

***Trade & Economic Development
Committee***

HB 1336

Brief Description: *Providing humanitarian relief and assistance.*

Sponsors: *Representatives Miloscia, Veloria and Santos.*

Brief Summary of Bill

- *Creates the Humanitarian Relief Council which consists of the Governor, the Lieutenant Governor, and the Secretary of State and is designed to provide financial assistance to individuals affected by disasters and hardships.*
- *If approved by the voters, increases the state sales and use tax rate from 6.5 percent to 6.6 percent, with 0.1 percent of the tax increase used to fund humanitarian relief efforts approved by the Humanitarian Relief Council.*

Hearing Date: *2/15/01*

Staff: *Kenny Pittman (786-7392).*

Background:

Currently, the state of Washington does not operate a state-funded humanitarian relief program. Most humanitarian relief is provided through nonprofit or religious-based organizations. These organizations provide assistance to individuals on a national or worldwide basis from contributions they receive from private individuals or businesses.

The state imposes a sales tax on retail sales of most items of tangible personal property and some services. The state sales tax rate is 6.5 percent and is applied to the selling price of the article or service. A use tax is imposed on the use of an item in this state, when acquisition of the item has not been subject to the sales tax. The use tax is equal to the sales tax rate multiplied by the value of the property used.

Summary of Bill:

The Humanitarian Relief Council (council) is created and consists of the Governor, the Lieutenant Governor, and the Secretary of State. The council determines which disasters and hardships qualify for state support and the amount the state will contribute from the worldwide humanitarian relief treasury account.

In carrying out its duties the council is required to (1) coordinate its efforts with recognized relief agencies to reduce duplication or waste of state resources, (2) consult with the emergency management board and establish criteria for receiving assistance from the state, and (3) adopt rules necessary to operate the program. The Department of Community, Trade, and Economic Development, the Department of Agriculture, and the Military Department will provide staff to the council.

If approved by the voters at the next general election, the state's sales and use tax rate is increased from 6.5 percent to 6.6 percent. The 0.1 percent increase in the state sales and use tax rate is used to fund worldwide humanitarian relief efforts.

The Worldwide Humanitarian Relief Treasury Account is created in the State Treasury. All proceeds from the voter-approved 0.1 percent state sales and use tax on retail sales in the state must be deposited into the account. All money is subject to appropriation and may only be used to fund humanitarian relief efforts approved by the council.

The Humanitarian Relief Account is created in the custody of the State Treasurer. All receipts from gifts, grants, conveyances, bequests, and devises must be deposited into the account. Only the council or the council's designee may authorize expenditures from the account. All expenditures from the account must be used for humanitarian relief. An appropriation is not required for expenditures, but money in the account is subject to the state's allotment procedures.

Appropriation: *None.*

Fiscal Note: *Requested on February 7, 2001.*

Effective Date: *Upon adoption and ratification at the next general election held in the state.*