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HOUSE BILL 2070

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State of Washington

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By Representatives Romero, Campbell, Jarrett, Kagi, Grant, Hankins, Lantz, Darneille, Fromhold, Moeller, Skinner, Cooper, Shabro, McIntire, Schual-Berke, Hatfield, Hunt, Cody, Delvin, Edwards, Morrell and Clibborn

Read first time 02/21/2003. Referred to Committee on Health Care.

1 AN ACT Relating to the local public health trust fund; amending RCW  
2 84.52.065 and 84.55.010; adding a new section to chapter 84.52 RCW;  
3 adding a new section to chapter 84.55 RCW; adding a new section to  
4 chapter 70.05 RCW; creating new sections; providing a contingent  
5 effective date; and providing for submission of this act to a vote of  
6 the people.

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

8 NEW SECTION. **Sec. 1.** The people of the state of Washington  
9 recognize that public health plays a vital role in the safety of their  
10 families, communities, and workplaces. Historically, the people of  
11 Washington have been leaders in their support for public health. The  
12 nation's first public health district was established in Washington  
13 state. The people of Washington further recognize that public health  
14 is a cost-effective way of preventing disease and reducing health care  
15 costs. The people find that the existing system of funding public  
16 health is inadequate to assure the provision of traditional services  
17 such as immunization, food and water supply safety, environmental  
18 health, and communicable disease control and at the same time meet the  
19 new challenges posed by issues such as bioterrorism, West Nile virus,

1 and drug resistant tuberculosis. By this act, the people intend to  
2 establish a stable and continuing funding source for local public  
3 health services and state services which support local public health  
4 services.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW  
6 to read as follows:

7 (1) In addition to the levy provided for in RCW 84.52.065, in each  
8 year the state shall levy for collection in the following year a state  
9 tax of twenty-five cents per thousand dollars of assessed value upon  
10 the assessed valuation of all taxable property within the state  
11 adjusted to the state equalized value in accordance with the indicated  
12 ratio fixed by the state department of revenue.

13 (2) The taxes levied by the state under this section shall be  
14 deposited into the local public health trust fund hereby created in the  
15 state treasury. Money in the local public health trust fund may be  
16 spent only for distribution to counties and health districts and to the  
17 health services account solely for the purpose of maintaining and  
18 improving local public health services.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.55 RCW  
20 to read as follows:

21 (1) The levy by the state under section 2 of this act shall:

22 (a) Not be subject to RCW 84.55.010; and

23 (b) Be set in any year so that the taxes payable in the following  
24 year shall not exceed a dollar amount calculated by multiplying one  
25 hundred percent plus the fiscal growth factor by the amount of taxes  
26 lawfully levied in the previous year, plus an additional dollar amount  
27 calculated by multiplying the increase in assessed value in the state  
28 resulting from new construction, improvements to property, and any  
29 increase in the assessed value of state-assessed property by the levy  
30 rate for the preceding year. In no case shall the levy exceed twenty-  
31 five cents per thousand dollars of assessed value upon the assessed  
32 valuation of all taxable property within the state adjusted to the  
33 state equalized value in accordance with the indicated ratio fixed by  
34 the state department of revenue.

35 (2) The limitation provided in subsection (1)(b) of this section

1 does not apply to the first levy by the state under section 2 of this  
2 act.

3 (3) For purposes of this section, "fiscal growth factor" has the  
4 same meaning as in RCW 43.135.025.

5 NEW SECTION. **Sec. 4.** (1) Beginning in calendar year 2004, the  
6 state treasurer shall make the following annual distributions, based on  
7 calculations by the office of financial management, from the local  
8 public health trust fund to the counties and health districts and the  
9 health services account as follows:

10 (a) Forty-three percent of the revenue shall be distributed based  
11 on each department's or district's proportional share of total 1999  
12 local support from counties and their component cities to their  
13 respective health department or district;

14 (b) Seventeen and nine-tenths percent of the revenue shall be  
15 distributed solely for public health services in order to maintain  
16 support previously provided from the health services account. Each  
17 health department or district shall receive a distribution based on  
18 their proportional share of funds appropriated in the 2003-2005  
19 biennial operating budget;

20 (c) Three and two-tenths percent shall be distributed to counties  
21 or districts to bring per capita funding for county health departments  
22 or health districts up to seventy percent of the statewide average per  
23 capita funding under (a) and (b) of this subsection;

24 (d) Twenty-one and one-tenth percent of the revenue shall be  
25 distributed on a per capita basis to each department or district based  
26 on their share of the total state population solely to improve public  
27 health services and emergency response and prevention capacity for acts  
28 of terrorism committed with biological agents, West Nile virus, and  
29 communicable diseases;

30 (e) One and four-tenths percent will be distributed to counties or  
31 districts to bring total funding under (a) through (d) of this  
32 subsection up to an amount equal to eighty-five percent of the taxes  
33 raised for distributions under those sections; and

34 (f) Thirteen and four-tenths percent shall be distributed to the  
35 health services account for activities and support of local public  
36 health.

1 (2) In each year following calendar year 2004: In calculating the  
2 amounts to be distributed to each county under subsection (1)(a) and  
3 (b) of this section the office of financial management shall treat  
4 funding increases attributable to the population change component of  
5 the fiscal growth factor in the following manner: Only those counties  
6 with population growth shall have a change in funding for population.  
7 Funding increases generated by the population component of the fiscal  
8 growth factor shall be distributed to those counties based on the  
9 county's pro rata share of the population increase component of the  
10 fiscal growth factor as provided in RCW 43.135.025(9).

11 (3) The state treasurer shall make the distributions under this  
12 section to the counties and districts and to the health services  
13 account as follows:

14 (a) One-half of the total amount that each county or district and  
15 the health services account is entitled to receive for a calendar year  
16 shall be distributed to the counties on July 1st of that calendar year;  
17 and

18 (b) The remainder of the funds that the counties or districts and  
19 the health services account are entitled to receive shall be  
20 distributed to the counties on January 1st of the following calendar  
21 year.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 70.05 RCW  
23 to read as follows:

24 (1) Each local board of health shall establish performance measures  
25 for the health department that it governs and shall report annually to  
26 the citizens of the health district or county about its performance  
27 against those measures. In selecting measures, each board shall take  
28 into account local public health priorities identified in a community  
29 assessment conducted by the local health jurisdiction and the  
30 performance standards adopted in the state public health improvement  
31 plan. In the case of those departments and districts where cities have  
32 provided funding for enhanced levels of service since 1999, the city  
33 shall establish, in consultation with the local board of health,  
34 performance objectives for that portion of the distribution under  
35 section 4(1)(a) of this act attributable to city contributions for  
36 enhanced service levels. A special annual report shall be made by the

1 local board of health to the city and to the citizens of such cities  
2 about performance against those objectives.

3 (2) Additionally, the secretary of health, in consultation with  
4 local public health jurisdictions, shall annually select performance  
5 standards from among those adopted in the state public health  
6 improvement plan on which each local health department or district  
7 shall be required to report. These performance measures shall be  
8 designed to demonstrate progress toward meeting the standards and  
9 progress made by the public health system toward improving the status  
10 of the public's health as required in RCW 43.70.580(5). The secretary  
11 of health shall report to the legislature, the governor, and the people  
12 of the state regarding local health department and district  
13 performance, comparing performance among jurisdictions and highlighting  
14 local priorities.

15 (3) Within available resources, it shall be the responsibility of  
16 the local board of health to implement the state public health  
17 improvement plan within its jurisdiction.

18 NEW SECTION. **Sec. 6.** The secretary of state shall submit this act  
19 to the people for their adoption and ratification, or rejection, at the  
20 next general election to be held in this state, in accordance with  
21 Article II, section 1 of the state Constitution and the laws adopted to  
22 facilitate its operation. If approved by a majority of those voting at  
23 the November 2003 general election, sections 2 through 4 of this act  
24 apply to taxes levied in 2003 for collection in 2004 and every year  
25 thereafter, and sections 1 and 5 of this act take effect on January 1,  
26 2004. If this act is not approved by a majority of the voters voting  
27 at the next general election it is null and void in its entirety.

28 **Sec. 7.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to  
29 read as follows:

30 Subject to the limitations in RCW 84.55.010, in each year the state  
31 shall levy for collection in the following year for the support of  
32 common schools of the state a tax of three dollars and (~~sixty~~)  
33 thirty-five cents per thousand dollars of assessed value upon the  
34 assessed valuation of all taxable property within the state adjusted to  
35 the state equalized value in accordance with the indicated ratio fixed  
36 by the state department of revenue.

1 As used in this section, "the support of common schools" includes  
2 the payment of the principal and interest on bonds issued for capital  
3 construction projects for the common schools.

4 **Sec. 8.** RCW 84.55.010 and 1997 c 3 s 202 are each amended to read  
5 as follows:

6 (1) Except as provided in this chapter, the levy for a taxing  
7 district in any year shall be set so that the regular property taxes  
8 payable in the following year shall not exceed the limit factor  
9 multiplied by the amount of regular property taxes lawfully levied for  
10 such district in the highest of the three most recent years in which  
11 such taxes were levied for such district plus an additional dollar  
12 amount calculated by multiplying the increase in assessed value in that  
13 district resulting from new construction, improvements to property, and  
14 any increase in the assessed value of state-assessed property by the  
15 regular property tax levy rate of that district for the preceding year.

16 (2) The tax levy authorized under section 2 of this act is not  
17 subject to the requirements of this section.

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