
SUBSTITUTE SENATE BILL 5613

State of Washington

68th Legislature

2023 Regular Session

By Senate Local Government, Land Use & Tribal Affairs (originally sponsored by Senators Lovelett, Wagoner, Shewmake, Rivers, Van De Wege, Boehnke, Muzzall, J. Wilson, Dozier, and King)

1 AN ACT Relating to rural public facilities sales and use tax; and
2 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 2022 c 175 s 1 are each amended to
5 read as follows:

6 (1) The legislative authority of a rural county may impose a
7 sales and use tax in accordance with the terms of this chapter. The
8 tax is in addition to other taxes authorized by law and must be
9 collected from those persons who are taxable by the state under
10 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event
11 within the county. The rate of tax may not exceed 0.09 percent of the
12 selling price in the case of a sales tax or value of the article used
13 in the case of a use tax, except that for rural counties with
14 population densities between 60 and 100 persons per square mile, the
15 rate shall 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
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.

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 offices.
4 The public facility must be listed as an item in the officially
5 adopted county overall economic development plan, or the economic
6 development section of the county's comprehensive plan, or the
7 comprehensive plan of a city or town located within the county for
8 those counties planning under RCW 36.70A.040, or provide affordable
9 workforce housing infrastructure or facilities. For those counties
10 that do not have an adopted overall economic development plan and do
11 not plan under the growth management act, the public facility must be
12 listed in the county's capital facilities plan or the capital
13 facilities plan of a city or town located within the county, or
14 provide affordable workforce housing infrastructure or facilities.

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,)~~) the following to the
21 office of the state auditor(~~(,)~~) within 150 days after the close of
22 each fiscal year: (i) A list of new projects begun during the fiscal
23 year, showing that the county has used the funds for those projects
24 consistent with the goals of chapter 130, Laws of 2004 and the
25 requirements of (a) of this subsection; and (ii) expenditures during
26 the fiscal year on projects begun in a previous year. Any projects
27 financed prior to June 10, 2004, from the proceeds of obligations to
28 which the tax imposed under subsection (1) of this section has been
29 pledged may not be deemed to be new projects under this subsection.
30 No new projects funded with money collected under this section may be
31 for justice system facilities.

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

34 (i) "Public facilities" means bridges, roads, domestic and
35 industrial water facilities, sanitary sewer facilities, earth
36 stabilization, storm sewer facilities, railroads, electrical
37 facilities, natural gas facilities, research, testing, training, and
38 incubation facilities in innovation partnership zones designated
39 under RCW 43.330.270, buildings, structures, telecommunications
40 infrastructure, transportation infrastructure, or commercial

1 infrastructure, port facilities in the state of Washington, or
2 affordable workforce housing infrastructure or facilities.

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

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

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

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

23 (4) No tax may be collected under this section before July 1,
24 1998.

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

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

33 (5) By December 31, 2027, the state auditor must provide a
34 publicly accessible report on its website containing the project
35 information and other expenditure information included in the annual
36 report required under subsection (3)(b) of this section for each
37 county. The report must also include the total amount of revenue
38 collected by the county under this section in the prior fiscal year.
39 This subsection applies to reports filed in 2027 and thereafter.

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

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