

SENATE BILL REPORT

SB 6593

As of February 1, 2002

Title: An act relating to mitigating the impacts of revenue reductions on local governments.

Brief Description: Mitigating the impacts of revenue reductions on local governments.

Sponsors: Senators Regala, Poulsen, Winsley, B. Sheldon, Fraser and McAuliffe.

Brief History:

Committee Activity: State & Local Government: 2/6/02.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Staff: Mac Nicholson (786-7445)

Background: Cities and towns can impose a tax of up to 6 percent on the privilege of conducting an electrical energy, natural gas, steam energy, or telephone business. The governing body of a county, however, cannot levy a tax on the privilege of conducting such businesses.

Summary of Bill: The governing body of any county, by ordinance, may levy a tax on any of the following businesses within the territorial boundaries of the county: electrical energy business; natural or manufactured gas distribution business; steam energy business; sewer business; water distribution business; solid waste collection business; and telephone business. The tax rate cannot exceed 1 percent of the gross revenues derived by businesses from sales made within the county. The rate imposed on each business must be uniform as to all businesses in that class.

A county may not impose a tax on the gross revenues derived by a telephone business which represents charges to another telecommunication company for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services.

By a vote of the people, the county may impose a tax rate not to exceed 3 percent of gross revenues. Vote of people can also include gross revenues derived from sales for resale made by any business except for a telephone business.

The ordinance must also include provisions for exemptions, deductions, and credits; place of sale; and due dates and penalties.

Money collected must be used exclusively to assist the criminal justice system, maintain and improve the health of citizens, or provide for human services.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.