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HOUSE BILL 2975

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Alexander, Pennington, Van Luven, Mulliken, Hatfield, Morris, Doumit, Eickmeyer, Kessler, Linville, Conway, Anderson and Gardner

Read first time 01/26/98. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to tax incentives for the development of job  
2 opportunities in distressed counties; amending RCW 82.14.370; adding a  
3 new section to chapter 44.28 RCW; creating a new section; and providing  
4 an effective date.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
7 promote the creation and the retention of jobs. To that end section 2,  
8 chapter . . . , Laws of 1998 (section 2 of this act) allows counties to  
9 provide public facilities that will attract and retain businesses,  
10 thereby creating and maintaining jobs.

11 **Sec. 2.** RCW 82.14.370 and 1997 c 366 s 3 are each amended to read  
12 as follows:

13 (1) The legislative authority of a distressed county may impose a  
14 sales and use tax in accordance with the terms of this chapter. The  
15 tax is in addition to other taxes authorized by law and shall be  
16 collected from those persons who are taxable by the state under  
17 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
18 within the county. The rate of tax shall not exceed (~~0.04~~) 0.12

1 percent of the selling price in the case of a sales tax or value of the  
2 article used in the case of a use tax.

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

8 (3) Moneys collected under this section shall only be used for the  
9 purpose of financing qualifying public facilities in rural counties.  
10 The public facility must be listed as an item in the officially adopted  
11 county overall economic development plan or the economic development  
12 section of the comprehensive plan for those counties planning under RCW  
13 36.70A.040, or, for those counties who do not plan under the growth  
14 management act and do not have an adopted overall economic development  
15 plan, the public facility must be listed in the county's capital  
16 facilities plan. For the purposes of this section, "public facilities"  
17 means bridges, roads, domestic and industrial water, sanitary sewer,  
18 storm sewer, railroad, electricity, natural gas, buildings or  
19 structures, and port facilities, in the state of Washington.

20 (4) No tax may be collected under this section before July 1, 1998.  
21 No tax may be collected under this section by a county more than  
22 twenty-five years after the date that a tax is first imposed under this  
23 section.

24 (5) For purposes of this section, "distressed county" means a  
25 county in which the average level of unemployment for the three years  
26 before the year in which a tax is first imposed under this section  
27 exceeds the average state ((~~employment~~)) unemployment for those years  
28 by twenty percent.

29 NEW SECTION. Sec. 3. A new section is added to chapter 44.28 RCW  
30 to read as follows:

31 The joint committee shall review and study the public facility  
32 financing program under RCW 82.14.370 and make a report to the  
33 legislature in January 2002. The report must include the local  
34 revenues generated by the tax, the facilities constructed, and to the  
35 extent possible, the number of jobs in each county created or retained  
36 due to this public facility financing program.

1      NEW SECTION.    **Sec. 4.**    This act takes effect July 1, 1998.

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