

HOUSE BILL REPORT

ESSB 5272

As Reported by House Committee On: Finance

Title: An act relating to increasing the maximum tax rate for the voter-approved local sales and use tax for emergency communication systems and facilities.

Brief Description: Increasing the maximum tax rate for the voter-approved local sales and use tax for emergency communication systems and facilities.

Sponsors: Senate Committee on Local Government (originally sponsored by Senator Hunt).

Brief History:

Committee Activity:

Finance: 3/26/19, 4/2/19 [DP].

Brief Summary of Engrossed Substitute Bill

- Increases the maximum rate for the voter-approved local sales and use tax for emergency communications systems and facilities from 0.1 percent to 0.2 percent.
- Allows counties to increase their tax rate with voter approval.
- Requires a county with a population of more than 1.5 million to enter into inter-local agreements with its cities with populations over 50,000 regarding revenue distribution, if a city is part of a regional communication system or operates the communication system independently.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives Tarleton, Chair; Walen, Vice Chair; Chapman, Frame, Macri, Orwall, Springer, Stokesbary and Wylie.

Minority Report: Do not pass. Signed by 3 members: Representatives Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Vick.

Staff: Richelle Geiger (786-7139).

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.

Background:

Emergency Communications Systems and Facilities Local Sales and Use Tax.

Counties may levy a sales and use tax to fund costs associated with emergency communication systems and facilities (emergency communications sales and use tax) with voter approval. The maximum tax rate is 0.1 percent. The funds may be used for costs associated with financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, and improvement of emergency communication systems and facilities.

Counties are authorized to develop joint ventures to collocate emergency communication systems and facilities. If a county provides emergency communication services to a governmental agency pursuant to a contract, the parties to the contract must review and negotiate the terms prior to submitting the tax authorization to voters. If a county has a population of more than 500,000, in which any city with a population over 50,000 operates emergency communication system and facilities is located, the county must enter an interlocal agreement with the city to determine distribution of revenue prior to submitting the authorizing ballot to the voters.

Summary of Bill:

The maximum rate for the emergency communications sales and use tax is increased from 0.1 percent to 0.2 percent. In order for counties to increase the tax rate, they must receive voter approval.

For counties with a population of 1.5 million or more, a city with a population over 50,000 may either provide emergency communications systems and facilities independently or as a member of a regional emergency agency to necessitate a revenue distribution inter-local agreement.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill increases the opportunity for local governments across the state to fund emergency communication systems and facilities. Voter approval would be required to increase the sales and use tax rate. Historically, this sales and use tax has received strong voter approval. The additional 0.1 percent rate makes major capital investments possible.

Law enforcement is the primary user of emergency communication systems. This sales and use tax is a dedicated funding source for the communication systems and frees up law enforcement agencies to use their budgets in other ways to keep communities safe.

(Opposed) None.

Persons Testifying: Keith Flewelling, Thurston County 911; John Snaza, Thurston County and Washington Association of Sheriffs and Police Chiefs; and Steve Brooks, Lacey Fire District 3 and Washington State Fire Chiefs Association.

Persons Signed In To Testify But Not Testifying: None.