

SENATE BILL REPORT

SB 5729

As of February 20, 2003

Title: An act relating to economic development.

Brief Description: Authorizing a county sales and use tax to fund economic development.

Sponsors: Senators West, Brown, Sheahan, Reardon and Schmidt.

Brief History:

Committee Activity: Economic Development: 2/21/03.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

Staff: Jack Brummel (786-7428)

Background: A sales tax is imposed on the retail sale of most items of tangible personal property and some services. A use tax is imposed on the use of an item in Washington, when the acquisition of the item or service has not been subject to sales tax. The legislative authority of a rural county may impose a 0.08 percent sales and use tax which is credited against the state sales and use tax and must be used to finance public facilities that are listed on local plans.

Summary of Substitute Bill: County legislative authorities may submit to voters a proposition imposing a sales and use tax of 0.01 percent. A minimum of 25 percent of the tax collected is used for economic development and any remainder must be used for public improvements. Counties imposing the tax are to appoint an economic development advisory committee which provides recommendations on how the tax should be spent. Expenditures of the tax receipts must be specifically identified in the county budget.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.