
HOUSE BILL 2022

State of Washington 60th Legislature 2007 Regular Session

By Representatives McIntire, Condotta, Linville, Sump, Grant, Buri, Takko, Morrell and Simpson

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1 AN ACT Relating to increasing city-county assistance account
2 funding and distributions; amending RCW 43.08.290 and 43.135.035;
3 creating a new section; providing an effective date; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 43.08.290 and 2005 c 450 s 2 are each amended to read
7 as follows:

8 (1) The city-county assistance account is created in the state
9 treasury. All receipts from real estate excise tax disbursements
10 provided under RCW 82.45.060 shall be deposited into the account.
11 Beginning on July 1, 2007, the state treasurer shall transfer annually
12 the sum of ten million dollars from the state general fund into the
13 city-county assistance account. Moneys in the account may be spent
14 only after appropriation. Expenditures from the account may be used
15 only for the purposes provided in this section.

16 (2) Funds deposited in the city-county assistance account shall be
17 distributed equally to the cities and counties.

18 (3)(a) Funds distributed to counties shall, to the extent possible,

1 increase the revenues received under RCW 82.14.030(1) by each county to
2 the greater of ((~~two~~)) nine hundred ((~~fifty~~)) thousand dollars or:

3 (i) For a county with an unincorporated population of one hundred
4 thousand or less, seventy percent of the statewide weighted average per
5 capita level of sales and use tax revenues collected under RCW
6 82.14.030(1) for the unincorporated areas of all counties imposing the
7 sales and use tax authorized under RCW 82.14.030(1) in the previous
8 calendar year; and

9 (ii) For a county with an unincorporated population of more than
10 one hundred thousand, sixty-five percent of the statewide weighted
11 average per capita level of sales and use tax revenues collected under
12 RCW 82.14.030(1) for the unincorporated areas of all counties imposing
13 the sales and use tax authorized under RCW 82.14.030(1) in the previous
14 calendar year.

15 (b) For each county with an unincorporated population of fifteen
16 thousand or less, the county shall receive the greater of the amount in
17 (a) of this subsection or the amount received in local government
18 assistance provided by section 716, chapter 276, Laws of 2004.

19 (c) For each county with an unincorporated population of more than
20 fifteen thousand and less than twenty-two thousand, the county shall
21 receive in calendar year 2006 and 2007 the greater of the amount
22 provided in (a) of this subsection or the amount received in local
23 government assistance provided by section 716, chapter 276, Laws of
24 2004.

25 (d) To the extent that revenues are insufficient to fund the
26 distributions under this subsection, the distributions of all counties
27 as otherwise determined under this subsection shall be ratably reduced.

28 (e) To the extent that revenues exceed the amounts needed to fund
29 the distributions under this subsection, the excess funds shall be
30 divided ratably based upon unincorporated population among those
31 counties receiving funds under this subsection and imposing the tax
32 collected under RCW 82.14.030(2) at the maximum rate.

33 (4)(a) For each city with a population of five thousand or less
34 with a per capita assessed property value less than twice the statewide
35 average per capita assessed property value for all cities for the
36 calendar year previous to the certification under subsection (6) of
37 this section, the city shall receive the greater of the following three
38 amounts:

1 (i) An amount necessary to increase the revenues collected under
2 RCW 82.14.030(1) up to (~~(fifty-five)~~) seventy percent of the statewide
3 weighted average per capita level of sales and use tax revenues
4 collected under RCW 82.14.030(1) for all cities imposing the sales and
5 use tax authorized under RCW 82.14.030(1) in the previous calendar
6 year.

7 (ii) The amount received in local government assistance provided
8 for fiscal year 2005 by section 721, chapter 25, Laws of 2003 1st sp.
9 sess.

10 (iii) For a city with a per capita assessed property value less
11 than fifty-five percent of the statewide average per capita assessed
12 property value for all cities, an amount determined by subtracting the
13 city's per capita assessed property value from fifty-five percent of
14 the statewide average per capita assessed property value, dividing that
15 amount by one thousand, and multiplying the result by the city's
16 population.

17 (b) For each city with a population of more than five thousand with
18 a per capita assessed property value less than the statewide average
19 per capita assessed property value for all cities for the calendar year
20 previous to the certification under subsection (6) of this section, the
21 city shall receive the greater of the following three amounts:

22 (i) An amount necessary to increase the revenues collected under
23 RCW 82.14.030(1) up to (~~(fifty)~~) seventy percent of the statewide
24 weighted average per capita level of sales and use tax revenues
25 collected under RCW 82.14.030(1) for all cities imposing the sales and
26 use tax authorized under RCW 82.14.030(1) in the previous calendar
27 year.

28 (ii) For calendar year 2006 and 2007, the amount received in local
29 government assistance provided for fiscal year 2005 by section 721,
30 chapter 25, Laws of 2003 1st sp. sess.

31 (iii) For a city with a per capita assessed property value less
32 than fifty-five percent of the statewide average per capita assessed
33 property value for all cities, an amount determined by subtracting the
34 city's per capita assessed property value from fifty-five percent of
35 the statewide average per capita assessed property value, dividing that
36 amount by one thousand, and multiplying the result by the city's
37 population.

1 (c) No city may receive an amount greater than one hundred seventy-
2 five thousand dollars a year under (a) or (b) of this subsection.

3 (d) To the extent that revenues are insufficient to fund the
4 distributions under this subsection, the distributions of all cities as
5 otherwise determined under this subsection shall be ratably reduced.

6 (e) To the extent that revenues exceed the amounts needed to fund
7 the distributions under this subsection, the excess funds shall be
8 divided ratably based upon population among those cities receiving
9 funds under this subsection and imposing the tax collected under RCW
10 82.14.030(2) at the maximum rate.

11 (f) This subsection only applies to cities incorporated prior to
12 August 1, 2005.

13 (5) The (~~two~~) nine hundred (~~fifty~~) thousand dollar amount in
14 subsection (3) of this section and the one hundred seventy-five
15 thousand dollar amount in subsection (4) of this section shall be
16 increased each year beginning in calendar year (~~2006~~) 2008 by
17 inflation as defined in RCW 84.55.005, as determined by the department
18 of revenue.

19 (6) Distributions under subsections (3) and (4) of this section
20 shall be made quarterly beginning on October 1, 2005, based on
21 population as last determined by the office of financial management.
22 The department of revenue shall certify the amounts to be distributed
23 under this section to the state treasurer. The certification shall be
24 made by October 1, 2005, for the October 1, 2005, distribution and the
25 January 1, 2006, distribution, based on calendar year 2004 collections.
26 The certification shall be made by March 1, 2006, for distributions
27 beginning April 1, 2006, and by March 1st of every year thereafter.
28 The March 1st certification shall be used for distributions occurring
29 on April 1st, July 1st, and October 1st of the year of certification
30 and on January 1st of the year following certification.

31 (7) All distributions to local governments from the city-county
32 assistance account constitute increases in state distributions of
33 revenue to political subdivisions for purposes of state reimbursement
34 for the costs of new programs and increases in service levels under RCW
35 43.135.060, including any claims or litigation pending against the
36 state on or after January 1, 2005.

1 NEW SECTION. **Sec. 2.** For the purposes of RCW 43.08.290(6), this
2 act applies to distributions made on or after July 1, 2007.

3 **Sec. 3.** RCW 43.135.035 and 2005 c 72 s 5 are each amended to read
4 as follows:

5 (1) After July 1, 1995, any action or combination of actions by the
6 legislature that raises state revenue or requires revenue-neutral tax
7 shifts may be taken only if approved by a two-thirds vote of each
8 house, and then only if state expenditures in any fiscal year,
9 including the new revenue, will not exceed the state expenditure limits
10 established under this chapter.

11 (2)(a) If the legislative action under subsection (1) of this
12 section will result in expenditures in excess of the state expenditure
13 limit, then the action of the legislature shall not take effect until
14 approved by a vote of the people at a November general election. The
15 state expenditure limit committee shall adjust the state expenditure
16 limit by the amount of additional revenue approved by the voters under
17 this section. This adjustment shall not exceed the amount of revenue
18 generated by the legislative action during the first full fiscal year
19 in which it is in effect. The state expenditure limit shall be
20 adjusted downward upon expiration or repeal of the legislative action.

21 (b) The ballot title for any vote of the people required under this
22 section shall be substantially as follows:

23 "Shall taxes be imposed on in order to allow a
24 spending increase above last year's authorized spending adjusted for
25 personal income growth?"

26 (3)(a) The state expenditure limit may be exceeded upon declaration
27 of an emergency for a period not to exceed twenty-four months by a law
28 approved by a two-thirds vote of each house of the legislature and
29 signed by the governor. The law shall set forth the nature of the
30 emergency, which is limited to natural disasters that require immediate
31 government action to alleviate human suffering and provide humanitarian
32 assistance. The state expenditure limit may be exceeded for no more
33 than twenty-four months following the declaration of the emergency and
34 only for the purposes contained in the emergency declaration.

35 (b) Additional taxes required for an emergency under this section
36 may be imposed only until thirty days following the next general
37 election, unless an extension is approved at that general election.

1 The additional taxes shall expire upon expiration of the declaration of
2 emergency. The legislature shall not impose additional taxes for
3 emergency purposes under this subsection unless funds in the education
4 construction fund have been exhausted.

5 (c) The state or any political subdivision of the state shall not
6 impose any tax on intangible property listed in RCW 84.36.070 as that
7 statute exists on January 1, 1993.

8 (4) If the cost of any state program or function is shifted from
9 the state general fund or a related fund to another source of funding,
10 or if moneys are transferred from the state general fund or a related
11 fund to another fund or account, the state expenditure limit committee,
12 acting pursuant to RCW 43.135.025(5), shall lower the state expenditure
13 limit to reflect the shift. For the purposes of this section, a
14 transfer of money from the state general fund or a related fund to
15 another fund or account includes any state legislative action taken
16 that has the effect of reducing revenues from a particular source,
17 where such revenues would otherwise be deposited into the state general
18 fund or a related fund, while increasing the revenues from that
19 particular source to another state or local government account. This
20 subsection does not apply to: (a) The dedication or use of lottery
21 revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068,
22 in support of education or education expenditures; or (b) transfers to
23 the city-county assistance account under RCW 43.08.290.

24 (5) If the cost of any state program or function and the ongoing
25 revenue necessary to fund the program or function are shifted to the
26 state general fund or a related fund on or after January 1, 2007, the
27 state expenditure limit committee, acting pursuant to RCW
28 43.135.025(5), shall increase the state expenditure limit to reflect
29 the shift.

30 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect
33 July 1, 2007.

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