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**SUBSTITUTE SENATE BILL 5557**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Economic Development, Trade & Management  
(originally sponsored by Senators Hargrove, Prentice, Zarelli,  
Hatfield, Brandland, Brown, Poulsen, Pridemore and McAuliffe)

READ FIRST TIME 02/27/07.

1 AN ACT Relating to restrictions on certain public facilities for  
2 economic development purposes in rural counties; and amending RCW  
3 82.14.370.

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

5 **Sec. 1.** RCW 82.14.370 and 2004 c 130 s 2 are each amended to read  
6 as follows:

7 (1) The legislative authority of a rural county may impose a sales  
8 and use tax in accordance with the terms of this chapter. The tax is  
9 in addition to other taxes authorized by law and shall be collected  
10 from those persons who are taxable by the state under chapters 82.08  
11 and 82.12 RCW upon the occurrence of any taxable event within the  
12 county. The rate of tax shall not exceed 0.08 percent of the selling  
13 price in the case of a sales tax or value of the article used in the  
14 case of a use tax, except that for rural counties with (~~population~~  
15 ~~densities between sixty and one hundred persons per square mile, the~~  
16 ~~rate shall not exceed 0.04 percent before January 1, 2000~~) poverty  
17 rates twenty-five percent or more above the state poverty rate and  
18 median household income twenty-five percent or more below the state  
19 median household income, the rate shall not exceed 0.15 percent.

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

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

17 (b) In implementing this section((~~7~~)):

18 (i) The county shall consult with cities, towns, and port districts  
19 located within the county and the associate development organization  
20 servicing the county to ensure that the expenditure meets the goals of  
21 chapter 130, Laws of 2004 and the requirements of (a) of this  
22 subsection.

23 (ii) Each county collecting money under this section shall report  
24 to the office of the state auditor, ((no later than October 1st))  
25 within one hundred fifty days after the close of each fiscal year((~~7~~)):

26 (A) A list of new projects ((from)) begun during the ((prior))  
27 fiscal year, showing that the county has used the funds for those  
28 projects consistent with the goals of chapter 130, Laws of 2004 and the  
29 requirements of (a) of this subsection; and (B) expenditures during the  
30 fiscal year on projects begun in a previous year.

31 (iii) Any projects financed prior to June 10, 2004, from the  
32 proceeds of obligations to which the tax imposed under subsection (1)  
33 of this section has been pledged shall not be deemed to be new projects  
34 under this subsection.

35 (iv) Public facilities may not be funded for a project the primary  
36 purpose of which is to facilitate or promote:

37 (A) A retail shopping development or expansion;

38 (B) A tourist or sports facility; or

1        (C) A gambling facility.

2        (v) Public facilities may not be funded for projects that will  
3 cause sprawl.

4        (c) For the purposes of this section, (i) "public facilities" means  
5 bridges, roads, domestic and industrial water facilities, sanitary  
6 sewer facilities, earth stabilization, storm sewer facilities,  
7 railroad, electricity, natural gas, buildings, structures,  
8 telecommunications infrastructure, transportation infrastructure, or  
9 commercial infrastructure, and port facilities in the state of  
10 Washington; and (ii) "economic development purposes" means those  
11 purposes which facilitate the creation or retention of businesses and  
12 ((jobs in a county)) the creation or retention of jobs with health  
13 benefits and with hourly wages that exceed the countywide median hourly  
14 wage.

15        (4) ~~((No tax may be collected under this section before July 1,~~  
16 ~~1998.))~~ No tax may be collected under this section by a county more  
17 than twenty-five years after the date that a tax is first imposed under  
18 this section.

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.

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