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SENATE BILL 6050

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State of Washington                      59th Legislature                      2005 Regular Session

By Senators Parlette, Doumit, Morton and Mulliken

Read first time 02/24/2005. Referred to Committee on Ways & Means.

1            AN ACT Relating to providing financial assistance to cities, towns,  
2 and counties; amending RCW 82.45.060; reenacting and amending RCW  
3 43.79A.040; adding a new section to chapter 43.31 RCW; and providing an  
4 effective date.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 43.31 RCW  
7 to read as follows:

8            (1) The local government financial assistance advisory council is  
9 established within the department of community, trade, and economic  
10 development. The council shall include: Two members of the house of  
11 representatives, appointed by the speaker of the house of  
12 representatives, one from each caucus; two members of the senate,  
13 appointed by the president of the senate, one from each caucus; one  
14 representative appointed by the Washington state association of  
15 counties; one representative appointed by the association of Washington  
16 cities; and one member appointed by the governor, who shall serve as  
17 chairperson of the advisory council.

18            (2) Members shall not be compensated, but shall receive  
19 reimbursement for travel expenses in accordance with RCW 43.03.050 and

1 43.03.060. The department of community, trade, and economic  
2 development shall provide administrative and clerical assistance to the  
3 advisory council.

4 (3) The advisory council shall determine which cities, towns, and  
5 counties have a tax base insufficient to provide basic services to  
6 their citizens and shall determine the allocation of funds deposited in  
7 the city-county assistance account created in this section. To the  
8 extent possible, the criteria shall be designed to increase the  
9 revenues under RCW 82.14.030(1) of each county to the greater of two  
10 hundred fifty thousand dollars or seventy percent of the statewide  
11 weighted average per capita level of sales and use tax revenues  
12 collected under RCW 82.14.030(1) for the unincorporated areas of all  
13 counties imposing the sales and use tax authorized under RCW  
14 82.14.030(1) in the previous calendar year. To the extent possible,  
15 the criteria shall be designed to increase the revenues under RCW  
16 82.14.030(1) of each city to fifty percent of the statewide weighted  
17 average per capita level of sales and use tax revenues collected under  
18 RCW 82.14.030(1) for all cities imposing the sales and use tax  
19 authorized under RCW 82.14.030(1) in the previous calendar year,  
20 provided however that no city should receive a grant of greater than  
21 one hundred thousand dollars a year. The council may develop  
22 additional criteria to assist in funding recommendations. The advisory  
23 council shall make disbursement recommendations to the department on an  
24 annual basis.

25 (4) The department shall administer a grant program to the cities,  
26 towns, and counties, taking into consideration the annual  
27 recommendations of the advisory council.

28 (5) The city-county assistance account is created in the custody of  
29 the state treasurer. All receipts from disbursements made under RCW  
30 82.45.060 must be deposited into the account. Expenditures from the  
31 account may be used only for the purposes provided in this section.  
32 Only the director of the department of community, trade, and economic  
33 development or the director's designee may authorize expenditures from  
34 the account. The account is subject to allotment procedures under  
35 chapter 43.88 RCW, but an appropriation is not required for  
36 expenditures.

1       **Sec. 2.** RCW 82.45.060 and 2000 c 103 s 15 are each amended to read  
2 as follows:

3       There is imposed an excise tax upon each sale of real property at  
4 the rate of one and twenty-eight one-hundredths percent of the selling  
5 price. An amount equal to (~~seven~~) six and (~~seven-tenths~~) one-tenth  
6 percent of the proceeds of this tax to the state treasurer shall be  
7 deposited in the public works assistance account created in RCW  
8 43.155.050. An amount equal to one and six-tenths percent of the  
9 proceeds of this tax to the state treasurer shall be deposited in the  
10 city-county assistance account created in section 1 of this act.

11       **Sec. 3.** RCW 43.79A.040 and 2004 c 246 s 8 and 2004 c 58 s 10 are  
12 each reenacted and amended to read as follows:

13       (1) Money in the treasurer's trust fund may be deposited, invested,  
14 and reinvested by the state treasurer in accordance with RCW 43.84.080  
15 in the same manner and to the same extent as if the money were in the  
16 state treasury.

17       (2) All income received from investment of the treasurer's trust  
18 fund shall be set aside in an account in the treasury trust fund to be  
19 known as the investment income account.

20       (3) The investment income account may be utilized for the payment  
21 of purchased banking services on behalf of treasurer's trust funds  
22 including, but not limited to, depository, safekeeping, and  
23 disbursement functions for the state treasurer or affected state  
24 agencies. The investment income account is subject in all respects to  
25 chapter 43.88 RCW, but no appropriation is required for payments to  
26 financial institutions. Payments shall occur prior to distribution of  
27 earnings set forth in subsection (4) of this section.

28       (4)(a) Monthly, the state treasurer shall distribute the earnings  
29 credited to the investment income account to the state general fund  
30 except under (b) and (c) of this subsection.

31       (b) The following accounts and funds shall receive their  
32 proportionate share of earnings based upon each account's or fund's  
33 average daily balance for the period: The Washington promise  
34 scholarship account, the college savings program account, the  
35 Washington advanced college tuition payment program account, the  
36 agricultural local fund, the American Indian scholarship endowment  
37 fund, the students with dependents grant account, the basic health plan

1 self-insurance reserve account, the city-county assistance account, the  
2 contract harvesting revolving account, the Washington state combined  
3 fund drive account, the Washington international exchange scholarship  
4 endowment fund, the developmental disabilities endowment trust fund,  
5 the energy account, the fair fund, the fruit and vegetable inspection  
6 account, the future teachers conditional scholarship account, the game  
7 farm alternative account, the grain inspection revolving fund, the  
8 juvenile accountability incentive account, the law enforcement  
9 officers' and fire fighters' plan 2 expense fund, the local tourism  
10 promotion account, the produce railcar pool account, the rural  
11 rehabilitation account, the stadium and exhibition center account, the  
12 youth athletic facility account, the self-insurance revolving fund, the  
13 sulfur dioxide abatement account, the children's trust fund, the  
14 Washington horse racing commission Washington bred owners' bonus fund  
15 account, the Washington horse racing commission class C purse fund  
16 account, and the Washington horse racing commission operating account  
17 (earnings from the Washington horse racing commission operating account  
18 must be credited to the Washington horse racing commission class C  
19 purse fund account). However, the earnings to be distributed shall  
20 first be reduced by the allocation to the state treasurer's service  
21 fund pursuant to RCW 43.08.190.

22 (c) The following accounts and funds shall receive eighty percent  
23 of their proportionate share of earnings based upon each account's or  
24 fund's average daily balance for the period: The advanced right of way  
25 revolving fund, the advanced environmental mitigation revolving  
26 account, the city and county advance right-of-way revolving fund, the  
27 federal narcotics asset forfeitures account, the high occupancy vehicle  
28 account, the local rail service assistance account, and the  
29 miscellaneous transportation programs account.

30 (5) In conformance with Article II, section 37 of the state  
31 Constitution, no trust accounts or funds shall be allocated earnings  
32 without the specific affirmative directive of this section.

33 NEW SECTION. **Sec. 4.** This act takes effect August 1, 2005.

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