

ESSB 6050 - H COMM AMD
By Committee on Capital Budget

NOT ADOPTED 04/20/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.08 RCW
4 to read as follows:

5 (1) The city-county assistance account is created in the state
6 treasury. Moneys in the account may be spent only after appropriation.
7 Expenditures from the account may be used only for the purposes
8 provided in this section.

9 (2) Funds deposited in the city-county assistance account shall be
10 distributed equally to the cities and counties.

11 (3)(a) Funds distributed to counties shall, to the extent possible,
12 increase the revenues received under RCW 82.14.030(1) by each county to
13 the greater of two hundred fifty thousand dollars or:

14 (i) For a county with an unincorporated population of one hundred
15 thousand or less, seventy percent of the statewide weighted average per
16 capita level of sales and use tax revenues collected under RCW
17 82.14.030(1) for the unincorporated areas of all counties imposing the
18 sales and use tax authorized under RCW 82.14.030(1) in the previous
19 calendar year; and

20 (ii) For a county with an unincorporated population of more than
21 one hundred thousand, sixty-five percent of the statewide weighted
22 average per capita level of sales and use tax revenues collected under
23 RCW 82.14.030(1) for the unincorporated areas of all counties imposing
24 the sales and use tax authorized under RCW 82.14.030(1) in the previous
25 calendar year.

26 (b) For each county with an unincorporated population of fifteen
27 thousand or less, the county shall receive the greater of the amount in
28 (a) of this subsection or the amount received in local government
29 assistance provided by section 716, chapter 276, Laws of 2004.

1 (c) For each county with an unincorporated population of more than
2 fifteen thousand and less than twenty-two thousand, the county shall
3 receive in calendar year 2006 and 2007 the greater of the amount
4 provided in (a) of this subsection or the amount received in local
5 government assistance provided by section 716, chapter 276, Laws of
6 2004.

7 (d) To the extent that revenues are insufficient to fund the
8 distributions under this subsection, the distributions of all counties
9 as otherwise determined under this subsection shall be ratably reduced.

10 (e) To the extent that revenues exceed the amounts needed to fund
11 the distributions under this subsection, the excess funds shall be
12 divided ratably based upon unincorporated population among those
13 counties receiving funds under this subsection and imposing the tax
14 collected under RCW 82.14.030(2) at the maximum rate.

15 (4)(a) For each city with a population of five thousand or less
16 with a per capita assessed property value less than twice the statewide
17 average per capita assessed property value for all cities for the
18 calendar year previous to the certification under subsection (6) of
19 this section, the city shall receive the greater of the following three
20 amounts:

21 (i) An amount necessary to increase the revenues collected under
22 RCW 82.14.030(1) up to fifty-five percent of the statewide weighted
23 average per capita level of sales and use tax revenues collected under
24 RCW 82.14.030(1) for all cities imposing the sales and use tax
25 authorized under RCW 82.14.030(1) in the previous calendar year.

26 (ii) The amount received in local government assistance provided
27 for fiscal year 2005 by section 721, chapter 25, Laws of 2003 1st sp.
28 sess.

29 (iii) For a city with a per capita assessed property value less
30 than fifty-five percent of the statewide average per capita assessed
31 property value for all cities, an amount determined by subtracting the
32 city's per capita assessed property value from fifty-five percent of
33 the statewide average per capita assessed property value, dividing that
34 amount by one thousand, and multiplying the result by the city's
35 population.

36 (b) For each city with a population of more than five thousand with
37 a per capita assessed property value less than the statewide average

1 per capita assessed property value for all cities for the calendar year
2 previous to the certification under subsection (6) of this section, the
3 city shall receive the greater of the following three amounts:

4 (i) An amount necessary to increase the revenues collected under
5 RCW 82.14.030(1) up to fifty percent of the statewide weighted average
6 per capita level of sales and use tax revenues collected under RCW
7 82.14.030(1) for all cities imposing the sales and use tax authorized
8 under RCW 82.14.030(1) in the previous calendar year.

9 (ii) For calendar year 2006 and 2007, the amount received in local
10 government assistance provided for fiscal year 2005 by section 721,
11 chapter 25, Laws of 2003 1st sp. sess.

12 (iii) For a city with a per capita assessed property value less
13 than fifty-five percent of the statewide average per capita assessed
14 property value for all cities, an amount determined by subtracting the
15 city's per capita assessed property value from fifty-five percent of
16 the statewide average per capita assessed property value, dividing that
17 amount by one thousand, and multiplying the result by the city's
18 population.

19 (c) No city may receive an amount greater than one hundred thousand
20 dollars a year under (a) or (b) of this subsection.

21 (d) To the extent that revenues are insufficient to fund the
22 distributions under this subsection, the distributions of all cities as
23 otherwise determined under this subsection shall be ratably reduced.

24 (e) To the extent that revenues exceed the amounts needed to fund
25 the distributions under this subsection, the excess funds shall be
26 divided ratably based upon population among those cities receiving
27 funds under this subsection and imposing the tax collected under RCW
28 82.14.030(2) at the maximum rate.

29 (f) This subsection only applies to cities incorporated prior to
30 the effective date of this section.

31 (5) The two hundred fifty thousand dollar amount in subsection (3)
32 of this section and the one hundred thousand dollar amount in
33 subsection (4) of this section shall be increased each year beginning
34 in calendar year 2006 by inflation as defined in RCW 84.55.005, as
35 determined by the department of revenue.

36 (6) Distributions under subsections (3) and (4) of this section
37 shall be made quarterly beginning on October 1, 2005, based on
38 population as last determined by the office of financial management.

1 The department of revenue shall certify the amounts to be distributed
2 under this section to the state treasurer. The certification shall be
3 made by October 1, 2005, for the October 1, 2005, distribution and the
4 January 1, 2006, distribution, based on calendar year 2004 collections.
5 The certification shall be made by March 1, 2006, for distributions
6 beginning April 1, 2006, and by March 1st of every year thereafter.
7 The March 1st certification shall be used for distributions occurring
8 on April 1st, July 1st, and October 1st of the year of certification
9 and on January 1st of the year following certification.

10 (7) All distributions to local governments from the city-county
11 assistance account constitute increases in state distributions of
12 revenue to political subdivisions for purposes of state reimbursement
13 for the costs of new programs and increases in service levels under RCW
14 43.135.060, including any claims or litigation pending against the
15 state on or after January 1, 2005.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 44.28 RCW
17 to read as follows:

18 During calendar year 2008, the joint legislative audit and review
19 committee shall review the distributions to cities and counties under
20 section 1 of this act to determine the extent to which the
21 distributions target the needs of cities and counties for which the
22 repeal of the motor vehicle excise tax had the greatest fiscal impact.
23 In conducting the study, the committee shall solicit input from the
24 cities and counties. The department of revenue and the state treasurer
25 shall provide the committee with any data within their purview that the
26 committee considers necessary to conduct the review. The committee
27 shall report to the legislature the results of its findings, and any
28 recommendations for changes to the distribution formulas under section
29 1 of this act, by December 31, 2008.

30 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2005."

31 Correct the title.

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