**2163.E AMS BRAU S3040.1 - NOT FOR FLOOR USE**

**EHB 2163** - S AMD **329**

By Senator Braun

**ADOPTED 06/30/2017**

On page 8, line 17, after "rate of" strike "3.852 percent" and insert ":

(a) 0.963 percent from January 1, 2018, through December 31, 2018;

(b) 1.926 percent from January 1, 2019, through December 31, 2019;

(c) 2.889 percent from January 1, 2020, through December 31, 2020; and

(d) 3.852 percent from January 1, 2021, and thereafter"

On page 46, after line 33, insert the following:

**"Part V**

**Public Utility Privilege Tax Distributions**

**Sec.**  RCW 54.28.055 and 1986 c 189 s 1 are each amended to read as follows:

(1) After computing the tax imposed by RCW 54.28.025(1), the department of revenue ((~~shall~~)) must instruct the state treasurer to distribute the amount collected on the first business day of July as follows:

(a) Fifty percent to the state general fund for the support of schools; and

(b) Twenty-two percent to the counties, twenty-three percent to the cities, three percent to the fire protection districts, and two percent to the library districts.

(2) Each county, city, fire protection district and library district ((~~shall~~)) must receive a percentage of the amount for distribution to counties, cities, fire protection districts and library districts, respectively, in the proportion that the population of such district residing within the impacted area bears to the total population of all such districts residing within the impacted area. For the purposes of this chapter, the term "library district" includes only regional libraries ((~~as defined in RCW 27.12.010(4)~~)), rural county library districts ((~~as defined in RCW 27.12.010(5)~~)), intercounty rural library districts ((~~as defined in RCW 27.12.010(6)~~)), and island library districts ((~~as defined in RCW 27.12.010(7)~~)). The population of a library district, for purposes of such a distribution, ((~~shall~~)) does not include any population within the library district and the impact area that also is located within a city or town.

(3) If any distribution pursuant to subsection (1)(b) of this section cannot be made, then that share ((~~shall~~)) must be prorated among the state and remaining local districts.

(4) All distributions directed by this section to be made on the basis of population ((~~shall~~)) must be calculated in accordance with data to be provided by the office of financial management.

**Sec.**  RCW 54.28.055 and 2017 c 323 s 105 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, the department of revenue must instruct the state treasurer to distribute the amount collected under RCW 54.28.025(1) on the first business day of July as follows:

(a) Fifty percent to the state general fund for the support of schools; and

(b) Twenty-two percent to the counties, twenty-three percent to the cities, three percent to the fire protection districts, and two percent to the library districts.

(2) Each county, city, fire protection district, and library district must receive a percentage of the amount for distribution to counties, cities, fire protection districts, and library districts, respectively, in the proportion that the population of such district residing within the impacted area bears to the total population of all such districts residing within the impacted area. For the purposes of this chapter, the term "library district" includes only regional libraries, rural county library districts, intercounty rural library districts, and island library districts as those terms are defined in RCW 27.12.010. The population of a library district, for purposes of such a distribution, does not include any population within the library district and the impact area that also is located within a city or town.

(3) Distributions under this section must be adjusted as follows:

(a) If any distribution pursuant to subsection (1)(b) of this section cannot be made, then that share must be prorated among the state and remaining local districts.

(b) The department of revenue must instruct the state treasurer to adjust distributions under this section, in whole or in part, to account for each county's, city's, fire protection district's, and library district's proportionate share of amounts previously distributed under this section and subsequently refunded to a public utility district under RCW 82.32.060.

(4) All distributions directed by this section to be made on the basis of population must be calculated in accordance with population data as last determined by the office of financial management."

Renumber the remaining part and sections consecutively and correct any internal references accordingly.

On page 47, after line 35, insert the following:

"(5) Section 502 of this act takes effect January 1, 2018."

On page 48, after line 2, insert the following:

"NEW SECTION. **Sec.**  Section 501 of this act expires January 1, 2018."

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**ADOPTED 06/30/2017**

On page 1, line 3 of the title, after "82.14.495," strike "and 82.14.500" and insert "82.14.500, 54.28.055, and 54.28.055"

On page 1, line 8 of the title, after "dates; providing" strike "an expiration date" and insert "expiration dates"

EFFECT: (1) Implements the public utility tax on fuel extracted, manufactured, and consumed in petroleum production over four years beginning on January 1, 2018.

(2) Changes the distribution of public utility privilege tax revenues to the state and local government from June to the first business day of July.

17-19 FISCAL IMPACT: $1,401,000 GF-S revenue increase.