
SENATE BILL 5037

State of Washington

55th Legislature

1997 Regular Session

By Senator Benton

Read first time 01/13/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to disposition of revenues related to or formerly
2 related to motor vehicle excise taxes; amending RCW 82.44.120,
3 82.44.150, 82.14.200, 82.14.210, 82.14.310, and 82.14.330; reenacting
4 and amending RCW 82.44.110 and 82.14.320; adding a new section to
5 chapter 70.05 RCW; adding a new chapter to Title 82 RCW; and repealing
6 RCW 82.44.155 and 82.44.160.

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

8 **Sec. 1.** RCW 82.44.110 and 1995 1st sp.s. c 15 s 2 and 1995 c 398
9 s 14 are each reenacted and amended to read as follows:

10 The county auditor shall regularly, when remitting license fee
11 receipts, pay over and account to the director of licensing for the
12 excise taxes collected under the provisions of this chapter. The
13 director shall forthwith transmit the excise taxes to the state
14 treasurer.

15 (1) The state treasurer shall deposit the excise taxes collected
16 under RCW 82.44.020(1) as follows:

17 (a) 1.60 percent into the motor vehicle fund to defray
18 administrative and other expenses incurred by the department in the
19 collection of the excise tax.

1 (b) 8.15 percent into the Puget Sound capital construction account
2 in the motor vehicle fund.

3 (c) 4.07 percent into the Puget Sound ferry operations account in
4 the motor vehicle fund.

5 ~~(d) ((5.88 percent into the general fund to be distributed under
6 RCW 82.44.155.~~

7 ~~(e) 4.75 percent into the municipal sales and use tax equalization
8 account in the general fund created in RCW 82.14.210.~~

9 ~~(f) 1.60 percent into the county sales and use tax equalization
10 account in the general fund created in RCW 82.14.200.~~

11 ~~(g) 62.6440 percent into the general fund through June 30, 1995,
12 and 57.6440 percent into the general fund beginning July 1, 1995.~~

13 ~~(h)) 5 percent into the transportation fund created in RCW
14 82.44.180 beginning July 1, 1995.~~

15 ~~((i) 5.9686 percent into the county criminal justice assistance
16 account created in RCW 82.14.310.~~

17 ~~(j) 1.1937 percent into the municipal criminal justice assistance
18 account for distribution under RCW 82.14.320.~~

19 ~~(k) 1.1937 percent into the municipal criminal justice assistance
20 account for distribution under RCW 82.14.330.~~

21 ~~(l) 2.95 percent into the county public health account created in
22 RCW 70.05.125.~~

23 Notwithstanding ~~(i) through (k) of this subsection, no more than
24 sixty million dollars shall be deposited into the accounts specified in
25 (i) through (k) of this subsection for the period January 1, 1994,
26 through June 30, 1995. Not more than five percent of the funds
27 deposited to these accounts shall be available for appropriations for
28 enhancements to the state patrol crime laboratory system and the
29 continuing costs related to these enhancements. Motor vehicle excise
30 tax funds appropriated for such enhancements shall not supplant
31 existing funds from the state general fund.)) For the fiscal year
32 ending June 30, 1998, and for each fiscal year thereafter, the amounts
33 deposited into the accounts specified in ~~((i) through (k) of this
34 subsection))~~ RCW 82.14.310, 82.14.320, and 82.14.330 shall not increase
35 by more than the amounts deposited into those accounts in the previous
36 fiscal year increased by the implicit price deflator for the previous
37 fiscal year. Any revenues in excess of this amount shall be deposited
38 into the ~~((general))~~ transportation fund.~~

1 All remaining funds collected under RCW 82.44.020 shall be
2 deposited in the transportation fund.

3 (2) The state treasurer shall deposit the excise taxes collected
4 under RCW 82.44.020(2) into the transportation fund.

5 (3) The state treasurer shall deposit the excise tax imposed by RCW
6 82.44.020(3) into the air pollution control account created by RCW
7 70.94.015.

8 **Sec. 2.** RCW 82.44.120 and 1993 c 307 s 3 are each amended to read
9 as follows:

10 Whenever any person has paid a motor vehicle license fee, and
11 together therewith has paid an excise tax imposed under the provisions
12 of this chapter, and the director determines that the payor is entitled
13 to a refund of the entire amount of the license fee as provided by law,
14 then the payor shall also be entitled to a refund of the entire excise
15 tax collected under the provisions of this chapter. In case the
16 director determines that any person is entitled to a refund of only a
17 part of the license fee so paid, the payor shall be entitled to a
18 refund of the difference, if any, between the excise tax collected and
19 that which should have been collected.

20 In case no claim is to be made for the refund of the license fee or
21 any part thereof, but claim is made by any person that he or she has
22 paid an erroneously excessive amount of excise tax, the department
23 shall determine in the manner generally provided in this chapter the
24 amount of such excess, if any, that has been paid and shall certify to
25 the state treasurer that such person is entitled to a refund in such
26 amount.

27 In any case where due to error, a person has been required to pay
28 an excise tax pursuant to this chapter and a vehicle license fee
29 pursuant to Title 46 RCW which amounts to an overpayment of ten dollars
30 or more, such person shall be entitled to a refund of the entire amount
31 of such overpayment, regardless of whether or not a refund of the
32 overpayment has been requested. Conversely, if due to error, the
33 department or its agents has failed to collect the full amount of the
34 license fee and excise tax due, which underpayment is in the amount of
35 ten dollars or more, the department shall charge and collect such
36 additional amount as will constitute full payment of the tax.

37 Any claim for refund of an erroneously excessive amount of excise
38 tax or overpayment of excise tax with a motor vehicle license fee must

1 be filed with the director within three years after the claimed
2 erroneous payment was made.

3 If the department approves the claim it shall notify the state
4 treasurer to that effect, and the treasurer shall make such approved
5 refunds from the (~~general~~) transportation fund and shall mail or
6 deliver the same to the person entitled thereto.

7 Any person making any false statement under which he or she obtains
8 any amount of refund to which he or she is not entitled under the
9 provisions of this section is guilty of a gross misdemeanor.

10 **Sec. 3.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each
11 amended to read as follows:

12 (1) The director of licensing shall, on the twenty-fifth day of
13 February, May, August, and November of each year, advise the state
14 treasurer of the total amount of motor vehicle excise taxes imposed by
15 RCW 82.44.020 (1) and (2) remitted to the department during the
16 preceding calendar quarter ending on the last day of March, June,
17 September, and December, respectively, except for those payable under
18 RCW 82.44.030, from motor vehicle owners residing within each
19 municipality which has levied a tax under RCW 35.58.273, which amount
20 of excise taxes shall be determined by the director as follows:

21 The total amount of motor vehicle excise taxes remitted to the
22 department, except those payable under RCW 82.44.020(3) and 82.44.030,
23 from each county shall be multiplied by a fraction, the numerator of
24 which is the population of the municipality residing in such county,
25 and the denominator of which is the total population of the county in
26 which such municipality or portion thereof is located. The product of
27 this computation shall be the amount of excise taxes from motor vehicle
28 owners residing within such municipality or portion thereof. Where the
29 municipality levying a tax under RCW 35.58.273 is located in more than
30 one county, the above computation shall be made by county, and the
31 combined products shall provide the total amount of motor vehicle
32 excise taxes from motor vehicle owners residing in the municipality as
33 a whole. Population figures required for these computations shall be
34 supplied to the director by the office of financial management, who
35 shall adjust the fraction annually.

36 (2) On the first day of the months of January, April, July, and
37 October of each year, the state treasurer based upon information
38 provided by the department shall, from 57.6440 percent of the motor

1 vehicle excise taxes deposited in the (~~general~~) transportation fund,
2 under RCW 82.44.110(1)(~~g~~), make the following deposits:

3 (a) To the high capacity transportation account created in RCW
4 47.78.010, a sum equal to four and five-tenths percent of the special
5 excise tax levied under RCW 35.58.273 by those municipalities
6 authorized to levy a special excise tax within each county that has a
7 population of one hundred seventy-five thousand or more and has an
8 interstate highway within its borders; except that in a case of a
9 municipality located in a county that has a population of one hundred
10 seventy-five thousand or more that does not have an interstate highway
11 located within its borders, that sum shall be deposited in the
12 passenger ferry account;

13 (b) To the central Puget Sound public transportation account
14 created in RCW 82.44.180, for revenues distributed after December 31,
15 1992, within a county with a population of one million or more and a
16 county with a population of from two hundred thousand to less than one
17 million bordering a county with a population of one million or more, a
18 sum equal to the difference between: (i) The special excise tax levied
19 and collected under RCW 35.58.273 by those municipalities authorized to
20 levy and collect a special excise tax subject to the requirements of
21 subsections (3) and (4) of this section; and (ii) the special excise
22 tax that the municipality would otherwise have been eligible to levy
23 and collect at a tax rate of .815 percent and been able to match with
24 locally generated tax revenues, other than the excise tax imposed under
25 RCW 35.58.273, budgeted for any public transportation purpose. Before
26 this deposit, the sum shall be reduced by an amount equal to the amount
27 distributed under (a) of this subsection for each of the municipalities
28 within the counties to which this subsection (2)(b) applies; however,
29 any transfer under this subsection (2)(b) must be greater than zero;

30 (c) To the public transportation systems account created in RCW
31 82.44.180, for revenues distributed after December 31, 1992, within
32 counties not described in (b) of this subsection, a sum equal to the
33 difference between: (i) The special excise tax levied and collected
34 under RCW 35.58.273 by those municipalities authorized to levy and
35 collect a special excise tax subject to the requirements of subsections
36 (3) and (4) of this section; and (ii) the special excise tax that the
37 municipality would otherwise have been eligible to levy and collect at
38 a tax rate of .815 percent and been able to match with locally
39 generated tax revenues, other than the excise tax imposed under RCW

1 35.58.273, budgeted for any public transportation purpose. Before this
2 deposit, the sum shall be reduced by an amount equal to the amount
3 distributed under (a) of this subsection for each of the municipalities
4 within the counties to which this subsection (2)(c) applies; however,
5 any transfer under this subsection (2)(c) must be greater than zero;
6 and

7 (d) To the (~~general fund, for revenues distributed after June 30,~~
8 ~~1993, and to the~~) transportation fund, for revenues distributed after
9 June 30, 1995, a sum equal to the difference between: (i) The special
10 excise tax levied and collected under RCW 35.58.273 by those
11 municipalities authorized to levy and collect a special excise tax
12 subject to the requirements of subsections (3) and (4) of this section;
13 and (ii) the special excise tax that the municipality would otherwise
14 have been eligible to levy and collect at a tax rate of .815 percent
15 notwithstanding the requirements set forth in subsections (3) through
16 (6) of this section, reduced by an amount equal to distributions made
17 under (a), (b), and (c) of this subsection and RCW 82.14.046.

18 (3) On the first day of the months of January, April, July, and
19 October of each year, the state treasurer, based upon information
20 provided by the department, shall remit motor vehicle excise tax
21 revenues imposed and collected under RCW 35.58.273 as follows:

22 (a) The amount required to be remitted by the state treasurer to
23 the treasurer of any municipality levying the tax shall not exceed in
24 any calendar year the amount of locally-generated tax revenues,
25 excluding: (i) The excise tax imposed under RCW 35.58.273 for the
26 purposes of this section, which shall have been budgeted by the
27 municipality to be collected in such calendar year for any public
28 transportation purposes including but not limited to operating costs,
29 capital costs, and debt service on general obligation or revenue bonds
30 issued for these purposes; and (ii) the sales and use tax equalization
31 distributions provided under RCW 82.14.046; and

32 (b) In no event may the amount remitted in a single calendar
33 quarter exceed the amount collected on behalf of the municipality under
34 RCW 35.58.273 during the calendar quarter next preceding the
35 immediately preceding quarter, excluding the sales and use tax
36 equalization distributions provided under RCW 82.14.046.

37 (4) At the close of each calendar year accounting period, but not
38 later than April 1, each municipality that has received motor vehicle
39 excise taxes under subsection (3) of this section shall transmit to the

1 director of licensing and the state auditor a written report showing by
2 source the previous year's budgeted tax revenues for public
3 transportation purposes as compared to actual collections. Any
4 municipality that has not submitted the report by April 1 shall cease
5 to be eligible to receive motor vehicle excise taxes under subsection
6 (3) of this section until the report is received by the director of
7 licensing. If a municipality has received more or less money under
8 subsection (3) of this section for the period covered by the report
9 than it is entitled to receive by reason of its locally-generated
10 collected tax revenues, the director of licensing shall, during the
11 next ensuing quarter that the municipality is eligible to receive motor
12 vehicle excise tax funds, increase or decrease the amount to be
13 remitted in an amount equal to the difference between the locally-
14 generated budgeted tax revenues and the locally-generated collected tax
15 revenues. In no event may the amount remitted for a calendar year
16 exceed the amount collected on behalf of the municipality under RCW
17 35.58.273 during that same calendar year excluding the sales and use
18 tax equalization distributions provided under RCW 82.14.046. At the
19 time of the next fiscal audit of each municipality, the state auditor
20 shall verify the accuracy of the report submitted and notify the
21 director of licensing of any discrepancies.

22 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
23 required to be remitted under this section and RCW 82.14.046 shall be
24 remitted without legislative appropriation.

25 (6) Any municipality levying and collecting a tax under RCW
26 35.58.273 which does not have an operating, public transit system or a
27 contract for public transportation services in effect within one year
28 from the initial effective date of the tax shall return to the state
29 treasurer all motor vehicle excise taxes received under subsection (3)
30 of this section.

31 NEW SECTION. **Sec. 4.** The state treasurer shall deposit moneys from
32 the general fund as follows:

33 (1) An amount equal to 4.75 percent of the excise tax imposed under
34 RCW 82.44.020(1) into the municipal sales and use tax account;

35 (2) An amount equal to 1.60 percent of the excise tax imposed under
36 RCW 82.44.020(1) into the county sales and use tax equalization
37 account;

1 (3) An amount equal to 5.9686 percent of the excise tax imposed
2 under RCW 82.44.020(1) into the municipal sales and use tax account;

3 (4) An amount equal to 1.1937 percent of the excise tax imposed
4 under RCW 82.44.020(1) into the municipal criminal justice assistance
5 account for distribution under RCW 82.14.320;

6 (5) An amount equal to 1.1937 percent of the excise tax imposed
7 under RCW 82.44.020(1) into the municipal criminal justice assistance
8 account for distribution under RCW 82.14.330.

9 NEW SECTION. **Sec. 5.** (1) An amount equal to 5.88 percent of the
10 excise tax imposed under RCW 82.44.020(1) shall be distributed from the
11 general fund under subsection (2) of this section.

12 (2) The state treasurer shall apportion and distribute the taxes
13 deposited into the general fund under subsection (1) of this section to
14 the cities and towns ratably on the basis of population as last
15 determined by the office of financial management. The amount payable
16 to each such city and town shall be transmitted to the city treasurer
17 thereof, and shall be used by the city or town for the purposes of
18 police and fire protection in the city or town, and not otherwise.

19 NEW SECTION. **Sec. 6.** Before distributing moneys to the cities and
20 towns from the general fund, as provided in section 5 of this act, and
21 from the municipal sales and use tax equalization account, as provided
22 in RCW 82.14.210, the state treasurer shall, on the first day of July
23 of each year, make an annual deduction therefrom of a sum equal to one-
24 half of the biennial appropriation made under this section, which
25 amount shall be at least seven cents per capita of the population of
26 all cities or towns as legally certified on that date, determined as
27 provided in RCW 82.44.150, which sum shall be apportioned and
28 transmitted to the municipal research council, created in this section.
29 Sixty-five percent of the annual deduction shall be from the
30 distribution to cities and towns under section 5 of this act, and
31 thirty-five percent of the annual deduction shall be from the
32 distribution to the municipal sales and use tax equalization account
33 under RCW 82.14.210. The municipal research council may contract with
34 and allocate moneys to any state agency, educational institution, or
35 private consulting firm, which in its judgment is qualified to carry on
36 a municipal research and service program. Moneys may be utilized to
37 match federal funds available for technical research and service

1 programs to cities and towns. Moneys allocated shall be used for
2 studies and research in municipal government, publications,
3 educational, conferences, and attendance thereat, and in furnishing
4 technical, consultative, and field services to cities and towns in
5 problems relating to planning, public health, municipal sanitation,
6 fire protection, law enforcement, postwar improvements, and public
7 works, and in all matters relating to city and town government. The
8 programs shall be carried on and all expenditures shall be made in
9 cooperation with the cities and towns of the state acting through the
10 Association of Washington Cities by its board of directors which is
11 hereby recognized as their official agency or instrumentality.

12 Funds appropriated to the municipal research council shall be kept
13 in the treasury in the general fund, and shall be disbursed by warrant
14 or check to contracting parties on invoices or vouchers certified by
15 the chair of the municipal research council or his or her designee.
16 Payments to public agencies may be made in advance of actual work
17 contracted for, in the discretion of the council.

18 Sixty-five percent of any moneys remaining unexpended or
19 uncontracted for by the municipal research council at the end of any
20 fiscal biennium shall be returned to the general fund and be paid to
21 cities and towns under section 5 of this act. The remaining thirty-
22 five percent shall be deposited into the municipal sales and use tax
23 equalization account.

24 NEW SECTION. **Sec. 7.** A new section is added to chapter 70.05 RCW
25 to read as follows:

26 An amount equal to 2.95 percent of the excise tax imposed under RCW
27 82.44.020(1) shall be deposited from the general fund into the county
28 public health account created in RCW 70.05.125.

29 **Sec. 8.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to
30 read as follows:

31 There is created in the state treasury a special account to be
32 known as the "county sales and use tax equalization account." Into
33 this account shall be placed a portion of all ((~~motor vehicle excise~~
34 ~~tax~~)) receipts as provided in ((~~RCW 82.44.110(1)(f)~~)) section 4(2) of
35 this act. Funds in this account shall be allocated by the state
36 treasurer according to the following procedure:

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

7 (2) At such times as distributions are made under RCW 82.44.150(~~(7~~
8 ~~as now or hereafter amended~~)), the state treasurer shall apportion to
9 each county imposing the sales and use tax under RCW 82.14.030(1) at
10 the maximum rate and receiving less than one hundred fifty thousand
11 dollars from the tax for the previous calendar year, an amount from the
12 county sales and use tax equalization account sufficient, when added to
13 the amount of revenues received the previous calendar year by the
14 county, to equal one hundred fifty thousand dollars.

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

30 (3) Subsequent to the distributions under subsection (2) of this
31 section and at such times as distributions are made under RCW
32 82.44.150(~~(7, as now or hereafter amended~~)), the state treasurer shall
33 apportion to each county imposing the sales and use tax under RCW
34 82.14.030(1) at the maximum rate and receiving less than seventy
35 percent of the state-wide weighted average per capita level of revenues
36 for the unincorporated areas of all counties as determined by the
37 department of revenue under subsection (1) of this section, an amount
38 from the county sales and use tax equalization account sufficient, when
39 added to the per capita level of revenues for the unincorporated area

1 received the previous calendar year by the county, to equal seventy
2 percent of the state-wide weighted average per capita level of revenues
3 for the unincorporated areas of all counties determined under
4 subsection (1) of this section, subject to reduction under subsections
5 (6) and (7) of this section. When computing distributions under this
6 section, any distribution under subsection (2) of this section shall be
7 considered revenues received from the tax imposed under RCW
8 82.14.030(1) for the previous calendar year.

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

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

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

9 (7) If inadequate revenues exist in the county sales and use tax
10 equalization account to make the distributions under subsections (3)
11 through (5) of this section, then the distributions under subsections
12 (3) through (5) of this section shall be reduced ratably among the
13 qualifying counties. At such time during the year as additional funds
14 accrue to the county sales and use tax equalization account, additional
15 distributions shall be made under subsections (3) through (5) of this
16 section to the counties.

17 (8) If the level of revenues in the county sales and use tax
18 equalization account exceeds the amount necessary to make the
19 distributions under subsections (2) through (5) of this section, then
20 the additional revenues shall be credited and transferred to the state
21 general fund.

22 **Sec. 9.** RCW 82.14.210 and 1996 c 64 s 1 are each amended to read
23 as follows:

24 There is created in the state treasury a special account to be
25 known as the "municipal sales and use tax equalization account." Into
26 this account shall be placed such revenues as are provided under RCW
27 82.44.110(1)(e). Funds in this account shall be allocated by the state
28 treasurer according to the following procedure:

29 (1) Prior to January 1st of each year the department of revenue
30 shall determine the total and the per capita levels of revenues for
31 each city and the state-wide weighted average per capita level of
32 revenues for all cities imposing the sales and use tax authorized under
33 RCW 82.14.030(1) for the previous calendar year.

34 (2) At such times as distributions are made under RCW 82.44.150,
35 the state treasurer shall apportion to each city not imposing the sales
36 and use tax under RCW 82.14.030(2) an amount from the municipal sales
37 and use tax equalization account equal to the amount distributed to the

1 city under ((RCW 82.44.155)) section 5 of this act, multiplied by
2 forty-five fifty-fifths.

3 (3) Subsequent to the distributions under subsection (2) of this
4 section, and at such times as distributions are made under RCW
5 82.44.150, the state treasurer shall apportion to each city imposing
6 the sales and use tax under RCW 82.14.030(1) at the maximum rate and
7 receiving less than seventy percent of the state-wide weighted average
8 per capita level of revenues for all cities as determined by the
9 department of revenue under subsection (1) of this section, an amount
10 from the municipal sales and use tax equalization account sufficient,
11 when added to the per capita level of revenues received the previous
12 calendar year by the city, to equal seventy percent of the state-wide
13 weighted average per capita level of revenues for all cities determined
14 under subsection (1) of this section, subject to reduction under
15 subsection (6) of this section.

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

30 (5) For a city with an official incorporation date after January 1,
31 1990, municipal sales and use tax equalization distributions shall be
32 made according to the procedures in this subsection. Municipal sales
33 and use tax equalization distributions to eligible new cities shall be
34 made at the same time as distributions are made under subsections (3)
35 and (4) of this section. The department of revenue shall follow the
36 estimating procedures outlined in this subsection until the new city
37 has received a full year's worth of revenues under RCW 82.14.030(1) as
38 of the January municipal sales and use tax equalization distribution.

1 (a) Whether a newly incorporated city determined to receive funds
2 under this subsection receives its first equalization payment at the
3 January, April, July, or October municipal sales and use tax
4 equalization distribution shall depend on the date the city first
5 imposes the tax authorized under RCW 82.14.030(1).

6 (i) A newly incorporated city imposing the tax authorized under RCW
7 82.14.030(1) effective as of January 1st shall be eligible to receive
8 funds under this subsection beginning with the April municipal sales
9 and use tax equalization distribution of that year.

10 (ii) A newly incorporated city imposing the tax authorized under
11 RCW 82.14.030(1) effective as of February 1st, March 1st, or April 1st
12 shall be eligible to receive funds under this subsection beginning with
13 the July municipal sales and use tax equalization distribution of that
14 year.

15 (iii) A newly incorporated city imposing the tax authorized under
16 RCW 82.14.030(1) effective as of May 1st, June 1st, or July 1st shall
17 be eligible to receive funds under this subsection beginning with the
18 October municipal sales and use tax equalization distribution of that
19 year.

20 (iv) A newly incorporated city imposing the tax authorized under
21 RCW 82.14.030(1) effective as of August 1st, September 1st, or October
22 1st shall be eligible to receive funds under this subsection beginning
23 with the January municipal sales and use tax equalization distribution
24 of the next year.

25 (v) A newly incorporated city imposing the tax authorized under RCW
26 82.14.030(1) effective as of November 1st or December 1st shall be
27 eligible to receive funds under this subsection beginning with the
28 April municipal sales and use tax equalization distribution of the next
29 year.

30 (b) For purposes of calculating the amount of funds the new city
31 should receive under this subsection, the department of revenue shall:

32 (i) Estimate the per capita amount of revenues from the tax
33 authorized under RCW 82.14.030(1) that the new city would have received
34 had the city received revenues from the tax the entire calendar year;

35 (ii) Calculate the amount provided under subsection (3) of this
36 section based on the per capita revenues determined under (b)(i) of
37 this subsection;

1 (iii) Prorate the amount determined under (b)(ii) of this
2 subsection by the number of months the tax authorized under RCW
3 82.14.030(1) is imposed.

4 (c) A new city imposing the tax under RCW 82.14.030(2) at the
5 maximum rate and receiving a distribution calculated under (b) of this
6 subsection shall receive another distribution from the municipal sales
7 and use tax equalization account. This distribution shall be equal to
8 the calculation made under (b)(ii) of this subsection, prorated by the
9 number of months the city imposes the tax authorized under RCW
10 82.14.030(2) at the full rate.

11 (d) The department of revenue shall advise the state treasurer of
12 the amounts calculated under (b) and (c) of this subsection and the
13 state treasurer shall distribute these amounts to the new city from the
14 municipal sales and use tax equalization account subject to the
15 limitations imposed in subsection (6) of this section.

16 (e) Revenues estimated under this subsection shall not affect the
17 calculation of the state-wide weighted average per capita level of
18 revenues for all cities made under subsection (1) of this section.

19 (6) If inadequate revenues exist in the municipal sales and use tax
20 equalization account to make the distributions under subsection (3),
21 (4), or (5) of this section, then the distributions under subsections
22 (3), (4), and (5) of this section shall be reduced ratably among the
23 qualifying cities. At such time during the year as additional funds
24 accrue to the municipal sales and use tax equalization account,
25 additional distributions shall be made under subsections (3), (4), and
26 (5) of this section to the cities.

27 (7) If the level of revenues in the municipal sales and use tax
28 equalization account exceeds the amount necessary to make the
29 distributions under subsections (2) through (5) of this section, then
30 the additional revenues shall be apportioned among the several cities
31 within the state ratably on the basis of population as last determined
32 by the office of financial management: PROVIDED, That no such
33 distribution shall be made to those cities receiving a distribution
34 under subsection (2) of this section.

35 **Sec. 10.** RCW 82.14.310 and 1995 c 398 s 11 are each amended to
36 read as follows:

37 (1) The county criminal justice assistance account is created in
38 the state treasury.

1 (2) The moneys deposited in the county criminal justice assistance
2 account for distribution under this section(~~(, less any moneys~~
3 ~~appropriated for purposes under RCW 82.44.110,)~~) shall be distributed
4 at such times as distributions are made under RCW 82.44.150 and on the
5 relative basis of each county's funding factor as determined under this
6 subsection.

7 (a) A county's funding factor is the sum of:

8 (i) The population of the county, divided by one thousand, and
9 multiplied by two-tenths;

10 (ii) The crime rate of the county, multiplied by three-tenths; and

11 (iii) The annual number of criminal cases filed in the county
12 superior court, for each one thousand in population, multiplied by
13 five-tenths.

14 (b) Under this section and RCW 82.14.320 and 82.14.330:

15 (i) The population of the county or city shall be as last
16 determined by the office of financial management;

17 (ii) The crime rate of the county or city is the annual occurrence
18 of specified criminal offenses, as calculated in the most recent annual
19 report on crime in Washington state as published by the Washington
20 association of sheriffs and police chiefs, for each one thousand in
21 population;

22 (iii) The annual number of criminal cases filed in the county
23 superior court shall be determined by the most recent annual report of
24 the courts of Washington, as published by the office of the
25 administrator for the courts;

26 (iv) Distributions and eligibility for distributions in the 1989-91
27 biennium shall be based on 1988 figures for both the crime rate as
28 described under (ii) of this subsection and the annual number of
29 criminal cases that are filed as described under (iii) of this
30 subsection. Future distributions shall be based on the most recent
31 figures for both the crime rate as described under (ii) of this
32 subsection and the annual number of criminal cases that are filed as
33 described under (iii) of this subsection.

34 (3) Moneys distributed under this section shall be expended
35 exclusively for criminal justice purposes and shall not be used to
36 replace or supplant existing funding. Criminal justice purposes are
37 defined as activities that substantially assist the criminal justice
38 system, which may include circumstances where ancillary benefit to the
39 civil justice system occurs, and which includes domestic violence

1 services such as those provided by domestic violence programs,
2 community advocates, and legal advocates, as defined in RCW 70.123.020.
3 Existing funding for purposes of this subsection is defined as calendar
4 year 1989 actual operating expenditures for criminal justice purposes.
5 Calendar year 1989 actual operating expenditures for criminal justice
6 purposes exclude the following: Expenditures for extraordinary events
7 not likely to reoccur, changes in contract provisions for criminal
8 justice services, beyond the control of the local jurisdiction
9 receiving the services, and major nonrecurring capital expenditures.

10 **Sec. 11.** RCW 82.14.320 and 1995 c 398 s 12 and 1995 c 312 s 84 are
11 each reenacted and amended to read as follows:

12 (1) The municipal criminal justice assistance account is created in
13 the state treasury.

14 (2) No city may receive a distribution under this section from the
15 municipal criminal justice assistance account unless:

16 (a) The city has a crime rate in excess of one hundred twenty-five
17 percent of the state-wide average as calculated in the most recent
18 annual report on crime in Washington state as published by the
19 Washington association of sheriffs and police chiefs;

20 (b) The city has levied the tax authorized in RCW 82.14.030(2) at
21 the maximum rate or the tax authorized in RCW 82.46.010(3) at the
22 maximum rate; and

23 (c) The city has a per capita yield from the tax imposed under RCW
24 82.14.030(1) at the maximum rate of less than one hundred fifty percent
25 of the state-wide average per capita yield for all cities from such
26 local sales and use tax.

27 (3) The moneys deposited in the municipal criminal justice
28 assistance account for distribution under this section(~~(, less any~~
29 ~~moneys appropriated for purposes under RCW 82.44.110,)~~) shall be
30 distributed at such times as distributions are made under RCW
31 82.44.150. The distributions shall be made as follows:

32 (a) Unless reduced by this subsection, thirty percent of the moneys
33 shall be distributed ratably based on population as last determined by
34 the office of financial management to those cities eligible under
35 subsection (2) of this section that have a crime rate determined under
36 subsection (2)(a) of this section which is greater than one hundred
37 seventy-five percent of the state-wide average crime rate. No city may
38 receive more than fifty percent of any moneys distributed under this

1 subsection (3)(a) but, if a city distribution is reduced as a result of
2 exceeding the fifty percent limitation, the amount not distributed
3 shall be distributed under (b) of this subsection.

4 (b) The remainder of the moneys, including any moneys not
5 distributed in subsection (2)(a) of this section, shall be distributed
6 to all cities eligible under subsection (2) of this section ratably
7 based on population as last determined by the office of financial
8 management.

9 (4) No city may receive more than thirty percent of all moneys
10 distributed under subsection (3) of this section.

11 (5) Notwithstanding other provisions of this section, the
12 distributions to any city that substantially decriminalizes or repeals
13 its criminal code after July 1, 1990, and that does not reimburse the
14 county for costs associated with criminal cases under RCW 3.50.800 or
15 3.50.805(2), shall be made to the county in which the city is located.

16 (6) Moneys distributed under this section shall be expended
17 exclusively for criminal justice purposes and shall not be used to
18 replace or supplant existing funding. Criminal justice purposes are
19 defined as activities that substantially assist the criminal justice
20 system, which may include circumstances where ancillary benefit to the
21 civil justice system occurs, and which includes domestic violence
22 services such as those provided by domestic violence programs,
23 community advocates, and legal advocates, as defined in RCW 70.123.020,
24 and publications and public educational efforts designed to provide
25 information and assistance to parents in dealing with runaway or at-
26 risk youth. Existing funding for purposes of this subsection is
27 defined as calendar year 1989 actual operating expenditures for
28 criminal justice purposes. Calendar year 1989 actual operating
29 expenditures for criminal justice purposes exclude the following:
30 Expenditures for extraordinary events not likely to reoccur, changes in
31 contract provisions for criminal justice services, beyond the control
32 of the local jurisdiction receiving the services, and major
33 nonrecurring capital expenditures.

34 **Sec. 12.** RCW 82.14.330 and 1995 c 398 s 13 are each amended to
35 read as follows:

36 (1) The moneys deposited in the municipal criminal justice
37 assistance account for distribution under this section(~~(, less any~~

1 ~~moneys appropriated for purposes under RCW 82.44.110,~~) shall be
2 distributed to the cities of the state as follows:

3 (a) Twenty percent appropriated for distribution shall be
4 distributed to cities with a three-year average violent crime rate for
5 each one thousand in population in excess of one hundred fifty percent
6 of the state-wide three-year average violent crime rate for each one
7 thousand in population. The three-year average violent crime rate
8 shall be calculated using the violent crime rates for each of the
9 preceding three years from the annual reports on crime in Washington
10 state as published by the Washington association of sheriffs and police
11 chiefs. Moneys shall be distributed under this subsection (1)(a)
12 ratably based on population as last determined by the office of
13 financial management, but no city may receive more than one dollar per
14 capita. Moneys remaining undistributed under this subsection at the
15 end of each calendar year shall be distributed to the criminal justice
16 training commission to reimburse participating city law enforcement
17 agencies with ten or fewer full-time commissioned patrol officers the
18 cost of temporary replacement of each officer who is enrolled in basic
19 law enforcement training, as provided in RCW 43.101.200.

20 (b) Sixteen percent shall be distributed to cities ratably based on
21 population as last determined by the office of financial management,
22 but no city may receive less than one thousand dollars.

23 The moneys deposited in the municipal criminal justice assistance
24 account for distribution under this subsection shall be distributed at
25 such times as distributions are made under RCW 82.44.150.

26 Moneys distributed under this subsection shall be expended
27 exclusively for criminal justice purposes and shall not be used to
28 replace or supplant existing funding. Criminal justice purposes are
29 defined as activities that substantially assist the criminal justice
30 system, which may include circumstances where ancillary benefit to the
31 civil justice system occurs, and which includes domestic violence
32 services such as those provided by domestic violence programs,
33 community advocates, and legal advocates, as defined in RCW 70.123.020.
34 Existing funding for purposes of this subsection is defined as calendar
35 year 1989 actual operating expenditures for criminal justice purposes.
36 Calendar year 1989 actual operating expenditures for criminal justice
37 purposes exclude the following: Expenditures for extraordinary events
38 not likely to reoccur, changes in contract provisions for criminal

1 justice services, beyond the control of the local jurisdiction
2 receiving the services, and major nonrecurring capital expenditures.

3 (2) In addition to the distributions under subsection (1) of this
4 section:

5 (a) Fourteen percent shall be distributed to cities that have
6 initiated innovative law enforcement strategies, including alternative
7 sentencing and crime prevention programs. No city may receive more
8 than one dollar per capita under this subsection (2)(a).

9 (b) Twenty percent shall be distributed to cities that have
10 initiated programs to help at-risk children or child abuse victim
11 response programs. No city may receive more than fifty cents per
12 capita under this subsection (2)(b).

13 (c) Twenty percent shall be distributed to cities that have
14 initiated programs designed to reduce the level of domestic violence
15 within their jurisdictions or to provide counseling for domestic
16 violence victims. No city may receive more than fifty cents per capita
17 under this subsection (2)(c).

18 (d) Ten percent shall be distributed to cities that contract with
19 another governmental agency for a majority of the city's law
20 enforcement services.

21 Moneys distributed under this subsection shall be distributed to
22 those cities that submit funding requests under this subsection to the
23 department of community, trade, and economic development based on
24 criteria developed under RCW 82.14.335. Allocation of funds shall be
25 in proportion to the population of qualified jurisdictions, but the
26 distribution to a city shall not exceed the amount of funds requested.
27 Cities shall submit requests for program funding to the department of
28 community, trade, and economic development by November 1 of each year
29 for funding the following year. The department shall certify to the
30 state treasurer the cities eligible for funding under this subsection
31 and the amount of each allocation.

32 The moneys deposited in the municipal criminal justice assistance
33 account for distribution under this subsection(~~(, less any moneys~~
34 ~~appropriated for purposes under RCW 82.44.110,)) shall be distributed
35 at the times as distributions are made under RCW 82.44.150. Moneys
36 remaining undistributed under this subsection at the end of each
37 calendar year shall be distributed to the criminal justice training
38 commission to reimburse participating city law enforcement agencies
39 with ten or fewer full-time commissioned patrol officers the cost of~~

1 temporary replacement of each officer who is enrolled in basic law
2 enforcement training, as provided in RCW 43.101.200.

3 If a city is found by the state auditor to have expended funds
4 received under this subsection in a manner that does not comply with
5 the criteria under which the moneys were received, the city shall be
6 ineligible to receive future distributions under this subsection until
7 the use of the moneys are justified to the satisfaction of the director
8 or are repaid to the state general fund. The director may allow
9 noncomplying use of moneys received under this subsection upon a
10 showing of hardship or other emergent need.

11 (3) Notwithstanding other provisions of this section, the
12 distributions to any city that substantially decriminalizes or repeals
13 its criminal code after July 1, 1990, and that does not reimburse the
14 county for costs associated with criminal cases under RCW 3.50.800 or
15 3.50.805(2), shall be made to the county in which the city is located.

16 NEW SECTION. **Sec. 13.** The following acts or parts of acts are
17 each repealed:

18 (1) RCW 82.44.155 and 1993 c 492 s 254, 1991 c 199 s 223, & 1990 c
19 42 s 309; and

20 (2) RCW 82.44.160 and 1995 c 28 s 1.

21 NEW SECTION. **Sec. 14.** Sections 4 through 6 of this act shall
22 constitute a new chapter in Title 82 RCW.

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