S-0573.1

SENATE BILL 5341

State of Washington   **67th Legislature**   **2021 Regular Session**

By Senator Wilson, J.

1   AN ACT Relating to increasing permissible uses of existing local
2 sales tax authority; and amending RCW 82.14.450.

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

4   **Sec. 1.** RCW 82.14.450 and 2010 c 127 s 1 are each amended to
5 read as follows:
6   (1) A county legislative authority may submit an authorizing
7 proposition to the county voters at a primary or general election
8 and, if the proposition is approved by a majority of persons voting,
9 impose a sales and use tax in accordance with the terms of this
10 chapter. The title of each ballot measure must clearly state the
11 purposes for which the proposed sales and use tax will be used. The
12 rate of tax under this section may not exceed three-tenths of one
13 percent of the selling price in the case of a sales tax, or value of
14 the article used, in the case of a use tax.
15   (2)(a) A city legislative authority may submit an authorizing
16 proposition to the city voters at a primary or general election and,
17 if the proposition is approved by a majority of persons voting,
18 impose a sales and use tax in accordance with the terms of this
19 chapter. The title of each ballot measure must clearly state the
20 purposes for which the proposed sales and use tax will be used. The
21 rate of tax under this subsection may not exceed one-tenth of one

1 percent of the selling price in the case of a sales tax, or value of
2 the article used, in the case of a use tax. A city may not begin
3 imposing a tax approved by the voters under this subsection prior to
4 January 1, 2011.

5   (b) If a county adopts an ordinance or resolution to submit a
6 ballot proposition to the voters to impose the sales and use tax
7 under subsection (1) of this section prior to a city within the
8 county adopting an ordinance or resolution to submit a ballot
9 proposition to the voters to impose the tax under this subsection,
10 the rate of tax by the city under this subsection may not exceed an
11 amount that would cause the total county and city tax rate under this
12 section to exceed three-tenths of one percent. This subsection (2)(b)
13 also applies if the county and city adopt an ordinance or resolution
14 to impose sales and use taxes under this section on the same date.

15   (c) If the city adopts an ordinance or resolution to submit a
16 ballot proposition to the voters to impose the sales and use tax
17 under this subsection prior to the county in which the city is
18 located, the county must provide a credit against its tax under
19 subsection (1) of this section for the city tax under this subsection
20 to the extent the total county and city tax rate under this section
21 would exceed three-tenths of one percent.

22   (3) The tax authorized in this section is in addition to any
23 other taxes authorized by law and must be collected from those
24 persons who are taxable by the state under chapters 82.08 and 82.12
25 RCW upon the occurrence of any taxable event within the county.

26   (4) The retail sale or use of motor vehicles, and the lease of
27 motor vehicles for up to the first thirty-six months of the lease,
28 are exempt from tax imposed under this section.

29   (5) One-third of all money received under this section must be
30 used solely for criminal justice purposes, fire protection purposes,
31 emergency medical services purposes, or ((both)) all. For the
32 purposes of this subsection, "criminal justice purposes" has the same
33 meaning as provided in RCW 82.14.340.

34   (6) Money received by a county under subsection (1) of this
35 section must be shared between the county and the cities as follows:
36 Sixty percent must be retained by the county and forty percent must
37 be distributed on a per capita basis to cities in the county.

38   (7) Tax proceeds received by a city imposing a tax under this
39 section must be shared between the county and city as follows:

1   Fifteen percent must be distributed to the county and eighty-five
2   percent is retained by the city.

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