

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1420**

Chapter 333, Laws of 1997

55th Legislature  
1997 Regular Session

LOCAL PUBLIC HEALTH FINANCING--MODIFICATIONS

EFFECTIVE DATE: 7/1/97

Passed by the House April 14, 1997  
Yeas 88 Nays 9

CLYDE BALLARD  
**Speaker of the  
House of Representatives**

Passed by the Senate April 18, 1997  
Yeas 44 Nays 5

BRAD OWEN  
**President of the Senate**

Approved May 13, 1997

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1420** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN  
**Chief Clerk**

FILED

May 13, 1997 - 9:12 a.m.

**Secretary of State  
State of Washington**

---

HOUSE BILL 1420

---

Passed Legislature - 1997 Regular Session

State of Washington                      55th Legislature                      1997 Regular Session

By Representatives McDonald, Regala, Huff, Talcott, Conway, Smith, Mitchell, Fisher and Bush

Read first time 01/27/97. Referred to Committee on Appropriations.

1            AN ACT Relating to local public health financing; amending RCW  
2 70.05.125 and 82.14.200; providing an effective date; and declaring an  
3 emergency.

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

5            **Sec. 1.** RCW 70.05.125 and 1995 1st sp.s. c 15 s 1 are each amended  
6 to read as follows:

7            (1) The county public health account is created in the state  
8 treasury. Funds deposited in the county public health account shall be  
9 distributed by the state treasurer to each local public health  
10 jurisdiction based upon amounts certified to it by the department of  
11 community, trade, and economic development in consultation with the  
12 Washington state association of counties. The account shall include  
13 funds distributed under RCW 82.44.110 and 82.14.200(8) and such funds  
14 as are appropriated to the account from the health services account  
15 under RCW 43.72.900, the public health services account under RCW  
16 43.72.902, and such other funds as the legislature may appropriate to  
17 it.

18            (2)(a) The director of the department of community, trade, and  
19 economic development shall certify the amounts to be distributed to

1 each local public health jurisdiction using 1995 as the base year of  
2 actual city contributions to local public health.

3 (b) Only if funds are available and in an amount no greater than  
4 available funds under RCW 82.14.200(8), the department of community,  
5 trade, and economic development shall adjust the amount certified under  
6 (a) of this subsection to compensate for any city that became newly  
7 incorporated as a result of an election during calendar year 1994 or  
8 1995. The amount to be adjusted shall be equal to the amount which  
9 otherwise would have been lost to the health jurisdiction due to the  
10 incorporation as calculated using the jurisdiction's 1995 funding  
11 formula.

12 (c) The county treasurer shall certify the actual 1995 city  
13 contribution to the department. Funds in excess of the base shall be  
14 distributed proportionately among the health jurisdictions based on  
15 incorporated population figures as last determined by the office of  
16 financial management.

17 (3) Moneys distributed under this section shall be expended  
18 exclusively for local public health purposes.

19 **Sec. 2.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to  
20 read as follows:

21 There is created in the state treasury a special account to be  
22 known as the "county sales and use tax equalization account." Into  
23 this account shall be placed a portion of all motor vehicle excise tax  
24 receipts as provided in RCW 82.44.110(1)(f). Funds in this account  
25 shall be allocated by the state treasurer according to the following  
26 procedure:

27 (1) Prior to April 1st of each year the director of revenue shall  
28 inform the state treasurer of the total and the per capita levels of  
29 revenues for the unincorporated area of each county and the state-wide  
30 weighted average per capita level of revenues for the unincorporated  
31 areas of all counties imposing the sales and use tax authorized under  
32 RCW 82.14.030(1) for the previous calendar year.

33 (2) At such times as distributions are made under RCW 82.44.150, as  
34 now or hereafter amended, the state treasurer shall apportion to each  
35 county imposing the sales and use tax under RCW 82.14.030(1) at the  
36 maximum rate and receiving less than one hundred fifty thousand dollars  
37 from the tax for the previous calendar year, an amount from the county  
38 sales and use tax equalization account sufficient, when added to the

1 amount of revenues received the previous calendar year by the county,  
2 to equal one hundred fifty thousand dollars.

3 The department of revenue shall establish a governmental price  
4 index as provided in this subsection. The base year for the index  
5 shall be the end of the third quarter of 1982. Prior to November 1,  
6 1983, and prior to each November 1st thereafter, the department of  
7 revenue shall establish another index figure for the third quarter of  
8 that year. The department of revenue may use the implicit price  
9 deflators for state and local government purchases of goods and  
10 services calculated by the United States department of commerce to  
11 establish the governmental price index. Beginning on January 1, 1984,  
12 and each January 1st thereafter, the one hundred fifty thousand dollar  
13 base figure in this subsection shall be adjusted in direct proportion  
14 to the percentage change in the governmental price index from 1982  
15 until the year before the adjustment. Distributions made under this  
16 subsection for 1984 and thereafter shall use this adjusted base amount  
17 figure.

18 (3) Subsequent to the distributions under subsection (2) of this  
19 section and at such times as distributions are made under RCW  
20 82.44.150, as now or hereafter amended, the state treasurer shall  
21 apportion to each county imposing the sales and use tax under RCW  
22 82.14.030(1) at the maximum rate and receiving less than seventy  
23 percent of the state-wide weighted average per capita level of revenues  
24 for the unincorporated areas of all counties as determined by the  
25 department of revenue under subsection (1) of this section, an amount  
26 from the county sales and use tax equalization account sufficient, when  
27 added to the per capita level of revenues for the unincorporated area  
28 received the previous calendar year by the county, to equal seventy  
29 percent of the state-wide weighted average per capita level of revenues  
30 for the unincorporated areas of all counties determined under  
31 subsection (1) of this section, subject to reduction under subsections  
32 (6) and (7) of this section. When computing distributions under this  
33 section, any distribution under subsection (2) of this section shall be  
34 considered revenues received from the tax imposed under RCW  
35 82.14.030(1) for the previous calendar year.

36 (4) Subsequent to the distributions under subsection (3) of this  
37 section and at such times as distributions are made under RCW  
38 82.44.150, as now or hereafter amended, the state treasurer shall  
39 apportion to each county imposing the sales and use tax under RCW

1 82.14.030(2) at the maximum rate and receiving a distribution under  
2 subsection (2) of this section, a third distribution from the county  
3 sales and use tax equalization account. The distribution to each  
4 qualifying county shall be equal to the distribution to the county  
5 under subsection (2) of this section, subject to the reduction under  
6 subsections (6) and (7) of this section. To qualify for the total  
7 distribution under this subsection, the county must impose the tax  
8 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
9 the tax for less than the full year shall qualify for prorated  
10 allocations under this subsection proportionate to the number of months  
11 of the year during which the tax is imposed.

12 (5) Subsequent to the distributions under subsection (4) of this  
13 section and at such times as distributions are made under RCW  
14 82.44.150, as now or hereafter amended, the state treasurer shall  
15 apportion to each county imposing the sales and use tax under RCW  
16 82.14.030(2) at the maximum rate and receiving a distribution under  
17 subsection (3) of this section, a fourth distribution from the county  
18 sales and use tax equalization account. The distribution to each  
19 qualifying county shall be equal to the distribution to the county  
20 under subsection (3) of this section, subject to the reduction under  
21 subsections (6) and (7) of this section. To qualify for the  
22 distributions under this subsection, the county must impose the tax  
23 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
24 the tax for less than the full year shall qualify for prorated  
25 allocations under this subsection proportionate to the number of months  
26 of the year during which the tax is imposed.

27 (6) Revenues distributed under subsections (2) through (5) of this  
28 section in any calendar year shall not exceed an amount equal to  
29 seventy percent of the state-wide weighted average per capita level of  
30 revenues for the unincorporated areas of all counties during the  
31 previous calendar year. If distributions under subsections (3) through  
32 (5) of this section cannot be made because of this limitation, then  
33 distributions under subsections (3) through (5) of this section shall  
34 be reduced ratably among the qualifying counties.

35 (7) If inadequate revenues exist in the county sales and use tax  
36 equalization account to make the distributions under subsections (3)  
37 through (5) of this section, then the distributions under subsections  
38 (3) through (5) of this section shall be reduced ratably among the  
39 qualifying counties. At such time during the year as additional funds

1 accrue to the county sales and use tax equalization account, additional  
2 distributions shall be made under subsections (3) through (5) of this  
3 section to the counties.

4 (8) If the level of revenues in the county sales and use tax  
5 equalization account exceeds the amount necessary to make the  
6 distributions under subsections (2) through (5) of this section, at  
7 such times as distributions are made under RCW 82.44.150, the state  
8 treasurer shall apportion an amount to the county public health account  
9 created in RCW 70.05.125 equal to the adjustment under RCW  
10 70.05.125(2)(b).

11 (9) If the level of revenues in the county sales and use tax  
12 equalization account exceeds the amount necessary to make the  
13 distributions under subsections (2) through (5) and (8) of this  
14 section, then the additional revenues shall be credited and transferred  
15 to the state general fund.

16 NEW SECTION. Sec. 3. This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and takes effect  
19 July 1, 1997.

Passed the House April 14, 1997.

Passed the Senate April 18, 1997.

Approved by the Governor May 13, 1997.

Filed in Office of Secretary of State May 13, 1997.