
HOUSE BILL 2520

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Morris, R. King, Fraser and Appelwick

Read first time 01/20/92. Referred to Committee on Revenue.

1 AN ACT Relating to tax distribution to counties through the county
2 sales and use tax equalization account; amending RCW 82.14.200; and
3 repealing RCW 77.12.201 and 77.12.203.

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

5 **Sec. 1.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to
6 read as follows:

7 There is created in the state treasury a special account to be
8 known as the "county sales and use tax equalization account." Into
9 this account shall be placed a portion of all motor vehicle excise tax
10 receipts as provided in RCW 82.44.110(1)(f). Funds in this account
11 shall be allocated by the state treasurer according to the following
12 procedure:

13 (1) Prior to April 1st of each year the director of revenue shall
14 inform the state treasurer of the total and the per capita levels of

1 revenues for the unincorporated area of each county and the state-wide
2 weighted average per capita level of revenues for the unincorporated
3 areas of all counties imposing the sales and use tax authorized under
4 RCW 82.14.030(1) for the previous calendar year.

5 (2) At such times as distributions are made under RCW 82.44.150,
6 (~~as now or hereafter amended,~~) the state treasurer shall apportion to
7 each county imposing the sales and use tax under RCW 82.14.030(1) at
8 the maximum rate and receiving less than one hundred fifty thousand
9 dollars from the tax for the previous calendar year, an amount from the
10 county sales and use tax equalization account sufficient, when added to
11 the amount of revenues received the previous calendar year by the
12 county, to equal one hundred fifty thousand dollars.

13 The department of revenue shall establish a governmental price
14 index as provided in this subsection. The base year for the index
15 shall be the end of the third quarter of 1982. Prior to November 1,
16 1983, and prior to each November 1st thereafter, the department of
17 revenue shall establish another index figure for the third quarter of
18 that year. The department of revenue may use the implicit price
19 deflators for state and local government purchases of goods and
20 services calculated by the United States department of commerce to
21 establish the governmental price index. Beginning on January 1, 1984,
22 and each January 1st thereafter, the one hundred fifty thousand dollar
23 base figure in this subsection shall be adjusted in direct proportion
24 to the percentage change in the governmental price index from 1982
25 until the year before the adjustment. Distributions made under this
26 subsection for 1984 and thereafter shall use this adjusted base amount
27 figure.

28 (3) Subsequent to the distributions under subsection (2) of this
29 section and at such times as distributions are made under RCW
30 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall

1 apportion to each county imposing the sales and use tax under RCW
2 82.14.030(1) at the maximum rate and receiving less than seventy
3 percent of the state-wide weighted average per capita level of revenues
4 for the unincorporated areas of all counties as determined by the
5 department of revenue under subsection (1) of this section, an amount
6 from the county sales and use tax equalization account sufficient, when
7 added to the per capita level of revenues for the unincorporated area
8 received the previous calendar year by the county, to equal seventy
9 percent of the state-wide weighted average per capita level of revenues
10 for the unincorporated areas of all counties determined under
11 subsection (1) of this section, subject to reduction under subsections
12 (6) and (7) of this section. When computing distributions under this
13 section, any distribution under subsection (2) of this section shall be
14 considered revenues received from the tax imposed under RCW
15 82.14.030(1) for the previous calendar year.

16 (4) Subsequent to the distributions under subsection (3) of this
17 section and at such times as distributions are made under RCW
18 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall
19 apportion to each county imposing the sales and use tax under RCW
20 82.14.030(2) at the maximum rate and receiving a distribution under
21 subsection (2) of this section, a third distribution from the county
22 sales and use tax equalization account. The distribution to each
23 qualifying county shall be equal to the distribution to the county
24 under subsection (2) of this section, subject to the reduction under
25 subsections (6) and (7) of this section. To qualify for the total
26 distribution under this subsection, the county must impose the tax
27 under RCW 82.14.030(2) for the entire calendar year. Counties imposing
28 the tax for less than the full year shall qualify for prorated
29 allocations under this subsection proportionate to the number of months
30 of the year during which the tax is imposed.

1 (5) Subsequent to the distributions under subsection (4) of this
2 section and at such times as distributions are made under RCW
3 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall
4 apportion to each county imposing the sales and use tax under RCW
5 82.14.030(2) at the maximum rate and receiving a distribution under
6 subsection (3) of this section, a fourth distribution from the county
7 sales and use tax equalization account. The distribution to each
8 qualifying county shall be equal to the distribution to the county
9 under subsection (3) of this section, subject to the reduction under
10 subsections (6) and (7) of this section. To qualify for the
11 distributions under this subsection, the county must impose the tax
12 under RCW 82.14.030(2) for the entire calendar year. Counties imposing
13 the tax for less than the full year shall qualify for prorated
14 allocations under this subsection proportionate to the number of months
15 of the year during which the tax is imposed.

16 (6) Revenues distributed under this section in any calendar year
17 shall not exceed an amount equal to seventy percent of the state-wide
18 weighted average per capita level of revenues for the unincorporated
19 areas of all counties during the previous calendar year. If
20 distributions under subsections (3) through (5) of this section cannot
21 be made because of this limitation, then distributions under
22 subsections (3) through (5) of this section shall be reduced ratably
23 among the qualifying counties.

24 (7) If inadequate revenues exist in the county sales and use tax
25 equalization account to make the distributions under subsections (3)
26 through (5) of this section, then the distributions under subsections
27 (3) through (5) of this section shall be reduced ratably among the
28 qualifying counties. At such time during the year as additional funds
29 accrue to the county sales and use tax equalization account, additional

1 distributions shall be made under subsections (3) through (5) of this
2 section to the counties.

3 (8) If the level of revenues in the county sales and use tax
4 equalization account exceeds the amount necessary to make the
5 distributions under subsections (2) through (5) of this section, then
6 an additional distribution shall be made to each county qualifying
7 under this subsection. To qualify under this subsection a county must
8 either have received payments under RCW 77.12.203 in 1992 or be
9 composed of eligible lands that consist of at least one percent of the
10 county's area. Eligible lands are critical habitat, natural areas,
11 parks, trails, and other recreation lands owned in fee by the
12 department of wildlife, the department of fisheries, the state parks
13 and recreation commission, and the department of natural resources.
14 Federal lands and lands owned by federally recognized Indian tribes
15 shall not be included in the denominator for purposes of calculating
16 the percentage.

17 The distribution under this subsection shall be as follows:

18 (a) For each county that received a payment under RCW 77.12.203 in
19 1992, the larger of:

20 (i)(A) A payment equal to the payment made in 1992 by the
21 department of wildlife under RCW 77.12.203; plus

22 (B) A payment equal to the number of acres of eligible land within
23 the county acquired by state agencies after December 31, 1991,
24 multiplied by the amount determined in (c) of this subsection; or

25 (ii) A payment equal to the number of acres of eligible lands
26 within the county multiplied by the amount determined in (c) of this
27 subsection.

28 (b) For the counties not receiving a payment under (a) of this
29 subsection, a payment equal to the number of acres of eligible lands

1 within the county multiplied by the amount determined in (c) of this
2 subsection.

3 (c) The per acre amount is the smaller of:

4 (i) Fifty cents an acre; or

5 (ii) The amount determined by subtracting from the revenue
6 remaining after the payments under subsections (2) through (5) of this
7 section, the payment made under (a)(i)(A) of this subsection and then
8 dividing the result by the sum of the number of acres of eligible land
9 in all the qualified counties not receiving a payment under (a)(i)(A)
10 of this subsection and the number of acres of eligible lands acquired
11 by state agencies after December 31, 1991, in all the counties
12 receiving payments under (a)(i)(A) of this subsection.

13 (d) If inadequate revenues exist in the county sales and use tax
14 equalization account to make the distributions under subsection (8) of
15 this section, then the distributions under this subsection shall be
16 reduced ratably among the qualifying counties. At such time during the
17 year as additional funds accrue to the county sales and use tax
18 equalization account, additional distributions shall be made under this
19 subsection to the counties.

20 (9) If the level of revenues in the county sales and use tax
21 equalization account exceeds the amount necessary to make the
22 distributions under subsections (2) through (5) and (8) of this
23 section, then the additional revenues shall be credited and transferred
24 to the state general fund.

25 NEW SECTION. Sec. 2. The following acts or parts of acts are
26 each repealed:

27 (1) RCW 77.12.201 and 1987 c 506 s 29, 1984 c 258 s 335, 1984 c 214
28 s 1, 1980 c 78 s 36, 1977 ex.s. c 59 s 1, & 1965 ex.s. c 97 s 2; and

1 (2) RCW 77.12.203 and 1990 1st ex.s. c 15 s 11, 1984 c 214 s 2,
2 1980 c 78 s 37, & 1965 ex.s. c 97 s 3.