

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1267

Chapter 411, Laws of 2023

68th Legislature
2023 Regular Session

RURAL PUBLIC FACILITIES SALES AND USE TAX—EXTENSION AND MODIFICATION

EFFECTIVE DATE: July 23, 2023

Passed by the House April 20, 2023
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate April 19, 2023
Yeas 47 Nays 2

DENNY HECK

President of the Senate

Approved May 11, 2023 9:38 AM

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 **SUBSTITUTE HOUSE BILL 1267** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 11, 2023

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1267

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By House Local Government (originally sponsored by Representatives Tharinger, Steele, and Ramel)

READ FIRST TIME 01/31/23.

1 AN ACT Relating to rural public facilities sales and use tax; and
2 amending RCW 82.14.370.

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

4 **Sec. 1.** RCW 82.14.370 and 2022 c 175 s 1 are each amended to
5 read as follows:

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

16 (2) The tax imposed under subsection (1) of this section must be
17 deducted from the amount of tax otherwise required to be collected or
18 paid over to the department of revenue under chapter 82.08 or 82.12
19 RCW. The department of revenue must perform the collection of such
20 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 public facilities serving economic development purposes in
3 rural counties and finance personnel in economic development offices.
4 The public facility must be listed as an item in the officially
5 adopted county overall economic development plan, or the economic
6 development section of the county's comprehensive plan, or the
7 comprehensive plan of a city or town located within the county for
8 those counties planning under RCW 36.70A.040, or provide affordable
9 workforce housing infrastructure or facilities. For those counties
10 that do not have an adopted overall economic development plan and do
11 not plan under the growth management act, the public facility must be
12 listed in the county's capital facilities plan or the capital
13 facilities plan of a city or town located within the county, or
14 provide affordable workforce housing infrastructure or facilities.

15 (b) In implementing this section, the county must consult with
16 cities, towns, and port districts located within the county and the
17 associate development organization serving the county to ensure that
18 the expenditure of money collected under this section meets the goals
19 of (~~chapter 130, Laws of 2004~~) creating, attracting, expanding, and
20 retaining businesses, providing family wage jobs, and providing
21 affordable workforce housing infrastructure or facilities and the use
22 of money collected under this section meets the requirements of (a)
23 of this subsection. Each county collecting money under this section
24 must provide a report(~~(, as follows,)~~) to the office of the state
25 auditor(~~(,)~~) within 150 days after the close of each fiscal year(~~(:~~
26 ~~(i) A list of new projects begun during the fiscal year, showing that~~
27 ~~the county has used the funds for those projects consistent with the~~
28 ~~goals of chapter 130, Laws of 2004 and the requirements of (a) of~~
29 ~~this subsection; and (ii) expenditures during the fiscal year on~~
30 ~~projects begun in a previous 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 (c) The definitions in this section apply throughout this
2 section.

3 (i) "Public facilities" means bridges, roads, domestic and
4 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, port facilities in the state of Washington, or
11 affordable workforce housing infrastructure or facilities.

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

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

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

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

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

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

37 (b) For counties imposing the tax (~~at the rate of 0.09 percent~~)
38 before August 1, 2009, and meeting the definition of a rural county
39 as of August 1, 2009, the tax expires (~~on the date that is 25 years~~

1 ~~after the date that the 0.09 percent tax rate was first imposed by~~
2 ~~that county)) December 31, 2054.~~

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

14 (6) For purposes of this section, "rural county" means a county
15 with a population density of less than 100 persons per square mile or
16 a county smaller than 225 square miles as determined by the office of
17 financial management (~~and published each year by the department for~~
18 ~~the period July 1st to June 30th)) pursuant to RCW 43.62.035.~~

Passed by the House April 20, 2023.

Passed by the Senate April 19, 2023.

Approved by the Governor May 11, 2023.

Filed in Office of Secretary of State May 11, 2023.

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