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SENATE BILL 5405

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State of Washington                      55th Legislature                      1997 Regular Session

By Senators West, Deccio, Wojahn, Loveland, Hale and Bauer

Read first time 01/24/97. Referred to Committee on Ways & Means.

1            AN ACT Relating to public health financing through the county sales  
2 and use tax equalization account; amending RCW 70.05.125 and 82.14.200;  
3 providing an effective date; and declaring an emergency.

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

5            **Sec. 1.** RCW 70.05.125 and 1995 1st sp.s. c 15 s 1 are each amended  
6 to read as follows:

7            (1) The county public health account is created in the state  
8 treasury. Funds deposited in the county public health account shall be  
9 distributed by the state treasurer to each local public health  
10 jurisdiction based upon amounts certified to it by the department of  
11 community, trade, and economic development in consultation with the  
12 Washington state association of counties. The account shall include  
13 funds distributed under RCW 82.44.110 and such funds as are  
14 appropriated to the account from the health services account under RCW  
15 43.72.900, the public health services account under RCW 43.72.902, and  
16 such other funds as the legislature may appropriate to it.

17            (2)(a) The director of the department of community, trade, and  
18 economic development shall certify the amounts to be distributed to  
19 each local public health jurisdiction using 1995 as the base year of

1 actual city contributions to local public health. The county treasurer  
2 shall certify the actual 1995 city contribution to the department.  
3 Funds in excess of the base shall be distributed proportionately among  
4 the health jurisdictions based on incorporated population figures as  
5 last determined by the office of financial management.

6 (b) Only if funds are available and in an amount no greater than  
7 available funds under RCW 82.14.200(8), the department of community,  
8 trade, and economic development shall adjust the amount certified under  
9 (a) of this subsection to provide additional compensation to local  
10 health jurisdictions in the following order: (i) To counties in excess  
11 of one million in population as well as those counties who had cities  
12 that became newly incorporated as a result of an election during  
13 calendar year 1994 or 1995, and (ii) the balance to be distributed to  
14 all health jurisdictions on a state-wide per capita basis. Funds  
15 distributed to counties that had 1994 or 1995 incorporations shall be  
16 equal to the amount that otherwise would have been lost to the local  
17 health jurisdiction due to the incorporation as calculated using the  
18 local health jurisdiction's 1995 funding formula. After June 30, 1999,  
19 all funds available under RCW 82.14.200(8) shall be distributed on a  
20 state-wide per capita basis.

21 (3) Moneys distributed under this section shall be expended  
22 exclusively for local public health purposes.

23 **Sec. 2.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to  
24 read as follows:

25 There is created in the state treasury a special account to be  
26 known as the "county sales and use tax equalization account." Into  
27 this account shall be placed a portion of all motor vehicle excise tax  
28 receipts as provided in RCW 82.44.110(1)(f). Funds in this account  
29 shall be allocated by the state treasurer according to the following  
30 procedure:

31 (1) Prior to April 1st of each year the director of revenue shall  
32 inform the state treasurer of the total and the per capita levels of  
33 revenues for the unincorporated area of each county and the state-wide  
34 weighted average per capita level of revenues for the unincorporated  
35 areas of all counties imposing the sales and use tax authorized under  
36 RCW 82.14.030(1) for the previous calendar year.

37 (2) At such times as distributions are made under RCW 82.44.150, as  
38 now or hereafter amended, the state treasurer shall apportion to each

1 county imposing the sales and use tax under RCW 82.14.030(1) at the  
2 maximum rate and receiving less than one hundred fifty thousand dollars  
3 from the tax for the previous calendar year, an amount from the county  
4 sales and use tax equalization account sufficient, when added to the  
5 amount of revenues received the previous calendar year by the county,  
6 to equal one hundred fifty thousand dollars.

7 The department of revenue shall establish a governmental price  
8 index as provided in this subsection. The base year for the index  
9 shall be the end of the third quarter of 1982. Prior to November 1,  
10 1983, and prior to each November 1st thereafter, the department of  
11 revenue shall establish another index figure for the third quarter of  
12 that year. The department of revenue may use the implicit price  
13 deflators for state and local government purchases of goods and  
14 services calculated by the United States department of commerce to  
15 establish the governmental price index. Beginning on January 1, 1984,  
16 and each January 1st thereafter, the one hundred fifty thousand dollar  
17 base figure in this subsection shall be adjusted in direct proportion  
18 to the percentage change in the governmental price index from 1982  
19 until the year before the adjustment. Distributions made under this  
20 subsection for 1984 and thereafter shall use this adjusted base amount  
21 figure.

22 (3) Subsequent to the distributions under subsection (2) of this  
23 section and at such times as distributions are made under RCW  
24 82.44.150, as now or hereafter amended, the state treasurer shall  
25 apportion to each county imposing the sales and use tax under RCW  
26 82.14.030(1) at the maximum rate and receiving less than seventy  
27 percent of the state-wide weighted average per capita level of revenues  
28 for the unincorporated areas of all counties as determined by the  
29 department of revenue under subsection (1) of this section, an amount  
30 from the county sales and use tax equalization account sufficient, when  
31 added to the per capita level of revenues for the unincorporated area  
32 received the previous calendar year by the county, to equal seventy  
33 percent of the state-wide weighted average per capita level of revenues  
34 for the unincorporated areas of all counties determined under  
35 subsection (1) of this section, subject to reduction under subsections  
36 (6) and (7) of this section. When computing distributions under this  
37 section, any distribution under subsection (2) of this section shall be  
38 considered revenues received from the tax imposed under RCW  
39 82.14.030(1) for the previous calendar year.

1 (4) Subsequent to the distributions under subsection (3) of this  
2 section and at such times as distributions are made under RCW  
3 82.44.150, as now or hereafter amended, the state treasurer shall  
4 apportion to each county imposing the sales and use tax under RCW  
5 82.14.030(2) at the maximum rate and receiving a distribution under  
6 subsection (2) of this section, a third distribution from the county  
7 sales and use tax equalization account. The distribution to each  
8 qualifying county shall be equal to the distribution to the county  
9 under subsection (2) of this section, subject to the reduction under  
10 subsections (6) and (7) of this section. To qualify for the total  
11 distribution under this subsection, the county must impose the tax  
12 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
13 the tax for less than the full year shall qualify for prorated  
14 allocations under this subsection proportionate to the number of months  
15 of the year during which the tax is imposed.

16 (5) Subsequent to the distributions under subsection (4) of this  
17 section and at such times as distributions are made under RCW  
18 82.44.150, as now or hereafter amended, the state treasurer shall  
19 apportion to each county imposing the sales and use tax under RCW  
20 82.14.030(2) at the maximum rate and receiving a distribution under  
21 subsection (3) of this section, a fourth distribution from the county  
22 sales and use tax equalization account. The distribution to each  
23 qualifying county shall be equal to the distribution to the county  
24 under subsection (3) of this section, subject to the reduction under  
25 subsections (6) and (7) of this section. To qualify for the  
26 distributions under this subsection, the county must impose the tax  
27 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
28 the tax for less than the full year shall qualify for prorated  
29 allocations under this subsection proportionate to the number of months  
30 of the year during which the tax is imposed.

31 (6) Revenues distributed under this section in any calendar year  
32 shall not exceed an amount equal to seventy percent of the state-wide  
33 weighted average per capita level of revenues for the unincorporated  
34 areas of all counties during the previous calendar year. If  
35 distributions under subsections (3) through (5) of this section cannot  
36 be made because of this limitation, then distributions under  
37 subsections (3) through (5) of this section shall be reduced ratably  
38 among the qualifying counties.

1 (7) If inadequate revenues exist in the county sales and use tax  
2 equalization account to make the distributions under subsections (3)  
3 through (5) of this section, then the distributions under subsections  
4 (3) through (5) of this section shall be reduced ratably among the  
5 qualifying counties. At such time during the year as additional funds  
6 accrue to the county sales and use tax equalization account, additional  
7 distributions shall be made under subsections (3) through (5) of this  
8 section to the counties.

9 ~~(8) ((If the level of revenues in the county sales and use tax~~  
10 ~~equalization account exceeds the amount necessary to make the~~  
11 ~~distributions under subsections (2) through (5) of this section, then~~  
12 ~~the additional revenues shall be credited and transferred to the state~~  
13 ~~general fund))~~ If the level of revenues in the county sales and use tax  
14 equalization account exceeds the amount necessary to make the  
15 distributions under subsections (2) through (5) of this section, at  
16 such times as distributions are made under RCW 82.44.150, the state  
17 treasurer shall distribute the balance remaining to the county public  
18 health account created in RCW 70.05.125 for the purposes of the  
19 adjustments under RCW 70.05.125(2)(b).

20 NEW SECTION. Sec. 3. This act is necessary for the immediate  
21 preservation of the public peace, health, or safety, or support of the  
22 state government and its existing public institutions, and takes effect  
23 July 1, 1997.

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