

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5868**

Chapter 175, Laws of 2022

67th Legislature  
2022 Regular Session

RURAL COUNTIES PUBLIC FACILITIES SALES AND USE TAX—USE FOR AFFORDABLE  
WORKFORCE HOUSING

EFFECTIVE DATE: June 9, 2022

Passed by the Senate March 7, 2022  
Yeas 43 Nays 6

DENNY HECK

**President of the Senate**

Passed by the House March 2, 2022  
Yeas 68 Nays 28

Laurie Jinkins

**Speaker of the House of  
Representatives**

Approved March 24, 2022 9:34 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5868** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

**Secretary**

FILED

March 24, 2022

**Secretary of State  
State of Washington**

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**SENATE BILL 5868**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Hawkins, Kuderer, Braun, Fortunato, Lovelett, Nguyen, Nobles, Salomon, Trudeau, and Warnick

Read first time 01/14/22. Referred to Committee on Housing & Local Government.

1 AN ACT Relating to expanding the use of the rural counties public  
2 facilities sales and use tax to include affordable workforce housing;  
3 and amending RCW 82.14.370.

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 county may impose a  
8 sales and use tax in accordance with the terms of this chapter. The  
9 tax is in addition to other taxes authorized by law and must be  
10 collected from those persons who are taxable by the state under  
11 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
12 within the county. The rate of tax may not exceed 0.09 percent of the  
13 selling price in the case of a sales tax or value of the article used  
14 in the case of a use tax, except that for rural counties with  
15 population densities between ((sixty)) 60 and ((one-hundred)) 100  
16 persons per square mile, the rate shall not exceed 0.04 percent  
17 before January 1, 2000.

18 (2) The tax imposed under subsection (1) of this section must be  
19 deducted from the amount of tax otherwise required to be collected or  
20 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  
7 adopted county overall economic development plan, or the economic  
8 development section of the county's comprehensive plan, or the  
9 comprehensive plan of a city or town located within the county for  
10 those counties planning under RCW 36.70A.040, or provide affordable  
11 workforce housing infrastructure or facilities. 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, or  
16 provide affordable workforce housing infrastructure or facilities.

17 (b) In implementing this section, the county must consult with  
18 cities, towns, and port districts located within the county and the  
19 associate development organization serving the county to ensure that  
20 the expenditure meets the goals of chapter 130, Laws of 2004 and the  
21 requirements of (a) of this subsection. Each county collecting money  
22 under this section must report, as follows, to the office of the  
23 state auditor, within (~~one hundred fifty~~) 150 days after the close  
24 of each fiscal year: (i) A list of new projects begun during the  
25 fiscal year, showing that the county has used the funds for those  
26 projects consistent with the goals of chapter 130, Laws of 2004 and  
27 the requirements of (a) of this subsection; and (ii) expenditures  
28 during the fiscal year on projects begun in a previous year. Any  
29 projects financed prior to June 10, 2004, from the proceeds of  
30 obligations to which the tax imposed under subsection (1) of this  
31 section has been pledged may not be deemed to be new projects under  
32 this subsection. No new projects funded with money collected under  
33 this section may be for justice system facilities.

34 (c) The definitions in this section apply throughout this  
35 section.

36 (i) "Public facilities" means bridges, roads, domestic and  
37 industrial water facilities, sanitary sewer facilities, earth  
38 stabilization, storm sewer facilities, railroads, electrical  
39 facilities, natural gas facilities, research, testing, training, and  
40 incubation facilities in innovation partnership zones designated

1 under RCW 43.330.270, buildings, structures, telecommunications  
2 infrastructure, transportation infrastructure, or commercial  
3 infrastructure, ~~((and))~~ port facilities in the state of Washington,  
4 or affordable workforce housing infrastructure or facilities.

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

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

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

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

25 (4) No tax may be collected under this section before July 1,  
26 1998.

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

30 (b) For counties imposing the tax at the rate of 0.09 percent  
31 before August 1, 2009, the tax expires on the date that is ~~((twenty-~~  
32 ~~five))~~ 25 years after the date that the 0.09 percent tax rate was  
33 first imposed by that county.

34 (5) For purposes of this section, "rural county" means a county  
35 with a population density of less than ~~((one-hundred))~~ 100 persons  
36 per square mile or a county smaller than ~~((two-hundred-twenty-five))~~  
37 225 square miles as determined by the office of financial management  
38 and published each year by the department for the period July 1st to  
39 June 30th.

Passed by the Senate March 7, 2022.  
Passed by the House March 2, 2022.  
Approved by the Governor March 24, 2022.  
Filed in Office of Secretary of State March 24, 2022.

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