

SENATE BILL REPORT

SB 5866

As of February 17, 2015

Title: An act relating to providing that counties are not required to distribute to the cities within the county certain county sales and use tax proceeds.

Brief Description: Providing that counties are not required to distribute to the cities within the county certain county sales and use tax proceeds.

Sponsors: Senators Honeyford and Fraser.

Brief History:

Committee Activity: Government Operations & Security: 2/17/15.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Staff: Curt Gavigan (786-7437)

Background: Public Safety Tax Generally. A local sales and use tax commonly known as the public safety tax was established in 2003. It authorizes a sales and use tax of up to 0.3 percent for counties and 0.1 percent for cities, subject to voter approval. At least one-third of the tax receipts must be devoted to criminal justice programs, fire protection purposes, or both.

County and City Levies. If a county imposes the tax before a city, a city may not subsequently impose the tax at a rate that would cause the total county and city tax to exceed 0.3 percent. If a city imposes the tax before a county, the county must provide a credit against its tax to the extent the combined rate would exceed 0.3 percent.

Revenue Sharing. A levying county must retain 60 percent of the revenue, and the remaining 40 percent must be distributed to cities within the county. A levying city must retain 85 percent of the revenue, and 15 percent must be distributed to the county.

Summary of Bill: Any portion of the public safety tax imposed by a county after July 1, 2015, is not subject to revenue sharing. Revenue from a county tax imposed prior to July 1, 2015, remains subject to revenue sharing, with 40 percent provided to cities.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Requested on February 13, 2015.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2015.