
SUBSTITUTE HOUSE BILL 2494

State of Washington

66th Legislature

2020 Regular Session

By House Finance (originally sponsored by Representatives Stonier, Vick, Wylie, Boehnke, Riccelli, Van Werven, and Chapman)

1 AN ACT Relating to sales and use tax for public facilities in
2 rural or border counties; amending RCW 82.14.370; and providing an
3 effective date.

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

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

7 (1) The legislative authority of a rural or border county may
8 impose a sales and use tax in accordance with the terms of this
9 chapter. The tax is in addition to other taxes authorized by law and
10 must be collected from those persons who are taxable by the state
11 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
12 event within the county. The rate of tax may not exceed 0.09 percent
13 of the selling price in the case of a sales tax or value of the
14 article used in the case of a use tax, except that for rural counties
15 with population densities between sixty and one hundred persons per
16 square mile, the rate (~~shall~~) may not exceed 0.04 percent before
17 January 1, 2000. For border counties that begin imposing a tax under
18 this subsection after the effective date of this section, the tax
19 must be phased in as set forth in subsection (5) of this section.

20 (2) The tax imposed under subsection (1) of this section must be
21 deducted from the amount of tax otherwise required to be collected or

1 paid over to the department of revenue under chapter 82.08 or 82.12
2 RCW. The department of revenue must perform the collection of such
3 taxes on behalf of the county at no cost to the county.

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

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

39 (c) Counties may delegate their role under this section to the
40 associate development organization serving the county. The associate

1 development organization must present an annual budget to the county
2 legislative authority for approval, consistent with (b) of this
3 subsection. The proposed budget must allocate funds to be used for
4 economic development purposes, including amounts to finance the
5 economic development office of the associate development organization
6 and the amounts to finance public facilities. The proposed budget
7 must also delineate the allocation of funds to be used as grants to
8 fund economic development purposes to organizations other than the
9 associate development organization.

10 (d) The definitions in this ((section)) subsection apply
11 throughout this section unless the context clearly requires
12 otherwise.

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

21 (ii) "Economic development purposes" means those purposes which
22 facilitate the creation or retention of businesses and jobs in a
23 county.

24 (iii)) "Border county" means a county contiguous with a state or
25 foreign country.

26 (ii) "Economic development office" means an office of a county,
27 port districts, or an associate development organization as defined
28 in RCW 43.330.010, which promotes economic development purposes
29 within the county.

30 (iii) "Economic development purposes" means those purposes that
31 facilitate the creation or retention of businesses and jobs in a
32 county.

33 (iv) "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
38 under RCW 43.330.270, buildings, structures, telecommunications
39 infrastructure, transportation infrastructure, or commercial
40 infrastructure, and port facilities in the state of Washington.

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

6 (4) No tax may be collected under this section before July 1,
7 1998.

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

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

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

20 (5) For border counties that begin imposing a tax under
21 subsection (1) of this section after the effective date of this
22 section, the tax must be phased in as follows:

23 (a) The rate of tax may not exceed 0.03 percent before July 1,
24 2021;

25 (b) The rate of tax may not exceed 0.06 percent before July 1,
26 2023; and

27 (c) The rate of tax may not exceed 0.09 percent before July 1,
28 2025.

29 (6) The tax collected under this section is authorized through
30 December 31, 2052.

31 NEW SECTION. Sec. 2. This act takes effect July 1, 2021.

--- END ---