

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1987

Chapter 58, Laws of 2024

68th Legislature
2024 Regular Session

RURAL PUBLIC FACILITIES SALES AND USE TAX—USE FOR WORKFORCE HOUSING

EFFECTIVE DATE: June 6, 2024

Passed by the House February 12, 2024
Yeas 97 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate February 27,
2024
Yeas 48 Nays 1

DENNY HECK

President of the Senate

Approved March 13, 2024 1:58 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1987** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 14, 2024

**Secretary of State
State of Washington**

HOUSE BILL 1987

Passed Legislature - 2024 Regular Session

State of Washington

68th Legislature

2024 Regular Session

By Representatives Low, Ramel, Ryu, Eslick, Timmons, Paul, Ramos, Reed, Chapman, Ormsby, Graham, Doglio, Sandlin, Lekanoff, Tharinger, and Santos

Prefiled 12/19/23. Read first time 01/08/24. Referred to Committee on Local Government.

1 AN ACT Relating to the use of moneys from the rural public
2 facilities sales and use tax for affordable workforce housing
3 infrastructure and facilities; 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 2023 c 411 s 1 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 60 and 100 persons per square mile, the
16 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~~):

3 (i) Finance public facilities serving economic development
4 purposes in rural counties (~~and finance~~);

5 (ii) Finance the construction of affordable workforce housing
6 infrastructure or facilities; and

7 (iii) Finance personnel in economic development offices.

8 (b) The public facility must be listed as an item in the
9 officially adopted county overall economic development plan, or the
10 economic development section of the county's comprehensive plan, or
11 the comprehensive plan of a city or town located within the county
12 for those counties planning under RCW 36.70A.040, or provide
13 affordable workforce housing infrastructure or facilities. For those
14 counties that do not have an adopted overall economic development
15 plan and do not plan under the growth management act, the public
16 facility must be listed in the county's capital facilities plan or
17 the capital facilities plan of a city or town located within the
18 county, or provide affordable workforce housing infrastructure or
19 facilities.

20 (~~(b)~~) (c) In implementing this section, the county must consult
21 with cities, towns, and port districts located within the county and
22 the associate development organization serving the county to ensure
23 that the expenditure of money collected under this section meets the
24 goals of creating, attracting, expanding, and retaining businesses,
25 providing family-wage jobs, and providing affordable workforce
26 housing infrastructure or facilities and the use of money collected
27 under this section meets the requirements of (a) and (b) of this
28 subsection. Each county collecting money under this section must
29 provide a report to the office of the state auditor within 150 days
30 after the close of each fiscal year identifying in detail each new
31 and continuing public facility project, economic development purpose
32 project, affordable workforce housing infrastructure or facilities
33 project, economic development staff position, and qualifying provider
34 project funded with the tax authorized under this section and the
35 amount of tax proceeds allocated to such project or position in the
36 prior fiscal year. Any projects financed prior to June 10, 2004, from
37 the proceeds of obligations to which the tax imposed under subsection
38 (1) of this section has been pledged may not be deemed to be new
39 projects under this subsection. No new projects funded with money
40 collected under this section may be for justice system facilities.

1 ~~((e))~~ (4) The definitions in this section apply throughout this
2 section.

3 ~~((i))~~ (a) "Public facilities" means bridges, roads, domestic
4 and industrial water facilities, sanitary sewer facilities, earth
5 stabilization, storm sewer facilities, railroads, electrical
6 facilities, natural gas facilities, research, testing, training, and
7 incubation facilities in innovation partnership zones designated
8 under RCW 43.330.270, buildings, structures, telecommunications
9 infrastructure, transportation infrastructure, or commercial
10 infrastructure, or port facilities in the state of Washington(~~(7-09~~
11 ~~affordable workforce housing infrastructure or facilities)~~).

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

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

20 ~~((iv))~~ (d) "Affordable workforce housing infrastructure or
21 facilities" means housing infrastructure ~~((or))~~, facilities, or land
22 that a qualifying provider owns or uses for housing for ~~((a))~~ single
23 persons, ~~((family))~~ families, or unrelated persons living together
24 whose income is no more than 120 percent of the median income,
25 adjusted for housing size, for the county where the housing is
26 located.

27 ~~((v))~~ (e) "Qualifying provider" means a nonprofit entity as
28 defined in RCW 84.36.560, a nonprofit entity or qualified cooperative
29 association as defined in RCW 84.36.049, a housing authority created
30 under RCW 35.82.030 or 35.82.300, a public corporation established
31 under RCW 35.21.660 or 35.21.730, or a county or municipal
32 corporation.

33 ~~((4))~~ (5) No tax may be collected under this section before
34 July 1, 1998.

35 (a) Except as provided in (b) of this subsection, no tax may be
36 collected under this section by a county more than 25 years after the
37 date that a tax is first imposed under this section.

38 (b) For counties imposing the tax before August 1, 2009, and
39 meeting the definition of a rural county as of August 1, 2009, the
40 tax expires December 31, 2054.

1 (~~(5)~~) (6) By December 31, 2024, the state auditor must provide
2 a publicly accessible report on its website containing the project
3 information and other expenditure information included in the annual
4 report required under subsection (3)(~~(b)~~) (c) of this section for
5 each county. The publicly accessible report must also include the
6 total amount of revenue collected by the county under this section in
7 the prior fiscal year. The state auditor must develop a standardized
8 expenditure report for the project information and other expenditure
9 information included in the annual report submitted by counties. This
10 subsection applies to reports filed beginning in 2024 based on 2023
11 expenditures and thereafter.

12 (~~(6)~~) (7) For purposes of this section, "rural county" means a
13 county with a population density of less than 100 persons per square
14 mile or a county smaller than 225 square miles as determined by the
15 office of financial management pursuant to RCW 43.62.035.

Passed by the House February 12, 2024.
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