

**RCW 43.08.290 City-county assistance account—Use and distribution of funds.**

(1) The city-county assistance account is created in the state treasury. All receipts from real estate excise tax disbursements provided under RCW 82.45.060 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes provided in this section.

(2) Funds deposited in the city-county assistance account must be distributed equally to the cities and counties.

(3) (a) Funds distributed to counties must, to the extent possible, increase the sum of revenues under RCW 82.14.030(1) and streamlined sales tax mitigation funds received by each county to the greater of two hundred fifty thousand dollars or:

(i) For a county with an unincorporated population of one hundred thousand or less, seventy percent of the statewide weighted average per capita level of sales and use tax revenues received under RCW 82.14.030(1) with respect to taxable activity in the unincorporated areas of all counties imposing the sales and use tax authorized under RCW 82.14.030(1) in the previous calendar year, for certifications before October 1, 2009, or the previous fiscal year, for certifications on and after October 1, 2009; and

(ii) For a county with an unincorporated population of more than one hundred thousand, sixty-five percent of the statewide weighted average per capita level of sales and use tax revenues received under RCW 82.14.030(1) with respect to taxable activity in the unincorporated areas of all counties imposing the sales and use tax authorized under RCW 82.14.030(1) in the previous calendar year, for certifications before October 1, 2009, or the previous fiscal year, for certifications on and after October 1, 2009.

(b) For each county with an unincorporated population of fifteen thousand or less, the county must receive the greater of the amount in (a) of this subsection or the amount received in local government assistance provided by section 716, chapter 276, Laws of 2004.

(c) For each county with an unincorporated population of more than fifteen thousand and less than twenty-two thousand, the county must receive in calendar year 2006 and 2007 the greater of the amount provided in (a) of this subsection or the amount received in local government assistance provided by section 716, chapter 276, Laws of 2004.

(d) To the extent that revenues are insufficient to fund the distributions under this subsection, the distributions of all counties as otherwise determined under this subsection must be ratably reduced.

(e) To the extent that revenues exceed the amounts needed to fund the distributions under this subsection, the excess funds must be divided ratably based upon unincorporated population among those counties receiving funds under this subsection and imposing the tax authorized under RCW 82.14.030(2) at the maximum rate.

(4) (a) For each city with a population of five thousand or less with a per capita assessed property value less than twice the statewide average per capita assessed property value for all cities for the calendar year previous to the certification under subsection (6) of this section, the city must receive the greater of the following three amounts:

(i) An amount necessary to increase the sum of revenues under RCW 82.14.030(1) and streamlined sales tax mitigation funds received by a city up to fifty-five percent of the statewide weighted average per

capita level of sales and use tax revenues received under RCW 82.14.030(1) with respect to taxable activity in all cities imposing the sales and use tax authorized under RCW 82.14.030(1) in the previous calendar year, for certifications before October 1, 2009, or the previous fiscal year, for certifications on and after October 1, 2009.

(ii) The amount received in local government assistance provided for fiscal year 2005 by section 721, chapter 25, Laws of 2003 1st sp. sess.

(iii) For a city with a per capita assessed property value less than fifty-five percent of the statewide average per capita assessed property value for all cities, an amount determined by subtracting the city's per capita assessed property value from fifty-five percent of the statewide average per capita assessed property value, dividing that amount by one thousand, and multiplying the result by the city's population.

(b) For each city with a population of more than five thousand with a per capita assessed property value less than the statewide average per capita assessed property value for all cities for the calendar year previous to the certification under subsection (6) of this section, the city must receive the greater of the following two amounts:

(i) An amount necessary to increase the sum of revenues under RCW 82.14.030(1) and streamlined sales tax mitigation funds received by a city up to fifty percent of the statewide weighted average per capita level of sales and use tax revenues received under RCW 82.14.030(1) with respect to taxable activity in all cities imposing the sales and use tax authorized under RCW 82.14.030(1) in the previous calendar year, for certifications before October 1, 2009, or the previous fiscal year, for certifications on and after October 1, 2009.

(ii) For a city with a per capita assessed property value less than fifty-five percent of the statewide average per capita assessed property value for all cities, an amount determined by subtracting the city's per capita assessed property value from fifty-five percent of the statewide average per capita assessed property value, dividing that amount by one thousand, and multiplying the result by the city's population.

(c) No city may receive an amount greater than one hundred thousand dollars a year under (a) or (b) of this subsection.

(d) To the extent that revenues are insufficient to fund the distributions under this subsection, the distributions of all cities as otherwise determined under this subsection must be ratably reduced.

(e) To the extent that revenues exceed the amounts needed to fund the distributions under this subsection, the excess funds must be divided ratably based upon population among those cities receiving funds under this subsection and imposing the tax collected under RCW 82.14.030(2) at the maximum rate.

(f) This subsection only applies to cities incorporated before August 1, 2005.

(5) The two hundred fifty thousand dollar amount in subsection (3) of this section and the one hundred thousand dollar amount in subsection (4) of this section must be increased each year beginning in calendar year 2006 by inflation as defined in RCW 84.55.005, as determined by the department of revenue.

(6) (a) Distributions under subsections (3) and (4) of this section must be made quarterly beginning on October 1, 2005, based on population as last determined by the office of financial management.

The department of revenue must certify the amounts to be distributed under this section by the state treasurer. The certification must be made by October 1, 2005, for the October 1, 2005, distribution and the January 1, 2006, distribution, based on calendar year 2004 department of revenue distributions of sales and use taxes authorized under RCW 82.14.030(1). The certification must be made by March 1, 2006, for distributions beginning April 1, 2006, by March 1, 2007, for distributions beginning April 1, 2007, and by March 1, 2008, for distributions beginning April 1, 2008. The March 1st certification must be used for distributions occurring on April 1st, July 1st, and October 1st of the year of certification and on January 1st of the year following certification.

(b) By March 1, 2009, the department of revenue must certify the amounts to be distributed under this section on April 1, 2009, July 1, 2009, and October 1, 2009. The certification must be based on calendar year 2008 department of revenue distributions of sales and use taxes authorized under RCW 82.14.030(1), and the population as last determined by the office of financial management.

(c) By October 1, 2009, the department of revenue must certify the amounts to be distributed under this section on January 1, 2010, April 1, 2010, July 1, 2010, and October 1, 2010. The certification must be based on department of revenue distributions in fiscal year 2009 of sales and use taxes authorized under RCW 82.14.030(1), streamlined sales tax mitigation data for mitigation distributions authorized under \*RCW 82.14.495 made December 2008 through September 2009, and population as last determined by the office of financial management.

(d) By September 1, 2010, and September 1st of every year thereafter, the department of revenue must make available a preliminary certification of the amounts to be distributed under this section on January 1st, April 1st, July 1st, and October 1st of the year immediately following certification. By October 1, 2010, and October 1st of every year thereafter, the department must finalize the certification. Once finalized, no changes may be made to the certification for any reason. Certifications must be based on distributions of sales and use taxes imposed under RCW 82.14.030(1) made by the department of revenue in the fiscal year that ended during the calendar year of certification, streamlined sales tax mitigation data for mitigation distributions authorized under \*RCW 82.14.495 made in the fiscal year that ended during the calendar year of certification, and population as last determined by the office of financial management.

(7) All distributions to local governments from the city-county assistance account constitute increases in state distributions of revenue to political subdivisions for purposes of state reimbursement for the costs of new programs and increases in service levels under RCW 43.135.060, including any claims or litigation pending against the state on or after January 1, 2005.

(8) As used in this section, "streamlined sales tax mitigation funds" means an amount determined by the department of revenue equal to the actual mitigation distribution amount under \*RCW 82.14.495 received by a jurisdiction in four consecutive calendar quarters, less the mitigation distribution amount that would have been received by the jurisdiction during the same four calendar quarters had mitigation been calculated without the local sales tax authorized under RCW 82.14.030(1). If the difference is a negative amount or if a jurisdiction does not receive any mitigation distribution during the

applicable four calendar quarters, then "streamlined sales tax mitigation funds" is zero. [2009 c 127 § 1; 2005 c 450 § 2.]

**\*Reviser's note:** RCW 82.14.495 was repealed by 2017 3rd sp.s. c 28 § 404, effective October 1, 2019.

**Application—2009 c 127:** "This act applies both prospectively and retroactively to March 1, 2009." [2009 c 127 § 2.]

**Effective date—2005 c 450:** See note following RCW 82.45.060.