

FINAL BILL REPORT

SSB 6297

C 266 L 98

Synopsis as Enacted

Brief Description: Revising the formula for local public health financing in a county where a city annexed territory with fifty thousand residents or more in 1996 or 1997.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Benton, Bauer and Snyder).

Senate Committee on Ways & Means

House Committee on Appropriations

Background: The state imposes an excise tax (MVET) for the privilege of using a motor vehicle upon the highways of this state. The tax is levied annually on the value of the vehicle at a rate of 2.2 percent.

The revenues generated by the motor vehicle excise tax (MVET) are deposited into various accounts for various purposes. Revenues remaining after all of these distributions are retained in the state general fund and are subject to appropriation for general governmental purposes.

Of the basic 2 percent MVET rate, 1.6 percent is deposited into the county sales and use tax equalization account for allocation by the State Treasurer to counties receiving lower than average sales and use tax revenues. Revenues in excess of the amounts needed to make the distributions are deposited in the state general fund.

Of the basic 2 percent MVET rate, 2.95 percent is deposited into the county public health account for public health purposes. The MVET distribution to cities for public health was reduced by 2.95 percent to accomplish this. Funds are provided to counties based on a funding formula that was designed to ensure that no city contribution was less than the calendar year 1995 level expended for public health purposes.

Summary: If funds are available, the populations of cities over 50,000 that incorporated in 1996 and 1997 are included in the calculation of city contributions to counties for public health purposes. Excess revenues in the county sales and use tax equalization account are used to cover the cost of including these city populations in the local public health funding calculation.

Votes on Final Passage:

Senate	49 0
House	95 3

Effective: July 1, 1998