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HOUSE BILL 2773

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State of Washington                      61st Legislature                      2010 Regular Session

By Representatives Nelson and White; by request of Governor Gregoire

Read first time 01/13/10. Referred to Committee on Finance.

1            AN ACT Relating to local excise tax authorities for counties and  
2 cities; and amending RCW 82.14.450, 82.14.450, 82.14.460, 82.14.460,  
3 and 82.14.340.

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

5            **Sec. 1.** RCW 82.14.450 and 2009 c 551 s 1 are each amended to read  
6 as follows:

7            (1) A county legislative authority may (~~submit an authorizing~~  
8 ~~proposition to the county voters at a primary or general election and,~~  
9 ~~if the proposition is approved by a majority of persons voting,)~~  
10 authorize, fix, and impose a sales and use tax ((in accordance with the  
11 terms of this chapter)) until December 31, 2014. To retain or impose  
12 the tax after December 31, 2014, the county must submit an authorizing  
13 proposition to the county voters at a primary or general election and  
14 a majority of persons voting must approve the continuation or  
15 imposition of the sales and use tax. The title of each ballot measure  
16 must clearly state the purposes for which the proposed sales and use  
17 tax will be used. (~~Funds raised under this tax shall not supplant~~  
18 ~~existing funds used for these purposes, except as follows: Up to one~~  
19 ~~hundred percent may be used to supplant existing funding in calendar~~

1 ~~year 2010; up to eighty percent may be used to supplant existing~~  
2 ~~funding in calendar year 2011; up to sixty percent may be used to~~  
3 ~~supplant existing funding in calendar year 2012; up to forty percent~~  
4 ~~may be used to supplant existing funding in calendar year 2013; and up~~  
5 ~~to twenty percent may be used to supplant existing funding in calendar~~  
6 ~~year 2014. For purposes of this subsection, existing funds means the~~  
7 ~~actual operating expenditures for the calendar year in which the ballot~~  
8 ~~measure is approved by voters. Actual operating expenditures excludes~~  
9 ~~lost federal funds, lost or expired state grants or loans,~~  
10 ~~extraordinary events not likely to reoccur, changes in contract~~  
11 ~~provisions beyond the control of the county or city receiving the~~  
12 ~~services, and major nonrecurring capital expenditures.)) The tax must~~  
13 ~~be imposed in accordance with this chapter and the rate of tax under~~  
14 ~~this section may not exceed three-tenths of one percent of the selling~~  
15 ~~price in the case of a sales tax, or value of the article used, in the~~  
16 ~~case of a use tax.~~

17 (2) The tax authorized in this section is in addition to any other  
18 taxes authorized by law and must be collected from those persons who  
19 are taxable by the state under chapters 82.08 and 82.12 RCW upon the  
20 occurrence of any taxable event within the county.

21 (3) The retail sale or use of motor vehicles, and the lease of  
22 motor vehicles for up to the first thirty-six months of the lease, are  
23 exempt from tax imposed under this section.

24 (4) One-third of all money received under this section must be used  
25 solely for criminal justice purposes, fire protection purposes, or  
26 both. For the purposes of this subsection, "criminal justice purposes"  
27 has the same meaning as provided in RCW 82.14.340.

28 (5) Money received under this section must be shared between the  
29 county and the cities as follows: Sixty percent must be retained by  
30 the county and forty percent must be distributed on a per capita basis  
31 to cities in the county.

32 **Sec. 2.** RCW 82.14.450 and 2007 c 380 s 1 are each amended to read  
33 as follows:

34 (1) A county legislative authority may (~~submit an authorizing~~  
35 ~~proposition to the county voters at a primary or general election and,~~  
36 ~~if the proposition is approved by a majority of persons voting,))  
37 authorize, fix, and impose a sales and use tax (~~in accordance with the~~~~

1 ~~terms of this chapter~~) until December 31, 2014. To retain or impose  
2 the tax after December 31, 2014, the county must submit an authorizing  
3 proposition to the county voters at a primary or general election and  
4 a majority of persons voting must approve the continuation or  
5 imposition of the sales and use tax. The title of each ballot measure  
6 must clearly state the purposes for which the proposed sales and use  
7 tax will be used. (~~Funds raised under this tax shall not supplant~~  
8 ~~existing funds used for these purposes. For purposes of this~~  
9 ~~subsection, existing funds means the actual operating expenditures for~~  
10 ~~the calendar year in which the ballot measure is approved by voters.~~  
11 ~~Actual operating expenditures excludes lost federal funds, lost or~~  
12 ~~expired state grants or loans, extraordinary events not likely to~~  
13 ~~reoccur, changes in contract provisions beyond the control of the~~  
14 ~~county or city receiving the services, and major nonrecurring capital~~  
15 ~~expenditures.)) The tax must be imposed in accordance with this  
16 chapter and the rate of tax under this section shall not exceed three-  
17 tenths of one percent of the selling price in the case of a sales tax,  
18 or value of the article used, in the case of a use tax.~~

19 (2) The tax authorized in this section is in addition to any other  
20 taxes authorized by law and shall be collected from those persons who  
21 are taxable by the state under chapters 82.08 and 82.12 RCW upon the  
22 occurrence of any taxable event within the county.

23 (3) The retail sale or use of motor vehicles, and the lease of  
24 motor vehicles for up to the first thirty-six months of the lease, are  
25 exempt from tax imposed under this section.

26 (4) One-third of all money received under this section shall be  
27 used solely for criminal justice purposes. For the purposes of this  
28 subsection, "criminal justice purposes" means additional police  
29 protection, mitigation of congested court systems, or relief of  
30 overcrowded jails or other local correctional facilities.

31 (5) Money received under this section shall be shared between the  
32 county and the cities as follows: Sixty percent shall be retained by  
33 the county and forty percent shall be distributed on a per capita basis  
34 to cities in the county.

35 **Sec. 3.** RCW 82.14.460 and 2009 c 551 s 2 are each amended to read  
36 as follows:

1 (1) A county legislative authority may authorize, fix, and impose  
2 a sales and use tax in accordance with the terms of this chapter.

3 (2) The tax authorized in this section shall be in addition to any  
4 other taxes authorized by law and shall be collected from those persons  
5 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
6 the occurrence of any taxable event within the county. The rate of tax  
7 shall equal one-tenth of one percent of the selling price in the case  
8 of a sales tax, or value of the article used, in the case of a use tax.

9 (3) Moneys collected under this section shall be used solely for  
10 the purpose of providing for the operation or delivery of chemical  
11 dependency or mental health treatment programs and services and for the  
12 operation or delivery of therapeutic court programs and services. For  
13 the purposes of this section, "programs and services" includes, but is  
14 not limited to, treatment services, case management, and housing that  
15 are a component of a coordinated chemical dependency or mental health  
16 treatment program or service.

17 (4) All moneys collected under this section must be used solely for  
18 the purpose of providing new or expanded programs and services as  
19 provided in this section, except (~~a portion of~~) the moneys collected  
20 under this section may be used to supplant existing funding for these  
21 purposes in any county (~~as follows: Up to fifty percent may be used  
22 to supplant existing funding in calendar year 2010; up to forty percent  
23 may be used to supplant existing funding in calendar year 2011; up to  
24 thirty percent may be used to supplant existing funding in calendar  
25 year 2012; up to twenty percent may be used to supplant existing  
26 funding in calendar year 2013; and up to ten percent may be used to  
27 supplant existing funding in~~) through calendar year 2014. For the  
28 purposes of this subsection, "existing funds" means the actual  
29 operating expenditures for the calendar year in which the tax was first  
30 imposed.

31 (5) Nothing in this section may be interpreted to prohibit the use  
32 of moneys collected under this section for the replacement of lapsed  
33 federal funding previously provided for the operation or delivery of  
34 services and programs as provided in this section.

35 **Sec. 4.** RCW 82.14.460 and 2008 c 157 s 2 are each amended to read  
36 as follows:

1 (1) A county legislative authority may authorize, fix, and impose  
2 a sales and use tax in accordance with the terms of this chapter.

3 (2) The tax authorized in this section shall be in addition to any  
4 other taxes authorized by law and shall be collected from those persons  
5 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
6 the occurrence of any taxable event within the county. The rate of tax  
7 shall equal one-tenth of one percent of the selling price in the case  
8 of a sales tax, or value of the article used, in the case of a use tax.

9 (3) Moneys collected under this section shall be used solely for  
10 the purpose of providing for the operation or delivery of new or  
11 expanded chemical dependency or mental health treatment programs and  
12 services and for the operation or delivery of new or expanded  
13 therapeutic court programs and services. For the purposes of this  
14 section, "programs and services" includes, but is not limited to,  
15 treatment services, case management, and housing that are a component  
16 of a coordinated chemical dependency or mental health treatment program  
17 or service.

18 (4) Moneys collected under this section (~~(shall not)~~) may be used  
19 to supplant existing funding for these purposes(~~(, provided that~~  
20 ~~nothing in this section shall be interpreted to prohibit the use of~~  
21 ~~moneys collected under this section for the replacement of lapsed~~  
22 ~~federal funding previously provided for the operation or delivery of~~  
23 ~~services and programs as provided in this section)) through calendar  
24 year 2014. For the purposes of this subsection, "existing funds" means  
25 the actual operating expenditures for the calendar year in which the  
26 tax was first imposed.~~

27 **Sec. 5.** RCW 82.14.340 and 1995 c 309 s 1 are each amended to read  
28 as follows:

29 (1) The legislative authority of any county may fix and impose a  
30 sales and use tax in accordance with the terms of this chapter,  
31 provided that such sales and use tax is subject to repeal by  
32 referendum, using the procedures provided in RCW 82.14.036. The  
33 referendum procedure provided in RCW 82.14.036 is the exclusive method  
34 for subjecting any county sales and use tax ordinance or resolution to  
35 a referendum vote.

36 (2) The tax authorized in this section shall be in addition to any  
37 other taxes authorized by law and shall be collected from those persons

1 who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW  
2 upon the occurrence of any taxable event within such county. The rate  
3 of tax shall equal one-tenth of one percent of the selling price (in  
4 the case of a sales tax) or value of the article used (in the case of  
5 a use tax).

6 (3) When distributing moneys collected under this section, the  
7 state treasurer shall distribute ten percent of the moneys to the  
8 county in which the tax was collected. The remainder of the moneys  
9 collected under this section shall be distributed to the county and the  
10 cities within the county ratably based on population as last determined  
11 by the office of financial management. In making the distribution  
12 based on population, the county shall receive that proportion that the  
13 unincorporated population of the county bears to the total population  
14 of the county and each city shall receive that proportion that the city  
15 incorporated population bears to the total county population.

16 (4) Moneys received from any tax imposed under this section shall  
17 be expended exclusively for criminal justice purposes (~~(and shall not  
18 be used to replace or supplant existing funding)~~). Criminal justice  
19 purposes are defined as activities that substantially assist the  
20 criminal justice system, which may include circumstances where  
21 ancillary benefit to the civil justice system occurs, and which  
22 includes domestic violence services such as those provided by domestic  
23 violence programs, community advocates, and legal advocates, as defined  
24 in RCW 70.123.020. (~~(Existing funding for purposes of this subsection  
25 is defined as calendar year 1989 actual operating expenditures for  
26 criminal justice purposes. Calendar year 1989 actual operating  
27 expenditures for criminal justice purposes exclude the following:  
28 Expenditures for extraordinary events not likely to reoccur, changes in  
29 contract provisions for criminal justice services, beyond the control  
30 of the local jurisdiction receiving the services, and major  
31 nonrecurring capital expenditures.)~~)

32 (5) In the expenditure of funds for criminal justice purposes as  
33 provided in this section, cities and counties, or any combination  
34 thereof, are expressly authorized to participate in agreements,  
35 pursuant to chapter 39.34 RCW, to jointly expend funds for criminal  
36 justice purposes of mutual benefit. Such criminal justice purposes of  
37 mutual benefit include, but are not limited to, the construction,

1 improvement, and expansion of jails, court facilities, and juvenile  
2 justice facilities.

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