H-3057.1

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**SUBSTITUTE HOUSE BILL 2428**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** House Local Government (originally sponsored by Representatives Klicker, Rude, and Springer)

AN ACT Relating to allowing cities to voluntarily share certain sales and use tax revenue; adding a new section to chapter 39.34 RCW; and adding a new section to chapter 82.14 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 39.34 RCW to read as follows:

(1) Cities and towns may enter into an agreement under this chapter to share a portion of general purpose sales and use tax revenue collected under RCW 82.14.030.

(2) Any agreement to share such revenue must specify, in addition to the conditions required to be included under RCW 39.34.030, the following:

(a) If the agreement applies only to sales and use tax revenue collected in a certain area or areas, then the area or areas in which it is applicable, and how the parties to the agreement will calculate the revenue collected in those areas;

(b) The amount or proportion of the sales and use tax revenue that is to be shared; and

(c) The precise mechanism or method that will be used by the parties to the agreement to share the revenue.

(3) This section shall not be construed to diminish or reduce the authority of local governments to enter into agreements under this chapter or as otherwise allowed by law.

NEW SECTION. **Sec.**  A new section is added to chapter 82.14 RCW to read as follows:

Revenue from a sales and use tax imposed by a city under RCW 82.14.030 (1) and (2) may be shared with another city as part of an agreement entered into pursuant to section 1 of the act.

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