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SENATE BILL 5370

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State of Washington                      59th Legislature                      2005 Regular Session

By Senators Brown, Benson, Shin, Sheldon, Eide, Kohl-Welles and McAuliffe

Read first time 01/21/2005. Referred to Committee on International Trade & Economic Development.

1            AN ACT Relating to the economic development strategic reserve  
2 account; amending RCW 67.70.190, 82.45.060, and 82.16.020; and adding  
3 a new section to chapter 43.330 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 43.330 RCW  
6 to read as follows:

7            (1) The economic development strategic reserve account is created  
8 in the state treasury. Expenditures from the account may only be used  
9 to:

10            (a) Provide support to the economic development commission;

11            (b) Implement economic development projects consistent with the  
12 state's economic development strategy as updated by the economic  
13 development commission; or

14            (c) Provide interim financing to augment existing public or  
15 industry association economic development programs.

16            (2) Only the director of the department of community, trade, and  
17 economic development, or the director's designee, may authorize  
18 expenditures from the account. The director shall authorize funding

1 for a minimum of one full-time equivalent staff position for the  
2 economic development commission.

3 (3) The director shall not fund projects unless:

4 (a) The project is or will be supported by the maximum feasible  
5 amount of local and private financial participation;

6 (b) The project will produce significant long-term, regional, or  
7 statewide economic impacts;

8 (c) The project will not require continuing state subsidies;

9 (d) The project will not supplant private investment or duplicate  
10 similar efforts; and

11 (e) The project will result in new jobs, job retention, or higher  
12 incomes for Washingtonians.

13 **Sec. 2.** RCW 67.70.190 and 1994 c 218 s 5 are each amended to read  
14 as follows:

15 Unclaimed prizes shall be retained in the state lottery account for  
16 the person entitled thereto for one hundred eighty days after the  
17 drawing in which the prize is won, or after the official end of the  
18 game for instant prizes. If no claim is made for the prize within this  
19 time, the prize shall be (~~retained in the state lottery fund for~~  
20 ~~further use as prizes,~~) deposited in the economic development  
21 strategic reserve account created in section 1 of this act and all  
22 rights to the prize shall be extinguished.

23 **Sec. 3.** RCW 82.45.060 and 2000 c 103 s 15 are each amended to read  
24 as follows:

25 There is imposed an excise tax upon each sale of real property at  
26 the rate of one and twenty-eight one-hundredths percent of the selling  
27 price. An amount equal to seven and seven-tenths percent of the  
28 proceeds of this tax to the state treasurer shall be deposited in the  
29 public works assistance account created in RCW 43.155.050. An amount  
30 equal to one and one-half percent of the proceeds of this tax to the  
31 state treasurer shall be deposited in the economic development  
32 strategic reserve account created in section 1 of this act.

33 **Sec. 4.** RCW 82.16.020 and 1996 c 150 s 2 are each amended to read  
34 as follows:

35 (1) There is levied and there shall be collected from every person

1 a tax for the act or privilege of engaging within this state in any one  
2 or more of the businesses herein mentioned. The tax shall be equal to  
3 the gross income of the business, multiplied by the rate set out after  
4 the business, as follows:

5 (a) Express, sewerage collection, and telegraph businesses: Three  
6 and six-tenths percent;

7 (b) Light and power business: Three and sixty-two one-hundredths  
8 percent;

9 (c) Gas distribution business: Three and six-tenths percent;

10 (d) Urban transportation business: Six-tenths of one percent;

11 (e) Vessels under sixty-five feet in length, except tugboats,  
12 operating upon the waters within the state: Six-tenths of one percent;

13 (f) Motor transportation, railroad, railroad car, and tugboat  
14 businesses, and all public service businesses other than ones mentioned  
15 above: One and eight-tenths of one percent;

16 (g) Water distribution business: Four and seven-tenths percent.

17 (2) An additional tax is imposed equal to the rate specified in RCW  
18 82.02.030 multiplied by the tax payable under subsection (1) of this  
19 section.

20 (3) Twenty percent of the moneys collected under subsection (1) of  
21 this section on water distribution businesses and sixty percent of the  
22 moneys collected under subsection (1) of this section on sewerage  
23 collection businesses shall be deposited in the public works assistance  
24 account created in RCW 43.155.050.

25 (4) Five percent of the moneys collected under subsection (1) of  
26 this section on light and power businesses and five percent of the  
27 moneys collected under subsection (1) of this section on gas  
28 distribution businesses shall be deposited in the economic development  
29 strategic reserve account created in section 1 of this act.

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