

HOUSE BILL REPORT

SHB 2477

As Reported By House Committee On:
Appropriations

Title: An act relating to funding the Municipal Research Council.

Brief Description: Funding the Municipal Research Council.

Sponsors: Representatives D. Schmidt, Scott, Esser, Mielke, Mulliken, Fisher, O'Brien, Edwards, Doumit, Kastama, Ruderman, Linville, Romero, Lantz, Edmonds, Kenney and Van Luven.

Brief History:

Committee Activity:

Appropriations: 1/25/00, 2/2/00 [DPS].

Brief Summary of Substitute Bill

- Creates the city and town research services account to fund the Municipal Research Council with excess city and town money from the liquor revolving fund.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Alexander; Benson; Boldt; Clements; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Sump; Tokuda and Wensman.

Staff: Ronda Larson (786-7117).

Background:

The Municipal Research Council (MRC) is a state agency established in 1969 to contract for the provision of research services to cities, towns, and counties. This

research includes responding to city and county officials' requests for information on law, finance, growth management, personnel management, public works, and other issues.

Funding for services provided by the MRC to cities and towns formerly came from the state general fund and was derived from Motor Vehicle Excise Tax (MVET) distributions to cities and towns. Initiative 695's repeal of the MVET eliminated this source of funding for the MRC.

Cities and towns currently receive a share of excess moneys in the liquor revolving fund. These moneys are distributed quarterly.

Initiative 601 requires reduction of the state expenditure limit if the cost of a program is transferred from the general fund to another fund or account.

Summary of Substitute Bill:

The MRC's services to cities and towns are funded from the city and town research services account, a newly created appropriated account. The source of revenue for the account is the cities and towns' share of the liquor revolving fund distributions. Each quarter, prior to distributing the cities and towns' share of these distributions, the treasurer will deduct a portion for deposit in the city and town research services account. The amount deducted will be based on the MRC's expenditure authority for that quarter.

Transferring support for the MRC from the general fund to the city and town research services account will result in a reduction of the general fund expenditure limit, but general fund obligations are reduced by a like amount, resulting in no net effect on the ability to make expenditures within the limit.

Substitute Bill Compared to Original Bill: The substitute makes clarifying changes to the amount and timing of transfers to the city and town research services account, and it repeals an obsolete reference to MVET funding of the MRC. It also clarifies that the Association of Washington Cities does not determine the MRC's expenditures.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2000.

Testimony For: The Municipal Research Council lost about 85 percent of its funding under Initiative 695 and has come up with a creative solution to replace that. It will receive a portion of specialized funding for cities and towns. Its services are available to all cities in all portions of the state. The council, through its contracted agency, the Municipal Research Services Center (MRSC), provides technical services. The MRSC is a shared resource among cities, towns, and counties of the state. For example, the MRSC operates a local government lending library and web site that are heavily used by cities, towns, and counties. Because it is a shared resource, the MRSC saves local governments money, preventing each local government from having to hire its own separate researchers. The board of the Association of Washington Cities voted unanimously to support this funding proposal.

Testimony Against: None.

Testified: Representative Dave Schmidt, prime sponsor; Richard Yukubousky, Municipal Research Service Center; and Victoria Lincoln, Association of Washington Cities.