
HOUSE BILL 1962

State of Washington 53rd Legislature 1993 Regular Session

By Representatives H. Myers, Sommers, Springer, Locke and Roland

Read first time 02/17/93. Referred to Committee on Local Government.

1 AN ACT Relating to the provision of adequate county-wide services;
2 amending RCW 84.55.070; and adding a new chapter to Title 36 RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds and declares that the
5 funding assistance provided to counties and cities through the local
6 criminal justice fiscal assistance act, chapter 1, Laws of 1990 2nd
7 ex.s., is necessary to ensure the public safety. The legislature
8 further finds and declares that continuation of that funding assistance
9 will provide only a partial solution to local government financial
10 problems and that the underlying problem of inadequate revenues for the
11 full range of services that counties and cities provide must also be
12 addressed.

13 Implementation of the growth management acts, chapter 17, Laws of
14 1990 1st ex.s., and chapter 32, Laws of 1991 sp.s., will affect the
15 financial condition of counties and cities. The 1990 act mandates
16 designation of urban growth areas, requires that any growth that occurs
17 outside of such areas must be rural in nature, and deems it appropriate
18 that urban government services be provided by cities. The 1991 act
19 reenforces the concept of cities as primary providers of urban

1 governmental services and recognizes that counties are regional
2 governments within their boundaries. These acts therefore provide
3 needed clarification of the roles of modern counties and cities. The
4 acts however do not address the fiscal reorganization that must occur
5 as a result.

6 The legislature finds and declares that an organized process
7 leading to such fiscal reorganization is necessary.

8 NEW SECTION. Sec. 2. (1)(a) Pursuant to the agreement required by
9 subsection (2) of this section and as further limited by (b) of this
10 subsection, each county is authorized to impose and collect the
11 following additional optional taxes:

12 (i) An additional property tax of up to fifteen cents per one
13 thousand dollars valuation as specified in section 3 of this act;

14 (ii) An additional local option sales and use tax of up to one-
15 tenth of one percent as specified in section 5 of this act;

16 (iii) A business and occupation tax on utilities of up to one and
17 five-tenths percent as specified in section 6 of this act; and

18 (iv) A household tax of up to two dollars per household per month
19 as specified in section 7 of this act.

20 (b) The projected total aggregate income from all taxes imposed
21 pursuant to this section may not exceed sixteen dollars per capita per
22 year in 1993. The office of financial management shall, before the
23 initial agreement is finalized, make a projection of the total
24 aggregate income from all taxes imposed by each county under this
25 section. In counties imposing the taxes authorized in this chapter
26 after 1993, the per capita limit shall be adjusted annually by the
27 office of financial management based on the consumer price index,
28 Seattle, Washington area for urban wage earners and clerical workers,
29 all items, compiled by the bureau of labor statistics, United States
30 department of labor.

31 (c) If in the first year the yield from the taxes imposed under
32 this section exceeds by fifteen percent or more the per capita limit as
33 determined by the office of financial management, the parties must call
34 a public meeting to amend the agreement to bring the rates into
35 compliance with the projections for the upcoming year.

36 (2) The total amount to be raised and the specific rate for each
37 tax and the division of the proceeds between the county and the cities
38 and towns shall be established by written agreement between the county

1 and at least one-half of the cities or towns representing at least
2 seventy-five percent of the incorporated population within the county.
3 A public meeting to initiate this process or amend an agreement may be
4 called by a majority of the county legislative authority or by the
5 mayors of cities and towns representing at least seventy-five percent
6 of the incorporated population within the county. The agreement may
7 specify the imposition of any or all of the taxes listed in subsection
8 (1) of this section and may specify any allowable rate up to the limits
9 specified in subsection (1) of this section. The initial agreement
10 shall also specify a process for approving future amendments to the
11 agreement. The county and the cities and towns shall hold public
12 hearings, either jointly or separately, before final approval of the
13 agreement.

14 (3) The proceeds from the taxes listed in subsection (1) of this
15 section shall be distributed as follows:

16 (a) Forty percent to the county;

17 (b) Sixty percent to be divided between the county and the cities
18 and towns based upon factors and formulas specified in the agreement,
19 which may include population, among other factors.

20 (4) Collection and distribution shall be as agreed and implemented
21 by interlocal agreements or contracts with state agencies. All
22 deposits shall be into the county treasury, with interest accruing to
23 benefiting cities and towns and the county. The county shall
24 distribute the proceeds on a schedule agreed to in the agreement.

25 (5) The county ordinance or resolution imposing the tax or taxes
26 shall be subject to repeal by referendum by the voters of the county,
27 following referendum procedures set forth in RCW 82.80.090. The
28 referendum procedure provided in RCW 82.80.090 is the exclusive method.

29 NEW SECTION. **Sec. 3.** (1) A county may impose a regular property
30 tax levy in an amount not to exceed fifteen cents per thousand dollars
31 of assessed value of property in the county when specifically
32 authorized to do so by an agreement under section 2 of this act.

33 (2) The tax levy authorized in this section is in addition to the
34 tax levy authorized in RCW 84.52.043.

35 (3) The tax levy authorized in this section shall be subject to the
36 limits and referendum procedure contained in section 2 of this act.

1 **Sec. 4.** RCW 84.55.070 and 1982 1st ex.s. c 28 s 2 are each amended
2 to read as follows:

3 (1) The provisions of this chapter shall not apply to a levy,
4 including the state levy, or that portion of a levy, made by or for a
5 taxing district for the purpose of funding a property tax refund paid
6 or to be paid pursuant to the provisions of chapter 84.68 RCW or
7 attributable to a property tax refund paid or to be paid pursuant to
8 the provisions of chapter 84.69 RCW, attributable to amounts of state
9 taxes withheld under RCW 84.56.290 or the provisions of chapter 84.69
10 RCW, or otherwise attributable to state taxes lawfully owing by reason
11 of adjustments made under RCW 84.48.080.

12 (2) The provisions of this chapter shall not apply to a levy made
13 under section 3 of this act.

14 NEW SECTION. **Sec. 5.** (1) The legislative authority of any county
15 may, pursuant to an agreement under section 2 of this act, fix and
16 impose a sales and use tax in accordance with the terms of this
17 chapter.

18 The tax authorized pursuant to this section shall be in addition to
19 the tax authorized by RCW 82.14.030 and shall be collected from those
20 persons who are taxable by the state pursuant to chapters 82.08 and
21 82.12 RCW upon the occurrence of any taxable event within such county.
22 The rate of such tax shall be one-tenth of one percent of the selling
23 price (in the case of a sales tax) or value of the article used (in the
24 case of a use tax).

25 (2) The tax authorized pursuant to this section shall be subject to
26 the limits and referendum procedure contained in section 2 of this act.

27 NEW SECTION. **Sec. 6.** (1) A county may impose a public utility tax
28 at a rate not to exceed one and five-tenths percent on gross income of
29 every public utility taxable under chapter 82.16 RCW, when specifically
30 authorized to do so by an agreement under section 2 of this act.

31 (2) The tax authorized pursuant to this section shall be subject to
32 the limits and referendum procedure contained in section 2 of this act.

33 NEW SECTION. **Sec. 7.** (1) A county may impose an excise tax on
34 each occupied housing unit within the county at a rate not to exceed
35 two dollars per month per housing unit when specifically authorized to
36 do so by an agreement under section 2 of this act. For the purposes of

1 this section, "housing unit" means a building or portion thereof
2 designed for or used as the residence or living quarters of one or more
3 persons living together, or of one family.

4 (2) The tax authorized pursuant to this section shall be subject to
5 the limits and referendum procedure contained in section 2 of this act.

6 NEW SECTION. **Sec. 8.** Sections 1 through 3 and 5 through 7 of this
7 act shall constitute a new chapter in Title 36 RCW.

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