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HOUSE BILL 1762

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Schindler, Sump, B. Sullivan, Takko, DeBolt, Holmquist, Crouse, Dunn, Haler, Orcutt, Cox, Ahern, Kretz, McCune, Bailey, Curtis, Hinkle and Condotta

Read first time 02/04/2005. Referred to Committee on Appropriations.

1            AN ACT Relating to the sharing of state sales and use tax revenue  
2 with local governments; adding a new section to chapter 82.32 RCW;  
3 creating a new section; and providing an effective date.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that local governments  
6 in the state of Washington face significant challenges in providing  
7 services mandated by federal and state law, or desired by their  
8 constituents. It is the intent of the legislature to provide ongoing  
9 funding assistance to local governments to meet these challenges  
10 without increasing the overall tax burden on the citizens of the state  
11 of Washington.

12           NEW SECTION.    **Sec. 2.** A new section is added to chapter 82.32 RCW  
13 to read as follows:

14           (1) The following sales and use taxes collected under chapters  
15 82.08 and 82.12 RCW shall be deposited into the local government  
16 assistance account created under subsection (3) of this section:

17           (a) 30.8 percent of taxes collected within a rural county with a  
18 population less than one hundred thousand;

1 (b) 23.1 percent of taxes collected within a rural county with a  
2 population of at least one hundred thousand, but less than two hundred  
3 thousand;

4 (c) 15.4 percent of taxes collected within a rural county with a  
5 population of at least two hundred thousand, but less than three  
6 hundred thousand; and

7 (d) 15.4 percent of taxes collected within any county with a  
8 population of at least four hundred thousand, but less than six hundred  
9 thousand.

10 (2) "Rural county" for the purposes of this section shall have the  
11 same meaning as in RCW 82.14.370.

12 (3) The local government assistance account is created in the  
13 custody of the state treasurer. All taxes identified in subsection (1)  
14 of this section shall be deposited into the account. The account is  
15 subject to allotment procedures under chapter 43.88 RCW, but no  
16 appropriation is required for expenditures. The state treasurer shall  
17 distribute monthly the money in the account as follows:

18 (a) One hundred percent of the money collected from taxable events  
19 in the unincorporated areas of the county and fifteen percent of the  
20 money collected from taxable events within any cities located within  
21 the county shall be distributed to the county.

22 (b) Eighty-five percent of the money collected from taxable events  
23 within the city shall be distributed to the city.

24 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2005.

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