AN ACT Relating to expanding the use of the rural counties public facilities sales and use tax to include affordable workforce housing; and amending RCW 82.14.370.

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

Sec. 1. RCW 82.14.370 and 2012 c 225 s 4 are each amended to read as follows:

(1) The legislative authority of a rural county may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county. The rate of tax may not exceed 0.09 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax, except that for rural counties with population densities between 60 and 100 persons per square mile, the rate shall not exceed 0.04 percent before January 1, 2000.

(2) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12.
RCW. The department of revenue must perform the collection of such
taxes on behalf of the county at no cost to the county.

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

(b) In implementing this section, the county must consult with
cities, towns, and port districts located within the county and the
associate development organization serving the county to ensure that
the expenditure meets the goals of chapter 130, Laws of 2004 and the
requirements of (a) of this subsection. Each county collecting money
under this section must report, as follows, to the office of the
state auditor, within ((one hundred fifty)) 150 days after the close
of each fiscal year: (i) A list of new projects begun during the
fiscal year, showing that the county has used the funds for those
projects consistent with the goals of chapter 130, Laws of 2004 and
the requirements of (a) of this subsection; and (ii) expenditures
during the fiscal year on projects begun in a previous year. Any
projects financed prior to June 10, 2004, from the proceeds of
obligations to which the tax imposed under subsection (1) of this
section has been pledged may not be deemed to be new projects under
this subsection. No new projects funded with money collected under
this section may be for justice system facilities.

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

(i) "Public facilities" means bridges, roads, domestic and
industrial water facilities, sanitary sewer facilities, earth
stabilization, storm sewer facilities, railroads, electrical
facilities, natural gas facilities, research, testing, training, and
incubation facilities in innovation partnership zones designated

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under RCW 43.330.270, buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and) port facilities in the state of Washington, or affordable workforce housing infrastructure or facilities.

(ii) "Economic development purposes" means those purposes which facilitate the creation or retention of businesses and jobs in a county, including affordable workforce housing infrastructure or facilities.

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

(iv) "Affordable workforce housing infrastructure or facilities" means housing infrastructure or facilities for a single person, family, or unrelated persons living together whose income is at least 60 percent and no more than 120 percent of the median income, adjusted for housing size, for the county where the housing is located.

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

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

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

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

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