

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6050

59th Legislature
2005 Regular Session

Passed by the Senate March 16, 2005
YEAS 34 NAYS 14

President of the Senate

Passed by the House April 20, 2005
YEAS 61 NAYS 37

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6050** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6050

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by
Senators Parlette, Doumit, Morton and Mulliken)

READ FIRST TIME 03/08/05.

1 AN ACT Relating to providing financial assistance to cities, towns,
2 and counties; amending RCW 82.45.060; adding a new section to chapter
3 43.08 RCW; adding a new section to chapter 44.28 RCW; and providing an
4 effective date.

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

6 **Sec. 1.** RCW 82.45.060 and 2000 c 103 s 15 are each amended to read
7 as follows:

8 There is imposed an excise tax upon each sale of real property at
9 the rate of one and twenty-eight one-hundredths percent of the selling
10 price. An amount equal to (~~seven and seven tenths~~) six and one-tenth
11 percent of the proceeds of this tax to the state treasurer shall be
12 deposited in the public works assistance account created in RCW
13 43.155.050. An amount equal to one and six-tenths percent of the
14 proceeds of this tax to the state treasurer shall be deposited in the
15 city-county assistance account created in section 2 of this act.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.08 RCW
17 to read as follows:

18 (1) The city-county assistance account is created in the state

1 treasury. All receipts from real estate excise tax disbursements
2 provided under RCW 82.45.060 shall be deposited into the account.
3 Moneys in the account may be spent only after appropriation.
4 Expenditures from the account may be used only for the purposes
5 provided in this section.

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

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

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

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

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

27 (c) For each county with an unincorporated population of more than
28 fifteen thousand and less than twenty-two thousand, the county shall
29 receive in calendar year 2006 and 2007 the greater of the amount
30 provided in (a) of this subsection or the amount received in local
31 government assistance provided by section 716, chapter 276, Laws of
32 2004.

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

36 (e) To the extent that revenues exceed the amounts needed to fund
37 the distributions under this subsection, the excess funds shall be

1 divided ratably based upon unincorporated population among those
2 counties receiving funds under this subsection and imposing the tax
3 collected under RCW 82.14.030(2) at the maximum rate.

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

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

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

18 (iii) For a city with a per capita assessed property value less
19 than fifty-five percent of the statewide average per capita assessed
20 property value for all cities, an amount determined by subtracting the
21 city's per capita assessed property value from fifty-five percent of
22 the statewide average per capita assessed property value, dividing that
23 amount by one thousand, and multiplying the result by the city's
24 population.

25 (b) For each city with a population of more than five thousand with
26 a per capita assessed property value less than the statewide average
27 per capita assessed property value for all cities for the calendar year
28 previous to the certification under subsection (6) of this section, the
29 city shall receive the greater of the following three amounts:

30 (i) An amount necessary to increase the revenues collected under
31 RCW 82.14.030(1) up to fifty percent of the statewide weighted average
32 per capita level of sales and use tax revenues collected under RCW
33 82.14.030(1) for all cities imposing the sales and use tax authorized
34 under RCW 82.14.030(1) in the previous calendar year.

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

1 (iii) For a city with a per capita assessed property value less
2 than fifty-five percent of the statewide average per capita assessed
3 property value for all cities, an amount determined by subtracting the
4 city's per capita assessed property value from fifty-five percent of
5 the statewide average per capita assessed property value, dividing that
6 amount by one thousand, and multiplying the result by the city's
7 population.

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

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

13 (e) To the extent that revenues exceed the amounts needed to fund
14 the distributions under this subsection, the excess funds shall be
15 divided ratably based upon population among those cities receiving
16 funds under this subsection and imposing the tax collected under RCW
17 82.14.030(2) at the maximum rate.

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

20 (5) The two hundred fifty thousand dollar amount in subsection (3)
21 of this section and the one hundred thousand dollar amount in
22 subsection (4) of this section shall be increased each year beginning
23 in calendar year 2006 by inflation as defined in RCW 84.55.005, as
24 determined by the department of revenue.

25 (6) Distributions under subsections (3) and (4) of this section
26 shall be made quarterly beginning on October 1, 2005, based on
27 population as last determined by the office of financial management.
28 The department of revenue shall certify the amounts to be distributed
29 under this section to the state treasurer. The certification shall be
30 made by October 1, 2005, for the October 1, 2005, distribution and the
31 January 1, 2006, distribution, based on calendar year 2004 collections.
32 The certification shall be made by March 1, 2006, for distributions
33 beginning April 1, 2006, and by March 1st of every year thereafter.
34 The March 1st certification shall be used for distributions occurring
35 on April 1st, July 1st, and October 1st of the year of certification
36 and on January 1st of the year following certification.

37 (7) All distributions to local governments from the city-county
38 assistance account constitute increases in state distributions of

1 revenue to political subdivisions for purposes of state reimbursement
2 for the costs of new programs and increases in service levels under RCW
3 43.135.060, including any claims or litigation pending against the
4 state on or after January 1, 2005.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28 RCW
6 to read as follows:

7 During calendar year 2008, the joint legislative audit and review
8 committee shall review the distributions to cities and counties under
9 section 2 of this act to determine the extent to which the
10 distributions target the needs of cities and counties for which the
11 repeal of the motor vehicle excise tax had the greatest fiscal impact.
12 In conducting the study, the committee shall solicit input from the
13 cities and counties. The department of revenue and the state treasurer
14 shall provide the committee with any data within their purview that the
15 committee considers necessary to conduct the review. The committee
16 shall report to the legislature the results of its findings, and any
17 recommendations for changes to the distribution formulas under section
18 2 of this act, by December 31, 2008.

19 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2005.

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