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HOUSE BILL 1553

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State of Washington

63rd Legislature

2013 Regular Session

By Representatives Moeller, Pike, Wylie, Harris, Orcutt, Johnson,  
Vick, and Stonier

1 AN ACT Relating to the definition of a rural county for public  
2 facilities' sales and use tax purposes; 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 read  
5 as follows:

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

1 RCW. The department of revenue must perform the collection of such  
2 taxes on behalf of the county at no cost to the county.

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

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

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

33 (i) "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 under

1 RCW 43.330.270, buildings, structures, telecommunications  
2 infrastructure, transportation infrastructure, or commercial  
3 infrastructure, and port facilities in the state of Washington.

4 (ii) "Economic development purposes" means those purposes which  
5 facilitate the creation or retention of businesses and jobs in a  
6 county.

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

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

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

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

19 (5) For purposes of this section, "rural county" means a county  
20 with a population density of less than one hundred persons per square  
21 mile or a county smaller than two hundred twenty-five square miles as  
22 determined by the office of financial management and published each  
23 year by the department for the period July 1st to June 30th, or any  
24 county that borders a state without a sales tax.

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