
HOUSE BILL 1699

State of Washington

55th Legislature

1997 Regular Session

By Representatives Huff, Dyer, Backlund, Cody, H. Sommers, McDonald, O'Brien, Anderson and Cooke

Read first time 02/05/97. Referred to Committee on Appropriations.

1 AN ACT Relating to public health financing through the county sales
2 and use tax equalization account; amending RCW 70.05.125 and 82.14.200;
3 providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 70.05.125 and 1995 1st sp.s. c 15 s 1 are each amended
6 to read as follows:

7 (1) The county public health account is created in the state
8 treasury. Funds deposited in the county public health account shall be
9 distributed by the state treasurer to each local public health
10 jurisdiction based upon amounts certified to it by the department of
11 community, trade, and economic development in consultation with the
12 Washington state association of counties. The account shall include
13 funds distributed under RCW 82.44.110 and such funds as are
14 appropriated to the account from the health services account under RCW
15 43.72.900, the public health services account under RCW 43.72.902, and
16 such other funds as the legislature may appropriate to it.

17 (2)(a) The director of the department of community, trade, and
18 economic development shall certify the amounts to be distributed to
19 each local public health jurisdiction using 1995 as the base year of

1 actual city contributions to local public health. The county treasurer
2 shall certify the actual 1995 city contribution to the department.
3 Funds in excess of the base shall be distributed proportionately among
4 the health jurisdictions based on incorporated population figures as
5 last determined by the office of financial management.

6 (b) Only if funds are available and in an amount no greater than
7 available funds under RCW 82.14.200(8), the department of community,
8 trade, and economic development shall adjust the amount certified under
9 (a) of this subsection to provide additional compensation to local
10 health jurisdictions in the following order: (i) To counties in excess
11 of one million in population as well as those counties who had cities
12 that became newly incorporated as a result of an election during
13 calendar year 1994 or 1995, and (ii) the balance to be distributed to
14 all health jurisdictions on a state-wide per capita basis. Funds
15 distributed to counties that had 1994 or 1995 incorporations shall be
16 equal to the amount that otherwise would have been lost to the local
17 health jurisdiction due to the incorporation as calculated using the
18 local health jurisdiction's 1995 funding formula. After June 30, 1999,
19 all funds available under RCW 82.14.200(8) shall be distributed on a
20 state-wide per capita basis.

21 (3) Moneys distributed under this section shall be expended
22 exclusively for local public health purposes.

23 **Sec. 2.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to
24 read as follows:

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

31 (1) Prior to April 1st of each year the director of revenue shall
32 inform the state treasurer of the total and the per capita levels of
33 revenues for the unincorporated area of each county and the state-wide
34 weighted average per capita level of revenues for the unincorporated
35 areas of all counties imposing the sales and use tax authorized under
36 RCW 82.14.030(1) for the previous calendar year.

37 (2) At such times as distributions are made under RCW 82.44.150, as
38 now or hereafter amended, the state treasurer shall apportion to each

1 county imposing the sales and use tax under RCW 82.14.030(1) at the
2 maximum rate and receiving less than one hundred fifty thousand dollars
3 from the tax for the previous calendar year, an amount from the county
4 sales and use tax equalization account sufficient, when added to the
5 amount of revenues received the previous calendar year by the county,
6 to equal one hundred fifty thousand dollars.

7 The department of revenue shall establish a governmental price
8 index as provided in this subsection. The base year for the index
9 shall be the end of the third quarter of 1982. Prior to November 1,
10 1983, and prior to each November 1st thereafter, the department of
11 revenue shall establish another index figure for the third quarter of
12 that year. The department of revenue may use the implicit price
13 deflators for state and local government purchases of goods and
14 services calculated by the United States department of commerce to
15 establish the governmental price index. Beginning on January 1, 1984,
16 and each January 1st thereafter, the one hundred fifty thousand dollar
17 base figure in this subsection shall be adjusted in direct proportion
18 to the percentage change in the governmental price index from 1982
19 until the year before the adjustment. Distributions made under this
20 subsection for 1984 and thereafter shall use this adjusted base amount
21 figure.

22 (3) Subsequent to the distributions under subsection (2) of this
23 section and at such times as distributions are made under RCW
24 82.44.150, as now or hereafter amended, the state treasurer shall
25 apportion to each county imposing the sales and use tax under RCW
26 82.14.030(1) at the maximum rate and receiving less than seventy
27 percent of the state-wide weighted average per capita level of revenues
28 for the unincorporated areas of all counties as determined by the
29 department of revenue under subsection (1) of this section, an amount
30 from the county sales and use tax equalization account sufficient, when
31 added to the per capita level of revenues for the unincorporated area
32 received the previous calendar year by the county, to equal seventy
33 percent of the state-wide weighted average per capita level of revenues
34 for the unincorporated areas of all counties determined under
35 subsection (1) of this section, subject to reduction under subsections
36 (6) and (7) of this section. When computing distributions under this
37 section, any distribution under subsection (2) of this section shall be
38 considered revenues received from the tax imposed under RCW
39 82.14.030(1) for the previous calendar year.

1 (4) Subsequent to the distributions under subsection (3) 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 (2) of this section, a third 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 (2) of this section, subject to the reduction under
10 subsections (6) and (7) of this section. To qualify for the total
11 distribution 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 (5) Subsequent to the distributions under subsection (4) 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 (3) of this section, a fourth 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 (3) of this section, subject to the reduction under
25 subsections (6) and (7) of this section. To qualify for the
26 distributions 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.

31 (6) Revenues distributed under this section in any calendar year
32 shall not exceed an amount equal to seventy percent of the state-wide
33 weighted average per capita level of revenues for the unincorporated
34 areas of all counties during the previous calendar year. If
35 distributions under subsections (3) through (5) of this section cannot
36 be made because of this limitation, then distributions under
37 subsections (3) through (5) of this section shall be reduced ratably
38 among the qualifying counties.

1 (7) If inadequate revenues exist in the county sales and use tax
2 equalization account to make the distributions under subsections (3)
3 through (5) of this section, then the distributions under subsections
4 (3) through (5) of this section shall be reduced ratably among the
5 qualifying counties. At such time during the year as additional funds
6 accrue to the county sales and use tax equalization account, additional
7 distributions shall be made under subsections (3) through (5) of this
8 section to the counties.

9 ~~(8) ((If the level of revenues in the county sales and use tax~~
10 ~~equalization account exceeds the amount necessary to make the~~
11 ~~distributions under subsections (2) through (5) of this section, then~~
12 ~~the additional revenues shall be credited and transferred to the state~~
13 ~~general fund))~~ If the level of revenues in the county sales and use tax
14 equalization account exceeds the amount necessary to make the
15 distributions under subsections (2) through (5) of this section, at
16 such times as distributions are made under RCW 82.44.150, the state
17 treasurer shall distribute the balance remaining to the county public
18 health account created in RCW 70.05.125 for the purposes of the
19 adjustments under RCW 70.05.125(2)(b).

20 NEW SECTION. Sec. 3. This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 July 1, 1997.

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