

By Senators Hawkins and Kuderer

Expanding the use of the rural counties public facilities sales and use tax to include affordable workforce housing.

1 AN ACT Relating to expanding the use of the rural counties public
2 facilities sales and use tax to include affordable workforce housing;
3 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 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~~)) 60 and ((~~one hundred~~)) 100
16 persons per square mile, the rate shall not exceed 0.04 percent
17 before January 1, 2000.

18 (2) The tax imposed under subsection (1) of this section must be
19 deducted from the amount of tax otherwise required to be collected or
20 paid over to the department of revenue under chapter 82.08 or 82.12

1 RCW. The department of revenue must perform the collection of such
2 taxes on behalf of the county at no cost to the county.

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

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

34 (c) The definitions in this section 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, railroads, electrical
39 facilities, natural gas facilities, research, testing, training, and
40 incubation facilities in innovation partnership zones designated

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

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

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

13 (iv) "Affordable workforce housing infrastructure or facilities"
14 means housing infrastructure or facilities for a single person,
15 family, or unrelated persons living together whose income is at least
16 60 percent and no more than 120 percent of the median income,
17 adjusted for housing size, for the county where the housing is
18 located.

19 (4) No tax may be collected under this section before July 1,
20 1998.

21 (a) Except as provided in (b) of this subsection, no tax may be
22 collected under this section by a county more than ~~((twenty-five))~~ 25
23 years after the date that a tax is first imposed under this section.

24 (b) For counties imposing the tax at the rate of 0.09 percent
25 before August 1, 2009, the tax expires on the date that is ~~((twenty-~~
26 ~~five))~~ 25 years after the date that the 0.09 percent tax rate was
27 first imposed by that county.

28 (5) For purposes of this section, "rural county" means a county
29 with a population density of less than ~~((one-hundred))~~ 100 persons
30 per square mile or a county smaller than ~~((two-hundred-twenty-five))~~
31 225 square miles as determined by the office of financial management
32 and published each year by the department for the period July 1st to
33 June 30th.

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