

FINAL BILL REPORT

ESSB 6050

C 450 L 05

Synopsis as Enacted

Brief Description: Providing financial assistance to cities, towns, and counties.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Doumit, Morton and Mulliken).

Senate Committee on Ways & Means
House Committee on Capital Budget
House Committee on Finance

Background: For the past three biennia, state appropriations have provided financial assistance to counties and cities. The appropriation for 2003-05 provides \$14 million to the cities and counties with the lowest taxing capacity.

The real estate excise tax (REET) is imposed on the sale of real property at 0.28 percent of the sale price. 7.7 percent of the proceeds are deposited in the public works assistance account (PWAA) to assist local governments with low interest loans for roads and bridges, water and waste water systems, and solid waste and recycling facilities.

Summary: The bill reduces the portion of the REET deposited in the PWAA from 7.7 percent to 6.1 percent, and deposits 1.6 percent of the REET into the new city-county assistance account. The level of funding will be split equally between cities and counties. A separate distribution formula for cities and counties is specified. The bill also requires the Joint Legislative Audit and Review Committee to determine the extent to which the distributions to cities and counties target the funding shortfalls created by the repeal of the motor vehicle excise tax. The report is due December 31, 2008.

Votes on Final Passage:

Senate	34	14
House	61	37

Effective: August 1, 2005