
SENATE BILL 6468

State of Washington 55th Legislature 1998 Regular Session

By Senator Jacobsen; by request of Governor Locke

Read first time 01/19/98. Referred to Committee on Ways & Means.

1 AN ACT Relating to managing the water quality account by changing
2 the timing of transfers and reallocating cigarette tax revenues to the
3 health services account; amending RCW 70.146.080, 82.24.020, and
4 82.24.027; and providing an effective date.

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

6 **Sec. 1.** RCW 70.146.080 and 1994 sp.s. c 6 s 902 are each amended
7 to read as follows:

8 Within thirty days after June 30, 1987, and within thirty days
9 after each succeeding fiscal year thereafter, the state treasurer shall
10 determine the tax receipts deposited into the water quality account for
11 the preceding fiscal year. If the tax receipts deposited into the
12 account in each of the fiscal years 1988 and 1989 are less than forty
13 million dollars, the state treasurer shall transfer sufficient moneys
14 from general state revenues into the water quality account to bring the
15 total receipts in each fiscal year up to forty million dollars.

16 For the biennium ending June 30, 1991, if the tax receipts
17 deposited into the water quality account and the earnings on investment
18 of balances credited to the account are less than ninety million
19 dollars, the treasurer shall transfer sufficient moneys from general

1 state revenues into the water quality account to bring the total
2 revenue up to ninety million dollars. The determination and transfer
3 shall be made by July 31, 1991.

4 For fiscal year 1992 and for fiscal years 1995 and 1996 and
5 thereafter, if the tax receipts deposited into the water quality
6 account for each fiscal year are less than forty-five million dollars,
7 the treasurer shall transfer sufficient moneys from general state
8 revenues into the water quality account to bring the total revenue up
9 to forty-five million dollars. Until June 30, 1998, determinations and
10 transfers shall be made by July 31 for the preceding fiscal year.
11 Beginning in fiscal year 1999, determination and transfers shall be
12 made by June 30th for the current fiscal year.

13 **Sec. 2.** RCW 82.24.020 and 1994 sp.s. c 7 s 904 are each amended to
14 read as follows:

15 (1) There is levied and there shall be collected as provided in
16 this chapter, a tax upon the sale, use, consumption, handling,
17 possession or distribution of all cigarettes, in an amount equal to the
18 rate of eleven and one-half mills per cigarette.

19 (2) An additional tax is imposed upon the sale, use, consumption,
20 handling, possession, or distribution of all cigarettes, in an amount
21 equal to the rate of five and one-fourth mills per cigarette. All
22 revenues collected during any month from this additional tax shall be
23 deposited in the violence reduction and drug enforcement account under
24 RCW 69.50.520 by the twenty-fifth day of the following month.

25 (3) An additional tax is imposed upon the sale, use, consumption,
26 handling, possession, or distribution of all cigarettes, in an amount
27 equal to the rate of (~~ten mills per cigarette through June 30, 1994,~~
28 ~~eleven and one-fourth mills per cigarette for the period July 1, 1994,~~
29 ~~through June 30, 1995, twenty mills per cigarette for the period July~~
30 ~~1, 1995, through June 30, 1996, and twenty and one-half~~) twenty-two
31 and one-half mills per cigarette (~~thereafter~~). All revenues
32 collected during any month from this additional tax shall be deposited
33 in the health services account created under RCW 43.72.900 by the
34 twenty-fifth day of the following month.

35 (4) Wholesalers and retailers subject to the payment of this tax
36 may, if they wish, absorb one-half mill per cigarette of the tax and
37 not pass it on to purchasers without being in violation of this section
38 or any other act relating to the sale or taxation of cigarettes.

1 (5) For purposes of this chapter, "possession" shall mean both (a)
2 physical possession by the purchaser and, (b) when cigarettes are being
3 transported to or held for the purchaser or his or her designee by a
4 person other than the purchaser, constructive possession by the
5 purchaser or his or her designee, which constructive possession shall
6 be deemed to occur at the location of the cigarettes being so
7 transported or held.

8 **Sec. 3.** RCW 82.24.027 and 1986 c 3 s 12 are each amended to read
9 as follows:

10 There is hereby levied and there shall be collected by the
11 department of revenue from the persons mentioned in and in the manner
12 provided by this chapter, an additional tax upon the sale, use,
13 consumption, handling, possession, or distribution of cigarettes in an
14 amount equal to the rate of (~~four~~) two mills per cigarette.

15 The moneys collected under this section shall be deposited in the
16 water quality account under RCW 70.146.030 through June 30, 2021, and
17 in the general fund thereafter.

18 NEW SECTION. **Sec. 4.** This act takes effect July 1, 1998.

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