

FINAL BILL REPORT

2SSB 5433

PARTIAL VETO C 551 L 09 Synopsis as Enacted

Brief Description: Modifying provisions of local option taxes.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Regala, Swecker, Rockefeller, Morton, Fraser, Ranker, Fairley and Shin).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on Finance

Background: A county legislative authority has the ability to authorize, fix, and impose a sales and use tax. The money from these taxes can be used for a variety of purposes, including the funding of chemical dependency and mental health treatment services and public safety.

Monies collected under the sales and use tax for chemical dependency or mental health treatment services must be used to provide new or expanded chemical dependency, mental health treatment, or expanded therapeutic court programs and services. The rate of tax must equal one-tenth of one percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

The rate of tax for public safety may not exceed three-tenths of one percent of the selling price in the case of a sales tax, or value of the article used in the case of a use tax. One-third of all money received with this tax must be used solely for criminal justice purposes.

With very limited exceptions, monies collected under the sales and use tax for chemical dependency and public safety must not be used to supplant existing funding.

Regular property taxes in excess of the 1 percent growth rate limitations on revenue may be levied by a taxing district if approved by district voters. This approval is referred to as a levy lid lift. A levy lid lift can last up to a maximum of six consecutive years. Monies raised under a levy lid lift must not supplant the actual operating expenditures for the calendar year in which the ballot measure is approved by voters.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Non-supplant language for public safety sales and use tax is partially eliminated. Partial elimination of non-supplant language is phased out over a 5 year period. Includes fire protection services within one-third dedication of revenue requirements.
- Non-supplant language for multi-year property tax lid lifts is eliminated. However, elimination of non-supplant language only applies to levies approved in 2009, 2010, and 2011 for King County.
- Non-supplant language for chemical dependency/mental health sales and use tax is partially eliminated. Partial elimination of non-supplant language is phased out over 5 year period.
- Ferry district property tax rate in King County is reduced from 75 cents per \$1,000 of assessed value to 7.5 cents.
- King County is authorized to impose additional property tax at a rate not to exceed 7.5 cents per \$1,000 of assessed value. The first 1 cent is dedicated to expanding transit capacity along state route 520. The remainder of money is dedicated to transit-oriented expenditures. Conforming changes are made.

Votes on Final Passage:

Senate	31	16	
House	52	46	(House amended)
			(Senate refused to concur)

Conference Committee

Senate	25	24
House	51	44

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section that authorized various local transit agencies to seek voter approval for a congestion reduction tax of up to \$20 per vehicle.