H-4263.1

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**SUBSTITUTE HOUSE BILL 2737**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Local Government (originally sponsored by Representatives Appleton, Nealey, McBride, Lytton, Peterson, Griffey, Doglio, and Wylie)

AN ACT Relating to studying the constitutional and statutory obligations and tax revenue capacity of local government entities; creating a new section; and making an appropriation.

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

NEW SECTION. **Sec.**  (1) The department of commerce must conduct a study that analyzes local governments' revenue capacity in relation to its constitutional and statutory obligations. At a minimum, the study must include:

(a) A comparison of county expenditures for services provided as agents of the state compared to the state and local revenue capacity for state services;

(b) An analysis of where funding gaps are most pronounced, such as by issue area and specific areas of the state;

(c) How the situation has changed over the last thirty years; and

(d) Baseline data and a methodology that can be replicated in future studies and analysis.

(2) An interim report focusing on the results of subsection (1)(a) of this section must be presented to the governor and appropriate committees of the legislature by or before December 31, 2018. The final report must be presented to the governor and appropriate committees of the legislature by or before June 30, 2019.

NEW SECTION. **Sec.**  The sum of one hundred thousand dollars, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2019, from the liquor revolving fund to the department of commerce for the purposes of section 1 of this act.

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