

SHB 1267 - S AMD 454
By Senator Billig

ADOPTED 04/19/2023

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

3 **"Sec. 1.** RCW 82.14.370 and 2022 c 175 s 1 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 60 and 100 persons per square mile, the
14 rate shall not exceed 0.04 percent before January 1, 2000.

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

20 (3)(a) Moneys collected under this section may only be used to
21 finance public facilities serving economic development purposes in
22 rural counties and finance personnel in economic development offices.
23 The public facility must be listed as an item in the officially
24 adopted county overall economic development plan, or the economic
25 development section of the county's comprehensive plan, or the
26 comprehensive plan of a city or town located within the county for
27 those counties planning under RCW 36.70A.040, or provide affordable
28 workforce housing infrastructure or facilities. For those counties
29 that do not have an adopted overall economic development plan and do
30 not plan under the growth management act, the public facility must be
31 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 of money collected under this section meets the goals
7 of (~~chapter 130, Laws of 2004~~) creating, attracting, expanding, and
8 retaining businesses, providing family wage jobs, and providing
9 affordable workforce housing infrastructure or facilities and the use
10 of money collected under this section meets the requirements of (a)
11 of this subsection. Each county collecting money under this section
12 must provide a report(~~(, as follows,)~~) to the office of the state
13 auditor(~~(,)~~) within 150 days after the close of each fiscal year(~~(:~~
14 ~~(i) A list of new projects begun during the fiscal year, showing that~~
15 ~~the county has used the funds for those projects consistent with the~~
16 ~~goals of chapter 130, Laws of 2004 and the requirements of (a) of~~
17 ~~this subsection; and (ii) expenditures during the fiscal year on~~
18 ~~projects begun in a previous year)~~) identifying in detail each new
19 and continuing public facility project, economic development purpose
20 project, affordable workforce housing infrastructure or facilities
21 project, economic development staff position, and qualifying provider
22 project funded with the tax authorized under this section and the
23 amount of tax proceeds allocated to such project or position in the
24 prior fiscal year. Any projects financed prior to June 10, 2004, from
25 the proceeds of obligations to which the tax imposed under subsection
26 (1) of this section has been pledged may not be deemed to be new
27 projects under this subsection. No new projects funded with money
28 collected under this section may be for justice system facilities.

29 (c) The definitions in this section apply throughout this
30 section.

31 (i) "Public facilities" means bridges, roads, domestic and
32 industrial water facilities, sanitary sewer facilities, earth
33 stabilization, storm sewer facilities, railroads, electrical
34 facilities, natural gas facilities, research, testing, training, and
35 incubation facilities in innovation partnership zones designated
36 under RCW 43.330.270, buildings, structures, telecommunications
37 infrastructure, transportation infrastructure, or commercial
38 infrastructure, port facilities in the state of Washington, or
39 affordable workforce housing infrastructure or facilities.

1 (ii) "Economic development purposes" means those purposes which
2 facilitate the creation or retention of businesses and jobs in a
3 county, including affordable workforce housing infrastructure or
4 facilities.

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

9 (iv) "Affordable workforce housing infrastructure or facilities"
10 means housing infrastructure or facilities that a qualifying provider
11 uses for housing for a single person, family, or unrelated persons
12 living together whose income is no more than 120 percent of the
13 median income, adjusted for housing size, for the county where the
14 housing is located.

15 (v) "Qualifying provider" means a nonprofit entity as defined in
16 RCW 84.36.560, a nonprofit entity or qualified cooperative
17 association as defined in RCW 84.36.049, a housing authority created
18 under RCW 35.82.030 or 35.82.300, a public corporation established
19 under RCW 35.21.660 or 35.21.730, or a county or municipal
20 corporation.

21 (4) No tax may be collected under this section before July 1,
22 1998.

23 (a) Except as provided in (b) of this subsection, no tax may be
24 collected under this section by a county more than 25 years after the
25 date that a tax is first imposed under this section.

26 (b) For counties imposing the tax (~~(at the rate of 0.09 percent)~~)
27 before August 1, 2009, and meeting the definition of a rural county
28 as of August 1, 2009, the tax expires (~~(on the date that is 25 years~~
29 ~~after the date that the 0.09 percent tax rate was first imposed by~~
30 ~~that county)~~) December 31, 2054.

31 (5) By December 31, 2024, the state auditor must provide a
32 publicly accessible report on its website containing the project
33 information and other expenditure information included in the annual
34 report required under subsection (3)(b) of this section for each
35 county. The publicly accessible report must also include the total
36 amount of revenue collected by the county under this section in the
37 prior fiscal year. The state auditor must develop a standardized
38 expenditure report for the project information and other expenditure
39 information included in the annual report submitted by counties. This

1 subsection applies to reports filed beginning in 2024 based on 2023
2 expenditures and thereafter.

3 (6) For purposes of this section, "rural county" means a county
4 with a population density of less than 100 persons per square mile or
5 a county smaller than 225 square miles as determined by the office of
6 financial management (~~(and published each year by the department for~~
7 ~~the period July 1st to June 30th)~~) pursuant to RCW 43.62.035."

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8 On page 1, line 1 of the title, after "tax;" strike the remainder
9 of the title and insert "and amending RCW 82.14.370."

EFFECT: Requires counties to identify in detail public facility projects and staff positions funded by the rural county sales and use tax. Requires the state auditor to develop a standardized expenditure report to facilitate the collection of detailed and uniform information from counties regarding their use of rural county sales and use tax proceeds beginning with reports filed in 2024 based on 2023 expenditures. Moves up the timeline for the state auditor to provide a publicly accessible report on its website from December 31, 2027, to December 31, 2024. Makes technical updates and modifications. Allows Garfield County to qualify for the extension of the rural county sales and use tax.

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