.

22 (i) "Public facilities" means bridges, roads, domestic and
23 industrial water facilities, sanitary sewer facilities, earth
24 stabilization, storm sewer facilities, railroads, electrical
25 facilities, natural gas facilities, research, testing, training, and
26 incubation facilities in innovation partnership zones designated
27 under RCW 43.330.270, buildings, structures, telecommunications
28 infrastructure, transportation infrastructure, or commercial
29 infrastructure, (~~and~~) port facilities in the state of Washington,
30 or affordable workforce housing infrastructure or facilities.

31 (ii) "Economic development purposes" means those purposes which
32 facilitate the creation or retention of businesses and jobs in a
33 county, including affordable workforce housing infrastructure or
34 facilities.

35 (iii) "Economic development office" means an office of a county,
36 port districts, or an associate development organization as defined
37 in RCW 43.330.010, which promotes economic development purposes
38 within the county.

39 (iv) "Affordable workforce housing infrastructure or facilities"
40 means housing infrastructure or facilities that a qualifying provider

1 uses for housing for a single person, family, or unrelated persons
2 living together whose income is no more than 120 percent of the
3 median income, adjusted for housing size, for the county where the
4 housing is located.

5 (v) "Qualifying provider" means a nonprofit entity as defined in
6 RCW 84.36.560, a nonprofit entity or qualified cooperative
7 association as defined in RCW 84.36.049, a housing authority created
8 under RCW 35.82.030 or 35.82.300, a public corporation established
9 under RCW 35.21.660 or 35.21.730, or a county or municipal
10 corporation.

11 (4) No tax may be collected under this section before July 1,
12 1998.

13 (a) Except as provided in (b) of this subsection, no tax may be
14 collected under this section by a county more than (~~twenty-five~~) 25
15 years after the date that a tax is first imposed under this section.

16 (b) For counties imposing the tax at the rate of 0.09 percent
17 before August 1, 2009, the tax expires on the date that is (~~twenty-~~
18 ~~five~~) 25 years after the date that the 0.09 percent tax rate was
19 first imposed by that county.

20 (5) For purposes of this section, "rural county" means a county
21 with a population density of less than (~~one hundred~~) 100 persons
22 per square mile or a county smaller than (~~two hundred twenty-five~~)
23 225 square miles as determined by the office of financial management
24 and published each year by the department for the period July 1st to
25 June 30th."

26 Correct the title.

EFFECT: (1) Expands the eligible income range for what is considered affordable workforce housing through removing the minimum income threshold of 60 percent of area median income.

(2) Limits the entities that may provide affordable workforce housing to nonprofit entities, qualified cooperative associations, housing authorities, public corporations, or counties or municipal corporations.

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