H-3325.2

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**HOUSE BILL 2737**

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

**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; making an appropriation; and providing an expiration date.

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) An overview of the major interdependencies of counties, cities, and special districts as they relate to state-mandated responsibilities;

(b) A listing of local government revenues, including local tax revenue authority and revenue shared by the state and federal government;

(c) A listing of all statutory and constitutional requirements and obligations and their associated costs;

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

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

(f) Baseline data and a methodology that can be replicated in future local government comparison studies and analysis; and

(g) How statutory revenue authority and spending obligations of Washington's local governments compare to a select number of competitor states.

(2) The department of commerce must provide a report on its findings and recommendations to the governor and the appropriate committees of the legislature by December 28, 2018.

(3) For the purposes of this section, "local government" means cities, counties, and special purpose districts.

NEW SECTION. **Sec.**  The sum of two hundred fifty 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.

NEW SECTION. **Sec.**  This act expires June 30, 2019.

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