

2 **SHB 2760** - S COMM AMD
3 By Committee on Transportation

4 ADOPTED AS AMENDED 3/3/94

5 Strike everything after the enacting clause and insert the
6 following:

7 "**Sec. 1.** RCW 82.44.150 and 1993 c 491 s 2 are each amended to read
8 as follows:

9 (1) The director of licensing shall, on the twenty-fifth day of
10 February, May, August, and November of each year, advise the state
11 treasurer of the total amount of motor vehicle excise taxes imposed by
12 RCW 82.44.020 (1) and (2) remitted to the department during the
13 preceding calendar quarter ending on the last day of March, June,
14 September, and December, respectively, except for those payable under
15 RCW 82.44.030, from motor vehicle owners residing within each
16 municipality which has levied a tax under RCW 35.58.273, which amount
17 of excise taxes shall be determined by the director as follows:

18 The total amount of motor vehicle excise taxes remitted to the
19 department, except those payable under RCW 82.44.020(3) and 82.44.030,
20 from each county shall be multiplied by a fraction, the numerator of
21 which is the population of the municipality residing in such county,
22 and the denominator of which is the total population of the county in
23 which such municipality or portion thereof is located. The product of
24 this computation shall be the amount of excise taxes from motor vehicle
25 owners residing within such municipality or portion thereof. Where the
26 municipality levying a tax under RCW 35.58.273 is located in more than
27 one county, the above computation shall be made by county, and the
28 combined products shall provide the total amount of motor vehicle
29 excise taxes from motor vehicle owners residing in the municipality as
30 a whole. Population figures required for these computations shall be
31 supplied to the director by the office of financial management, who
32 shall adjust the fraction annually.

33 (2) On the first day of the months of January, April, July, and
34 October of each year, the state treasurer based upon information
35 provided by the department shall, from motor vehicle excise taxes

1 deposited in the general fund, under RCW 82.44.110(1)(g), make the
2 following deposits:

3 (a) To the high capacity transportation account created in RCW
4 47.78.010, a sum equal to four and five-tenths percent of the special
5 excise tax levied under RCW 35.58.273 by those municipalities
6 authorized to levy a special excise tax within (i) each county with a
7 population of two hundred ten thousand or more and (ii) each county
8 with a population of from one hundred twenty-five thousand to less than
9 two hundred ten thousand except for those counties that do not border
10 a county with a population as described in subsection (i) of this
11 subsection;

12 (b) To the central Puget Sound public transportation account
13 created in RCW 82.44.180, for revenues distributed after December 31,
14 1992, within a county with a population of one million or more and a
15 county with a population of from two hundred thousand to less than one
16 million bordering a county with a population of one million or more, a
17 sum equal to the difference between (i) the special excise tax levied
18 and collected under RCW 35.58.273 by those municipalities authorized to
19 levy and collect a special excise tax subject to the requirements of
20 subsections (3) and (4) of this section and (ii) the special excise tax
21 that the municipality would otherwise have been eligible to levy and
22 collect at a tax rate of .815 percent and been able to match with
23 locally generated tax revenues, other than the excise tax imposed under
24 RCW 35.58.273, budgeted for any public transportation purpose. Before
25 this deposit, the sum shall be reduced by an amount equal to the amount
26 distributed under (a) of this subsection for each of the municipalities
27 within the counties to which this subsection (2)(b) applies; however,
28 any transfer under this subsection (2)(b) must be greater than zero;

29 (c) To the public transportation systems account created in RCW
30 82.44.180, for revenues distributed after December 31, 1992, within
31 counties not described in (b) of this subsection, a sum equal to the
32 difference between (i) the special excise tax levied and collected
33 under RCW 35.58.273 by those municipalities authorized to levy and
34 collect a special excise tax subject to the requirements of subsections
35 (3) and (4) of this section and (ii) the special excise tax that the
36 municipality would otherwise have been eligible to levy and collect at
37 a tax rate of .815 percent and been able to match with locally
38 generated tax revenues, other than the excise tax imposed under RCW
39 35.58.273, budgeted for any public transportation purpose. Before this

1 deposit, the sum shall be reduced by an amount equal to the amount
2 distributed under (a) of this subsection for each of the municipalities
3 within the counties to which this subsection (2)(c) applies; however,
4 any transfer under this subsection (2)(c) must be greater than zero;
5 and

6 (d) To the general fund, for revenues distributed after June 30,
7 1993, and to the transportation fund, for revenues distributed after
8 June 30, 1995, a sum equal to the difference between (i) the special
9 excise tax levied and collected under RCW 35.58.273 by those
10 municipalities authorized to levy and collect a special excise tax
11 subject to the requirements of subsections (3) and (4) of this section
12 and (ii) the special excise tax that the municipality would otherwise
13 have been eligible to levy and collect at a tax rate of .815 percent
14 notwithstanding the requirements set forth in subsections (3) through
15 (6) of this section, reduced by an amount equal to distributions made
16 under (a), (b), and (c) of this subsection and section 2 of this act.

17 (3) On the first day of the months of January, April, July, and
18 October of each year, the state treasurer, based upon information
19 provided by the department, shall remit motor vehicle excise tax
20 revenues imposed and collected under RCW 35.58.273 as follows:

21 (a) The amount required to be remitted by the state treasurer to
22 the treasurer of any municipality levying the tax shall not exceed in
23 any calendar year the amount of locally-generated tax revenues,
24 excluding (i) the excise tax imposed under RCW 35.58.273 for the
25 purposes of this section, which shall have been budgeted by the
26 municipality to be collected in such calendar year for any public
27 transportation purposes including but not limited to operating costs,
28 capital costs, and debt service on general obligation or revenue bonds
29 issued for these purposes; and (ii) the sales and use tax equalization
30 distributions provided under section 2 of this act; and

31 (b) In no event may the amount remitted in a single calendar
32 quarter exceed the amount collected on behalf of the municipality under
33 RCW 35.58.273 during the calendar quarter next preceding the
34 immediately preceding quarter, excluding the sales and use tax
35 equalization distributions provided under section 2 of this act.

36 (4) At the close of each calendar year accounting period, but not
37 later than April 1, each municipality that has received motor vehicle
38 excise taxes under subsection (3) of this section shall transmit to the
39 director of licensing and the state auditor a written report showing by

1 source the previous year's budgeted tax revenues for public
2 transportation purposes as compared to actual collections. Any
3 municipality that has not submitted the report by April 1 shall cease
4 to be eligible to receive motor vehicle excise taxes under subsection
5 (3) of this section until the report is received by the director of
6 licensing. If a municipality has received more or less money under
7 subsection (3) of this section for the period covered by the report
8 than it is entitled to receive by reason of its locally-generated
9 collected tax revenues, the director of licensing shall, during the
10 next ensuing quarter that the municipality is eligible to receive motor
11 vehicle excise tax funds, increase or decrease the amount to be
12 remitted in an amount equal to the difference between the locally-
13 generated budgeted tax revenues and the locally-generated collected tax
14 revenues. In no event may the amount remitted for a calendar year
15 exceed the amount collected on behalf of the municipality under RCW
16 35.58.273 during that same calendar year excluding the sales and use
17 tax equalization distributions provided under section 2 of this act.
18 At the time of the next fiscal audit of each municipality, the state
19 auditor shall verify the accuracy of the report submitted and notify
20 the director of licensing of any discrepancies.

21 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
22 required to be remitted under this section and section 2 of this act
23 shall be remitted without legislative appropriation.

24 (6) Any municipality levying and collecting a tax under RCW
25 35.58.273 which does not have an operating, public transit system or a
26 contract for public transportation services in effect within one year
27 from the initial effective date of the tax shall return to the state
28 treasurer all motor vehicle excise taxes received under subsection (3)
29 of this section.

30 NEW SECTION. Sec. 2. A new section is added to chapter 82.14 RCW
31 to read as follows:

32 Beginning with distributions made to municipalities under RCW
33 82.44.150 on January 1, 1996, municipalities as defined in RCW
34 35.58.272 imposing local transit taxes, which for purposes of this
35 section include the sales and use tax under RCW 82.14.045, the business
36 and occupation tax under RCW 35.95.040, and excise taxes under RCW
37 35.95.040, shall be eligible for sales and use tax equalization

1 payments from motor vehicle excise taxes distributed under RCW
2 82.44.150 as follows:

3 (1) Prior to January 1st of each year the department of revenue
4 shall determine the total and the per capita levels of revenues for
5 each municipality imposing local transit taxes and the state-wide
6 weighted average per capita level of sales and use tax revenues imposed
7 under chapters 82.08 and 82.12 RCW, for the previous calendar year
8 calculated for a tax rate of one-tenth percent. The actual tax rate
9 for local transit taxes collected under RCW 82.14.045 shall be the
10 sales and use tax rate. The actual tax rate for local transit taxes
11 collected under RCW 35.95.040 shall be the sales and use tax rate that
12 would generate an amount of revenue equivalent to the amount collected
13 under RCW 35.95.040.

14 (2) For each tenth of one percent of local transit taxes the state
15 treasurer shall apportion to each municipality receiving less than
16 eighty percent of the state-wide weighted average per capita level of
17 sales and use tax revenues imposed under chapters 82.08 and 82.12 RCW
18 as determined by the department of revenue under subsection (1) of this
19 section, an amount when added to the per capita level of revenues
20 received the previous calendar year by the municipality, to equal
21 eighty percent of the state-wide weighted average per capita level of
22 revenues determined under subsection (1) of this section. In no event
23 may the sales and use tax equalization distribution to a municipality
24 in a single calendar year exceed (i) fifty percent of the amount of
25 local transit taxes collected during the prior calendar year, or (ii)
26 the maximum amount of sales and use tax that could have been collected
27 at a sales and use tax rate of three-tenths percent in the prior
28 calendar year.

29 (3) For a municipality established after January 1, 1995, sales and
30 use tax equalization distributions shall be made according to the
31 procedures in this subsection. Sales and use tax equalization
32 distributions to eligible new municipalities shall be made at the same
33 time as distributions are made under subsection (2) of this section.
34 The department of revenue shall follow the estimating procedures
35 outlined in this subsection until the new municipality has received a
36 full year's worth of revenues as of the January sales and use tax
37 equalization distribution.

38 (a) Whether a newly established municipality determined to receive
39 funds under this subsection receives its first equalization payment at

1 the January, April, July, or October sales and use tax equalization
2 distribution shall depend on the date the system first imposes local
3 transit taxes.

4 (i) A newly established municipality imposing local transit taxes
5 taking effect during the first calendar quarter shall be eligible to
6 receive funds under this subsection beginning with the July sales and
7 use tax equalization distribution of that year.

8 (ii) A newly established municipality imposing local transit taxes
9 taking effect during the second calendar quarter shall be eligible to
10 receive funds under this subsection beginning with the October sales
11 and use tax equalization distribution of that year.

12 (iii) A newly established municipality imposing local transit taxes
13 taking effect during the third calendar quarter shall be eligible to
14 receive funds under this subsection beginning with the January sales
15 and use tax equalization distribution of the next year.

16 (iv) A newly established municipality imposing local transit taxes
17 taking effect during the fourth calendar quarter shall be eligible to
18 receive funds under this subsection beginning with the April sales and
19 use tax equalization distribution of the next year.

20 (b) For purposes of calculating the amount of funds the new
21 municipality should receive under this subsection, the department of
22 revenue shall:

23 (i) Estimate the per capita amount of revenues from local transit
24 taxes that the new municipality would have received had the
25 municipality received revenues from the tax the entire calendar year;

26 (ii) Calculate the amount provided under subsection (2) of this
27 section based on the per capita revenues determined under (b)(i) of
28 this subsection;

29 (iii) Prorate the amount determined under (b)(ii) of this
30 subsection by the number of months the local transit taxes are imposed.

31 (c) The department of revenue shall advise the state treasurer of
32 the amounts calculated under (b) of this subsection and the state
33 treasurer shall distribute these amounts to the new municipality from
34 the motor vehicle excise tax distributed under RCW 82.44.150(2)(d).

35 (d) Revenues estimated under this subsection shall not affect the
36 calculation of the state-wide weighted average per capita level of
37 revenues for all municipalities made under subsection (1) of this
38 section.

1 (4) For an existing municipality imposing local transit taxes to
2 take effect after January 1, 1995, sales and use tax equalization
3 payments shall be made according to the procedures for newly
4 established municipalities in subsection (3) of this section.

5 (5) A municipality that reduces the rate of local transit taxes
6 after January 1, 1994, may not receive distributions under this
7 section."

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9 By Committee on Transportation

10 ADOPTED 3/3/94

11 On page 1, line 2 of the title, after "systems;" strike the
12 remainder of the title and insert "amending RCW 82.44.150; and adding
13 a new section to chapter 82.14 RCW."

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