

# HOUSE BILL REPORT

## SB 5378

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### As Passed House - Amended:

April 4, 1995

**Title:** An act relating to disbursement of funds to border areas.

**Brief Description:** Modifying border area fund distribution.

**Sponsors:** Senators Haugen, Morton and Winsley; by request of Department of Community, Trade, and Economic Development.

### Brief History:

#### Committee Activity:

Government Operations: 3/22/95, 3/24/95 [DPA].

#### Floor Activity:

Amended.

Passed House: 4/4/95, 96-0.

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### HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass as amended. Signed by 15 members: Representatives Reams, Chairman; Goldsmith, Vice Chairman; L. Thomas, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Chopp; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; D. Schmidt; Sommers; Van Luven and Wolfe.

**Staff:** Steve Lundin (786-7127).

**Background:** The liquor revolving fund consists of all income from license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the Washington State Liquor Control Board.

Moneys from the liquor revolving fund are use to finance the operations of the liquor control board and the remainder is distributed for a variety of purposes. Among other distributions, three-tenths of 1 percent of the moneys is distributed to the Department of Community, Trade, and Economic Development for allocation to the following 10 border areas near the United States-Canadian border: (1) Blaine; (2) Everson; (3) Friday Harbor; (4) Lynden; (5) Nooksack; (6) Northport; (7) Oroville; (8) Port Angeles; (9) Sumas; and (10) the unincorporated community of Point Roberts. The department develops a formula to distribute of these moneys based on

border traffic and the historical public impacts of law enforcement problems caused by the border on local budgets.

Moneys that the Legislature appropriates as supplemental resources for border areas are distributed using a formula developed by the Department of Community, Trade, and Economic Development based on border traffic and historical public impacts of law enforcement problems caused by the border on local budgets.

**Summary of Bill:** The provisions of law are altered that relate to the distribution of state liquor revolving fund moneys to border areas.

These moneys are distributed directly by the State Treasurer to these communities, rather than being first distributed to the Department of Community, Trade, and Economic Development for distribution to the border areas.

Rather than naming the border areas that receive these distributions, any city or town that is located within seven miles of the Washington-Canadian border and any point of land surrounded on three sides by saltwater and adjacent to the Canadian border receives these distributions.

Distributions to these border areas from the state liquor revolving fund are made on the basis of the following formula: (1) 65 percent of these moneys is distributed ratably based on border area traffic totals; (2) 25 percent of these moneys is distributed ratably based on border-related crime statistics; and (3) 10 percent of these moneys is distributed ratably based on border area per capita law enforcement spending.

Moneys that the Legislature appropriates as supplemental resources for border areas are distributed by the State Treasurer using the same distribution formula as moneys from the liquor revolving fund are distributed to border areas.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Bill:** The bill contains an emergency clause and takes effect on July 1, 1995.

**Testimony For:** This is a housekeeping measure.

**Testimony Against:** None.

**Testified:** Jim Justin, Association of Washington Cities; and Billy Colburn, Department of Community, Trade, and Economic Development.