
SUBSTITUTE SENATE BILL 6797

State of Washington

60th Legislature

2008 Regular Session

By Senate Economic Development, Trade & Management (originally sponsored by Senators Kastama and Kilmer)

READ FIRST TIME 02/07/08.

1 AN ACT Relating to sales and use tax for public facilities in urban
2 counties; adding a new section to chapter 82.14 RCW; and providing an
3 effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14 RCW
6 to read as follows:

7 (1) The legislative authority of an eligible 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.

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

1 (3)(a) Distributions of the tax imposed under the authority of this
2 section may not exceed five million dollars in any county in any
3 calendar year. Any revenue generated by the tax in excess of five
4 million dollars belongs to the state.

5 (b) If the limit in (a) of this subsection is met in any calendar
6 year, the department will resume distributions in January of the
7 following calendar year.

8 (4)(a) Moneys collected under this section must only be used to
9 finance public facilities that support traded services and serve
10 economic development purposes in eligible counties. The public
11 facility must be listed as an item in the officially adopted county
12 overall economic development plan, or the economic development section
13 of the county's comprehensive plan, or the comprehensive plan of a city
14 or town located within the county for those counties planning under RCW
15 36.70A.040. For those counties that do not have an adopted overall
16 economic development plan and do not plan under the growth management
17 act, the public facility must be listed in the county's capital
18 facilities plan or the capital facilities plan of a city or town
19 located within the county.

20 (b) In implementing this section, the county must engage in a
21 process that provides the opportunity for the legislative authority of
22 the county and each city in the county in which a prospective project
23 is located, a port, and representatives of the local associate
24 development organization to review and approve project selection.
25 Selected projects must meet the requirements of (a) of this subsection.
26 Each county collecting money under this section must report, as
27 follows, to the office of the state auditor, within one hundred fifty
28 days after the close of each fiscal year: (i) A list of new projects
29 begun during the fiscal year, showing that the county has used the
30 funds for those projects consistent with the requirements of (a) of
31 this subsection; and (ii) expenditures during the fiscal year on
32 projects begun in a previous year. Justice system facilities may not
33 be funded with money collected under this section.

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

36 (i) "Public facilities" means bridges, roads, domestic and
37 industrial water facilities, sanitary sewer facilities, earth
38 stabilization, storm sewer facilities, railroad, electricity, natural

1 gas, buildings, structures, telecommunications infrastructure,
2 transportation infrastructure, or commercial infrastructure, and port
3 facilities in the state of Washington.

4 (ii) "Economic development purposes" means those purposes which
5 facilitate the creation or retention of businesses and jobs in a
6 county.

7 (iii) "Traded services" means those businesses, sectors, or
8 clusters that produce products or services that are exported out of the
9 local market and thereby bring new dollars into the market.

10 (5) No tax may be collected under this section before July 1, 2009.
11 No tax may be collected under this section by a county more than
12 twenty-five years after the date that a tax is first imposed under this
13 section.

14 (6) For purposes of this section, "eligible county" means a county
15 with a population density of one hundred persons or greater per square
16 mile and with a population that exceeds one hundred fifty thousand
17 persons as determined by RCW 36.13.100.

18 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2009.

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