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ENGROSSED SUBSTITUTE HOUSE BILL 1333

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State of Washington

67th Legislature

2021 Regular Session

By House Finance (originally sponsored by Representatives Tharinger, Steele, Hackney, and Lekanoff)

READ FIRST TIME 02/22/21.

1 AN ACT Relating to providing an extension to the local sales and  
2 use tax for public facilities in rural counties; and amending RCW  
3 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  
6 read as follows:

7 (1) The legislative authority of a rural county may impose a  
8 sales and use tax in accordance with the terms of this chapter. The  
9 tax is in addition to other taxes authorized by law and must be  
10 collected from those persons who are taxable by the state under  
11 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
12 within the county. The rate of tax may not exceed 0.09 percent of the  
13 selling price in the case of a sales tax or value of the article used  
14 in the case of a use tax, except that for rural counties with  
15 population densities between sixty and one hundred persons per square  
16 mile, the rate shall 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  
19 paid over to the department of revenue under chapter 82.08 or 82.12  
20 RCW. The department of revenue must perform the collection of such  
21 taxes on behalf of the county at no cost to the county.

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

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

30 (c) The definitions in this section apply throughout this  
31 section.

32 (i) "Public facilities" means bridges, roads, domestic and  
33 industrial water facilities, sanitary sewer facilities, earth  
34 stabilization, storm sewer facilities, railroads, electrical  
35 facilities, natural gas facilities, research, testing, training, and  
36 incubation facilities in innovation partnership zones designated  
37 under RCW 43.330.270, buildings, structures, telecommunications  
38 infrastructure, transportation infrastructure, or commercial  
39 infrastructure, and port facilities in the state of Washington.

1 (ii) "Economic development purposes" means those purposes which  
2 facilitate the creation or retention of businesses and jobs in a  
3 county.

4 (iii) "Economic development office" means an office of a county,  
5 port districts, or an associate development organization as defined  
6 in RCW 43.330.010, which promotes economic development purposes  
7 within the county.

8 (4) No tax may be collected under this section before July 1,  
9 1998.

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

13 (b) For counties imposing the tax (~~(at the rate of 0.09 percent)~~)  
14 before August 1, 2009, and meeting the definition of a rural county  
15 as of August 1, 2009, the tax expires on (~~(the date that is twenty-~~  
16 ~~five years after the date that the 0.09 percent tax rate was first~~  
17 ~~imposed by that county)~~) December 31, 2054.

18 (5) For purposes of this section, "rural county" means a county  
19 with a population density of less than one hundred persons per square  
20 mile or a county smaller than two hundred twenty-five square miles as  
21 determined by the office of financial management (~~(and published each~~  
22 ~~year by the department for the period July 1st to June 30th)~~)  
23 pursuant to RCW 43.62.035.

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