
HOUSE BILL 2596

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Chandler, Warnick, Ross, Johnson, and Haler

Read first time 01/22/14. Referred to Committee on Agriculture & Natural Resources.

1 AN ACT Relating to providing that sales and use taxes imposed by
2 rural counties may be used for purchasing water rights for water
3 banking; 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 read
6 as follows:

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

17 (2) The tax imposed under subsection (1) of this section must be
18 deducted from the amount of tax otherwise required to be collected or

1 paid over to the department of revenue under chapter 82.08 or 82.12
2 RCW. The department of revenue must perform the collection of such
3 taxes on behalf of the county at no cost to the county.

4 (3)(a) Moneys collected under this section may only be used to
5 finance public facilities serving economic development purposes in
6 rural counties (~~and~~), to finance personnel in economic development
7 offices, and for the purchase of rights of water for the purpose of
8 water banking, subject to subsection (5) of this section. The public
9 facility must be listed as an item in the officially adopted county
10 overall economic development plan, or the economic development section
11 of the county's comprehensive plan, or the comprehensive plan of a city
12 or town located within the county for those counties planning under RCW
13 36.70A.040. For those counties that do not have an adopted overall
14 economic development plan and do not plan under the growth management
15 act, the public facility must be listed in the county's capital
16 facilities plan or the capital facilities plan of a city or town
17 located within the county.

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

35 (c) The definitions in this (~~section~~) subsection apply throughout
36 this section.

37 (i) "Public facilities" means bridges, roads, domestic and
38 industrial water facilities, sanitary sewer facilities, earth

1 stabilization, storm sewer facilities, railroads, electrical
2 facilities, natural gas facilities, research, testing, training, and
3 incubation facilities in innovation partnership zones designated under
4 RCW 43.330.270, buildings, structures, telecommunications
5 infrastructure, transportation infrastructure, or commercial
6 infrastructure, and port facilities in the state of Washington.

7 (ii) "Economic development purposes" means those purposes which
8 facilitate the creation or retention of businesses and jobs in a
9 county.

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

14 (iv) "Rural county" means a county with a population density of
15 less than one hundred persons per square mile or a county smaller than
16 two hundred twenty-five square miles as determined by the office of
17 financial management and published each year by the department for the
18 period July 1st to June 30th.

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

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

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

27 ~~(5) ((For purposes of this section, "rural county" means a county~~
28 ~~with a population density of less than one hundred persons per square~~
29 ~~mile or a county smaller than two hundred twenty-five square miles as~~
30 ~~determined by the office of financial management and published each~~
31 ~~year by the department for the period July 1st to June 30th.))~~ Water
32 rights may only be purchased in water basins in counties where the
33 department of ecology and the county concur that groundwater has been
34 over appropriated.

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