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**SENATE BILL 5315**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Gildon, Salomon, and Nobles; by request of Department of Revenue

Read first time 01/16/25. Referred to Committee on Local Government.

1 AN ACT Relating to standardizing notification provisions relating  
2 to local tax rate changes and shared taxes administered by the  
3 department; and amending RCW 82.14.055, 82.14.390, and 82.14.485.

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

5 **Sec. 1.** RCW 82.14.055 and 2016 c 46 s 1 are each amended to read  
6 as follows:

7 (1) Except as provided in subsections (2), (3), and ~~((+4))~~ (5)  
8 of this section, a local sales and use tax change may take effect (a)  
9 no sooner than ~~((seventy-five))~~ 75 days after the department  
10 ~~((receives notice))~~ is notified in writing of the change and (b) only  
11 on the first day of January, April, or July.

12 (2) In the case of a local sales and use tax that is a credit  
13 against the state sales tax or use tax, a local sales and use tax  
14 change may take effect (a) no sooner than ~~((thirty))~~ 30 days after  
15 the department ~~((receives notice))~~ is notified in writing of the  
16 change and (b) only on the first day of a month.

17 (3)(a) A local sales and use tax rate increase imposed on  
18 services applies to the first billing period starting on or after the  
19 effective date of the increase.

1 (b) A local sales and use tax rate decrease imposed on services  
2 applies to bills rendered on or after the effective date of the  
3 decrease.

4 (c) For the purposes of this subsection (3), "services" means  
5 retail services such as installing and constructing and retail  
6 services such as telecommunications, but does not include services  
7 such as tattooing.

8 (4) Authorized authorities contracting with the department under  
9 RCW 82.14.050(1) that make a local sales and use tax change must  
10 notify the department in writing of the change and provide a copy of  
11 the signed ordinance or resolution. If the local sales and use tax  
12 change results from an annexation, the written notification must also  
13 include a copy of the complete ordinance containing a legal  
14 description, a map showing specifically the boundaries of the annexed  
15 territory, and a list of all included parcel numbers in the annexed  
16 territory.

17 (5) For the purposes of this section, "local sales and use tax  
18 change" means enactment or revision of local sales and use taxes  
19 under this chapter or any other statute, including changes resulting  
20 from referendum or annexation.

21 **Sec. 2.** RCW 82.14.390 and 2017 c 164 s 1 are each amended to  
22 read as follows:

23 (1) Except as provided in subsection (7) of this section, the  
24 governing body of a public facilities district (a) created before  
25 July 31, 2002, under chapter 35.57 or 36.100 RCW that commenced  
26 construction of at least one new regional center, or improvement or  
27 rehabilitation of an existing new regional center, before January 1,  
28 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a  
29 county or counties in which there are no other public facilities  
30 districts on June 7, 2006, and in which the total population in the  
31 public facilities district is greater than (~~ninety thousand~~) 90,000  
32 that commenced construction of a new regional center before February  
33 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or  
34 (d) created before September 1, 2007, under chapter 35.57 or 36.100  
35 RCW, in a county or counties in which there are no other public  
36 facilities districts on July 22, 2007, and in which the total  
37 population in the public facilities district is greater than  
38 (~~seventy thousand~~) 70,000, that commenced construction of a new  
39 regional center before January 1, 2009, or before January 1, 2011, in

1 the case of a new regional center in a county designated by the  
2 president as a disaster area in December 2007, may impose a sales and  
3 use tax in accordance with the terms of this chapter. The tax is in  
4 addition to other taxes authorized by law and must be collected from  
5 those persons who are taxable by the state under chapters 82.08 and  
6 82.12 RCW upon the occurrence of any taxable event within the public  
7 facilities district. The rate of tax may not exceed 0.033 percent of  
8 the selling price in the case of a sales tax or value of the article  
9 used in the case of a use tax.

10 (2) (a) The governing body of a public facilities district  
11 imposing a sales and use tax under the authority of this section may  
12 increase the rate of tax up to 0.037 percent if, within three fiscal  
13 years of July 1, 2008, the department determines that, as a result of  
14 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
15 82.14.020, a public facilities district's sales and use tax  
16 collections for fiscal years after July 1, 2008, have been reduced by  
17 a net loss of at least 0.50 percent from the fiscal year before July  
18 1, 2008. The fiscal year in which this section becomes effective is  
19 the first fiscal year after July 1, 2008.

20 (b) The department must determine sales and use tax collection  
21 net losses under this section (~~as provided in RCW 82.14.500 (2) and~~  
22 ~~(3)~~). The department must provide written notice of its  
23 determinations to public facilities districts. Determinations by the  
24 department of a public facilities district's sales and use tax  
25 collection net losses as a result of RCW 82.14.490 and the chapter 6,  
26 Laws of 2007 amendments to RCW 82.14.020 are final and not  
27 appealable.

28 (c) A public facilities district may increase its rate of tax  
29 after it has received written notice from the department as provided  
30 in (b) of this subsection. The increase in the rate of tax must be  
31 made in 0.001 percent increments and must be the least amount  
32 necessary to mitigate the net loss in sales and use tax collections  
33 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
34 amendments to RCW 82.14.020. The increase in the rate of tax is  
35 subject to RCW 82.14.055.

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

1 district. (~~During the 2011-2013 fiscal biennium, distributions by~~  
2 ~~the state to a public facilities district based on the additional~~  
3 ~~rate authorized in subsection (2) of this section must be reduced by~~  
4 ~~3.4 percent.~~)

5 (4) (a) No tax may be collected under this section before August  
6 1, 2000. The tax imposed in this section expires when bonds issued to  
7 finance or refinance the construction, improvement, rehabilitation,  
8 or expansion of the regional center and related parking facilities  
9 are retired, but not more than (~~forty~~) 40 years after the tax is  
10 first collected.

11 (b) A public facilities district that imposes the tax under this  
12 section must notify the department in writing of the actual date the  
13 bonds will be retired.

14 (c) Notification of a bond's actual retirement date must be made  
15 at least 75 days before retirement.

16 (5) Moneys collected under this section may only be used for the  
17 purposes set forth in RCW 35.57.020 and must be matched with an  
18 amount from other public or private sources equal to (~~thirty-three~~)  
19 33 percent of the amount collected under this section; however,  
20 amounts generated from nonvoter approved taxes authorized under  
21 chapter 35.57 RCW or nonvoter approved taxes authorized under chapter  
22 36.100 RCW do not constitute a public or private source. For the  
23 purpose of this section, public or private sources includes, but is  
24 not limited to cash or in-kind contributions used in all phases of  
25 the development or improvement of the regional center, land that is  
26 donated and used for the siting of the regional center, cash or in-  
27 kind contributions from public or private foundations, or amounts  
28 attributed to private sector partners as part of a public and private  
29 partnership agreement negotiated by the public facilities district.

30 (6) The combined total tax levied under this section may not be  
31 greater than 0.037 percent. If both a public facilities district  
32 created under chapter 35.57 RCW and a public facilities district  
33 created under chapter 36.100 RCW impose a tax under this section, the  
34 tax imposed by a public facilities district created under chapter  
35 35.57 RCW must be credited against the tax imposed by a public  
36 facilities district created under chapter 36.100 RCW.

37 (7) A public facilities district created under chapter 36.100 RCW  
38 is not eligible to impose the tax under this section if the  
39 legislative authority of the county where the public facilities

1 district is located has imposed a sales and use tax under RCW  
2 82.14.0485 or 82.14.0494.

3 **Sec. 3.** RCW 82.14.485 and 2017 c 164 s 2 are each amended to  
4 read as follows:

5 (1) In a county with a population under (~~three hundred~~  
6 ~~thousand~~) 300,000, the governing body of a public facilities  
7 district, which is created before August 1, 2001, under chapter 35.57  
8 RCW or before January 1, 2000, under chapter 36.100 RCW, in which the  
9 total population in the public facilities district is greater than  
10 (~~ninety thousand~~) 90,000 and less than (~~one hundred thousand~~)  
11 100,000 that commences improvement or rehabilitation of an existing  
12 regional center, to be used for community events, and artistic,  
13 musical, theatrical, or other cultural exhibitions, presentations, or  
14 performances and having (~~two thousand~~) 2,000 or fewer permanent  
15 seats, before January 1, 2009, may impose a sales and use tax in  
16 accordance with the terms of this chapter. The tax is in addition to  
17 other taxes authorized by law and must be collected from those  
18 persons who are taxable by the state under chapters 82.08 and 82.12  
19 RCW upon the occurrence of any taxable event within the public  
20 facilities district. The rate of tax for a public facilities district  
21 created prior to August 1, 2001, under chapter 35.57 RCW, may not  
22 exceed 0.025 percent of the selling price in the case of a sales tax  
23 or value of the article used in the case of a use tax. The rate of  
24 tax, for a public facilities district created prior to January 1,  
25 2000, under chapter 36.100 RCW, may not exceed 0.020 percent of the  
26 selling price in the case of a sales tax or the value of the article  
27 used in the case of a use tax.

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

33 (3) (a) The tax imposed in this section expires when bonds issued  
34 to finance or refinance the construction, improvement,  
35 rehabilitation, or expansion of the regional center and related  
36 parking facilities are retired, but not more than (~~forty~~) 40 years  
37 after the tax is first collected.

38 (b) A public facilities district that imposes the tax under this  
39 section must notify the department in writing, at least 75 days

1 before retiring the bonds described in (a) of this subsection, of the  
2 actual date the bond will be retired.

3 (4) Moneys collected under this section may only be used for the  
4 purposes set forth in RCW 35.57.020 and must be matched with an  
5 amount from other public or private sources equal to (~~thirty-three~~)  
6 33 percent of the amount collected under this section, provided that  
7 amounts generated from nonvoter-approved taxes authorized under  
8 chapter 35.57 RCW may not constitute a public or private source. For  
9 the purpose of this section, public or private sources include, but  
10 are not limited to cash or in-kind contributions used in all phases  
11 of the development or improvement of the regional center, land that  
12 is donated and used for the siting of the regional center, cash or  
13 in-kind contributions from public or private foundations, or amounts  
14 attributed to private sector partners as part of a public and private  
15 partnership agreement negotiated by the public facilities district.

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