

# FINAL BILL REPORT

## SB 5274

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C 28 L 95

Synopsis as Enacted

**Brief Description:** Clarifying the funding formula for the municipal research council.

**Sponsors:** Senators Haugen, McCaslin, Winsley, Wood and Palmer.

**Senate Committee on Government Operations**

**House Committee on Government Operations**

**Background:** The Municipal Research Council (MRC), through the Municipal Research and Services Center, provides a variety of legal, budgeting, planning and other services to cities and towns in the state. MRC is funded by deductions from a motor vehicle excise tax account and the sales tax equalization account. The motor vehicle excise tax account is otherwise distributed to all cities and towns based on population. The sales tax equalization account is distributed to cities and towns that have sales tax revenues less than 70 percent of the state per capita average.

Prior to 1990, the deduction for the MRC was taken prior to the funds being divided into two accounts. The effect was that the deduction impacted both accounts.

In 1990, the Legislature enacted two conflicting amendments regarding this distribution. One measure provided that 65 percent of the MRC deduction come from the motor vehicle excise tax account and that 35 percent come from the sales tax equalization account. This distribution preserved the allocation that existed before. The other measure provided that the distribution to the Municipal Research Council would come solely from the motor vehicle excise tax account.

Since 1990, the treasurer has continued to deduct funds for MRC from both accounts. However, the conflict that exists because of the double amendments still needs to be resolved.

**Summary:** The enactment of a double amendment in 1990 is corrected by reenactment. The funding of the Municipal Research Council comes from the motor vehicle excise tax allocation for cities (65 percent) and from the city sales tax equalization account (35 percent).

**Votes on Final Passage:**

Senate	46 0
House	97 0

**Effective:** July 23, 1995