
SENATE BILL 5592

State of Washington

61st Legislature

2009 Regular Session

By Senators Oemig, Kline, and McDermott

Read first time 01/27/09. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to modification of distributions from the city-
2 county assistance account; amending RCW 43.08.290; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the distribution
6 of state real estate excise tax revenues via the city-county assistance
7 account established in RCW 43.08.290 represents a redistribution of tax
8 revenues from the more populous cities and counties to the less
9 populous cities and counties of the state. The legislature finds that
10 it is appropriate to require voter acknowledgment and approval for the
11 continuation of these government assistance tax payments to cities and
12 counties.

13 **Sec. 2.** RCW 43.08.290 and 2005 c 450 s 2 are each amended to read
14 as follows:

15 (1) The city-county assistance account is created in the state
16 treasury. All receipts from real estate excise tax disbursements
17 provided under RCW 82.45.060 shall be deposited into the account.

1 Moneys in the account may be spent only after appropriation.
2 Expenditures from the account may be used only for the purposes
3 provided in this section.

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

6 (3)(a) Funds distributed to counties shall, to the extent possible,
7 increase the revenues received under RCW 82.14.030(1) by each county to
8 the greater of two hundred fifty thousand dollars or:

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

15 (ii) For a county with an unincorporated population of more than
16 one hundred thousand, sixty-five 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 the unincorporated areas of all counties imposing
19 the sales and use tax authorized under RCW 82.14.030(1) in the previous
20 calendar year.

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

25 (c) For each county with an unincorporated population of more than
26 fifteen thousand and less than twenty-two thousand, the county shall
27 receive in calendar year 2006 and 2007 the greater of the amount
28 provided in (a) of this subsection or the amount received in local
29 government assistance provided by section 716, chapter 276, Laws of
30 2004.

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

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

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

7 (i) An amount necessary to increase the revenues collected under
8 RCW 82.14.030(1) up to fifty-five percent of the statewide weighted
9 average per capita level of sales and use tax revenues collected under
10 RCW 82.14.030(1) for all cities imposing the sales and use tax
11 authorized under RCW 82.14.030(1) in the previous calendar year.

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

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

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

27 (i) An amount necessary to increase the revenues collected under
28 RCW 82.14.030(1) up to fifty percent of the statewide weighted average
29 per capita level of sales and use tax revenues collected under RCW
30 82.14.030(1) for all cities imposing the sales and use tax authorized
31 under RCW 82.14.030(1) in the previous calendar year.

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

35 (iii) For a city with a per capita assessed property value less
36 than fifty-five percent of the statewide average per capita assessed
37 property value for all cities, an amount determined by subtracting the
38 city's per capita assessed property value from fifty-five percent of

1 the statewide average per capita assessed property value, dividing that
2 amount by one thousand, and multiplying the result by the city's
3 population.

4 (c) No city may receive an amount greater than one hundred thousand
5 dollars a year under (a) or (b) of this subsection.

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

9 (e) To the extent that revenues exceed the amounts needed to fund
10 the distributions under this subsection, the excess funds shall be
11 divided ratably based upon population among those cities receiving
12 funds under this subsection and imposing the tax collected under RCW
13 82.14.030(2) at the maximum rate.

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

16 (5) The two hundred fifty thousand dollar amount in subsection (3)
17 of this section and the one hundred thousand dollar amount in
18 subsection (4) of this section shall be increased each year beginning
19 in calendar year 2006 by inflation as defined in RCW 84.55.005, as
20 determined by the department of revenue.

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

33 (7) The amount of the quarterly distributions to cities and
34 counties made under subsections (3) and (4) of this section, shall be
35 reduced by the amount of streamlined sales and use tax mitigation funds
36 distributed to the same city or county in the same calendar quarter
37 under RCW 82.14.500.

1 (8) No city or county shall receive a distribution under this
2 section unless (a) the city or county legislative authority, by
3 resolution or ordinance, has submitted an authorizing proposition to
4 the voters at the next general election following the effective date of
5 this act and at least every two years thereafter, and (b) the
6 proposition has been approved by a majority of persons voting thereon.
7 The ballot title of the proposition required by this subsection shall
8 be substantially as follows:

9 "In (prior year), the government of (city or county) received
10 \$. . . . in government assistance tax payments financed by (the
11 two counties with the highest real estate excise tax revenues)
12 and the other more populous counties of Washington state,
13 which amounts to \$ for each resident of (city or county).
14 Without these payments, the local tax bill for each taxpayer
15 would increase, and/or the (city or county) services would
16 be reduced. Should (city or county) be authorized to
17 continue receiving these payments?"

18 If a city or county otherwise eligible to receive distributions
19 under this section does not approve the authorizing proposition, the
20 distribution for that city or county shall be deposited in the public
21 works assistance account under RCW 43.155.050. The voter authorization
22 required under this subsection must occur at least every two years.

23 (9) All distributions to local governments from the city-county
24 assistance account constitute increases in state distributions of
25 revenue to political subdivisions for purposes of state reimbursement
26 for the costs of new programs and increases in service levels under RCW
27 43.135.060, including any claims or litigation pending against the
28 state on or after January 1, 2005.

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