
HOUSE BILL 2823

State of Washington 62nd Legislature 2012 1st Special Session

By Representative Hunter

Read first time 04/03/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to redirecting existing state revenues into the
2 state general fund; amending RCW 43.135.045, 82.18.040, 82.08.160,
3 82.08.170, 43.110.030, 66.08.190, 66.08.196, 66.08.200, 66.08.210, and
4 43.63A.190; creating a new section; repealing RCW 43.110.050 and
5 43.110.060; and declaring an emergency.

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

7 **Sec. 1.** RCW 43.135.045 and 2011 1st sp.s. c 50 s 950 are each
8 amended to read as follows:

9 The education construction fund is hereby created in the state
10 treasury.

11 (1) Funds may be appropriated from the education construction fund
12 exclusively for common school construction or higher education
13 construction. During the 2007-2009 fiscal biennium, funds may also be
14 used for higher education facilities preservation and maintenance.
15 During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may
16 transfer from the education construction fund to the state general fund
17 such amounts as reflect the excess fund balance of the fund.

18 (2) Funds may be appropriated for any other purpose only if
19 approved by a two-thirds vote of each house of the legislature and if

1 approved by a vote of the people at the next general election. An
2 appropriation approved by the people under this subsection (~~shall~~)
3 must result in an adjustment to the state expenditure limit only for
4 the fiscal period for which the appropriation is made and (~~shall~~)
5 does not affect any subsequent fiscal period.

6 (3) Funds for the student achievement program in RCW 28A.505.210
7 and 28A.505.220 (~~shall~~) must be appropriated to the superintendent of
8 public instruction strictly for distribution to school districts to
9 meet the provisions set out in the student achievement act.
10 Allocations (~~shall~~) must be made on an equal per full-time equivalent
11 student basis to each school district.

12 (4) After July 1, 2010, the state treasurer (~~shall~~) must transfer
13 one hundred two million dollars from the general fund to the education
14 construction fund by June 30th of each year. However, the transfers
15 shall not take place in the fiscal biennium ending June 30, 2015.

16 **Sec. 2.** RCW 82.18.040 and 2011 1st sp.s. c 48 s 7034 are each
17 amended to read as follows:

18 (1) Taxes collected under this chapter (~~shall~~) must be held in
19 trust until paid to the state. Taxes received by the state (~~shall~~)
20 must be deposited in the public works assistance account created in RCW
21 43.155.050(~~PROVIDED, That during the fiscal year 2011~~). However,
22 for the period beginning July 1, 2011, and ending June 30, 2015, taxes
23 received by the state under this chapter must be deposited in the
24 general fund for general purpose expenditures. Any person collecting
25 the tax who appropriates or converts the tax collected (~~shall be~~) is
26 guilty of a gross misdemeanor if the money required to be collected is
27 not available for payment on the date payment is due. If a taxpayer
28 fails to pay the tax imposed by this chapter to the person charged with
29 collection of the tax and the person charged with collection fails to
30 pay the tax to the department, the department may, in its discretion,
31 proceed directly against the taxpayer for collection of the tax.

32 (2) The tax (~~shall be~~) is due from the taxpayer within twenty-
33 five days from the date the taxpayer is billed by the person collecting
34 the tax.

35 (3) The tax (~~shall be~~) is due from the person collecting the tax
36 at the end of the tax period in which the tax is received from the
37 taxpayer. If the taxpayer remits only a portion of the total amount

1 billed for taxes, consideration, and related charges, the amount
2 remitted (~~(shall)~~) must be applied first to payment of the solid waste
3 collection tax and this tax (~~(shall have)~~) has priority over all other
4 claims to the amount remitted.

5 **Sec. 3.** RCW 82.08.160 and 2011 1st sp.s. c 50 s 969 are each
6 amended to read as follows:

7 (1) On or before the twenty-fifth day of each month, all taxes
8 collected under RCW 82.08.150 during the preceding month must be
9 remitted to the state department of revenue, to be deposited with the
10 state treasurer. Except as provided in subsections (2) and (3) of this
11 section, upon receipt of such moneys the state treasurer must credit
12 sixty-five percent of the sums collected and remitted under RCW
13 82.08.150 (1) and (2) and one hundred percent of the sums collected and
14 remitted under RCW 82.08.150 (3) and (4) to the state general fund and
15 thirty-five percent of the sums collected and remitted under RCW
16 82.08.150 (1) and (2) to a fund which is hereby created to be known as
17 the "liquor excise tax fund."

18 (2) During the (~~(2011-2013)~~) 2012 fiscal (~~(biennium)~~) year, 66.19
19 percent of the sums collected and remitted under RCW 82.08.150 (1) and
20 (2) must be deposited in the state general fund and the remainder
21 collected and remitted under RCW 82.08.150 (1) and (2) must be
22 deposited in the liquor excise tax fund.

23 (3) During fiscal year 2013, all funds collected under RCW
24 82.08.150 (1), (2), (3), and (4) must be deposited into the state
25 general fund.

26 **Sec. 4.** RCW 82.08.170 and 2002 c 38 s 3 are each amended to read
27 as follows:

28 (1) Except as provided in subsection (4) of this section, during
29 the months of January, April, July, and October of each year, the state
30 treasurer (~~(shall)~~) must make the transfers required under subsections
31 (2) and (3) of this section from the liquor excise tax fund and then
32 the apportionment and distribution of all remaining moneys in the
33 liquor excise tax fund to the counties, cities, and towns in the
34 following proportions: (a) Twenty percent of the moneys in the liquor
35 excise tax fund (~~(shall)~~) must be divided among and distributed to the
36 counties of the state in accordance with the provisions of RCW

1 66.08.200; and (b) eighty percent of the moneys in the liquor excise
2 tax fund (~~((shall))~~) must be divided among and distributed to the cities
3 and towns of the state in accordance with the provisions of RCW
4 66.08.210.

5 (2) Each fiscal quarter and prior to making the twenty percent
6 distribution to counties under subsection (1)(a) of this section, the
7 treasurer shall transfer to the (~~((county research services account
8 under RCW 43.110.050))~~) liquor revolving fund created in RCW 66.08.170
9 sufficient moneys to fund the allotments from any legislative
10 appropriations (~~((from the county research services account))~~) for county
11 research and services as provided under chapter 43.110 RCW.

12 (3) During the months of January, April, July, and October of each
13 year, the state treasurer must transfer two million five hundred
14 thousand dollars from the liquor excise tax fund to the state general
15 fund.

16 (4) During calendar year 2012, the October distribution under
17 subsection (1) of this section and transfers under subsections (2) and
18 (3) of this section must not be made. During calendar year 2013, the
19 January, April, and July distributions under subsection (1) of this
20 section and transfers under subsections (2) and (3) of this section
21 must not be made.

22 **Sec. 5.** RCW 43.110.030 and 2010 c 271 s 701 are each amended to
23 read as follows:

24 (1) The department of commerce (~~((shall))~~) must contract for the
25 provision of municipal research and services to cities, towns, and
26 counties. Contracts for municipal research and services (~~((shall))~~) must
27 be made with state agencies, educational institutions, or private
28 consulting firms, that in the judgment of the department are qualified
29 to provide such research and services. Contracts for staff support may
30 be made with state agencies, educational institutions, or private
31 consulting firms that in the judgment of the department are qualified
32 to provide such support.

33 (2) Municipal research and services (~~((shall))~~) consists of:

34 (a) Studying and researching city, town, and county government and
35 issues relating to city, town, and county government;

36 (b) Acquiring, preparing, and distributing publications related to

1 city, town, and county government and issues relating to city, town,
2 and county government;

3 (c) Providing educational conferences relating to city, town, and
4 county government and issues relating to city, town, and county
5 government; and

6 (d) Furnishing legal, technical, consultative, and field services
7 to cities, towns, and counties concerning planning, public health,
8 utility services, fire protection, law enforcement, public works, and
9 other issues relating to city, town, and county government.

10 (3) Requests for legal services by county officials (~~(shall)~~) must
11 be sent to the office of the county prosecuting attorney. Responses by
12 the department of commerce to county requests for legal services
13 (~~(shall)~~) must be provided to the requesting official and the county
14 prosecuting attorney.

15 (4) The department of commerce (~~(shall)~~) must coordinate with the
16 association of Washington cities and the Washington state association
17 of counties in carrying out the activities in this section. (~~(Services~~
18 ~~to cities and towns shall be based upon the moneys appropriated to the~~
19 ~~department from the city and town research services account under RCW~~
20 ~~43.110.060. Services to counties shall be based upon the moneys~~
21 ~~appropriated to the department from the county research services~~
22 ~~account under RCW 43.110.050.)~~)

23 NEW SECTION. Sec. 6. The following acts or parts of acts are each
24 repealed:

25 (1) RCW 43.110.050 (County research services account) and 2002 c 38
26 s 1 & 1997 c 437 s 3; and

27 (2) RCW 43.110.060 (City and town research services account) and
28 2010 c 271 s 702, 2002 c 38 s 4, & 2000 c 227 s 1.

29 NEW SECTION. Sec. 7. All moneys remaining in the county research
30 services account and city and town research services account on July 1,
31 2012, must be deposited by the state treasurer into the general fund.

32 Sec. 8. RCW 66.08.190 and 2011 1st sp.s. c 50 s 960 are each
33 amended to read as follows:

34 (1) (~~Except for revenues generated by the 2003 surcharge of~~
35 ~~\$0.42/liter on retail sales of spirits that must be distributed to the~~

1 ~~state general fund during the 2003-2005 biennium,))~~ Prior to making
2 distributions described in subsection (2) of this section, amounts must
3 be retained to support allotments under RCW 43.88.110 from any
4 legislative appropriation for municipal research and services. The
5 legislative appropriation for such services must be in the amount
6 specified under RCW 66.24.065.

7 (2) When excess funds are distributed during the months of June,
8 September, December, and March of each year, all moneys subject to
9 distribution must be disbursed ((as follows:

10 (a) Three tenths of one percent to border areas under RCW
11 66.08.195; and

12 (b) Except as provided in subsection (4) of this section, from the
13 amount remaining after distribution under (a) of this subsection, (i)
14 fifty percent to the general fund of the state, (ii) ten percent to the
15 counties of the state, and (iii) forty percent to the incorporated
16 cities and towns of the state.

17 ~~(2) During the months of June, September, December, and March of~~
18 ~~each year, prior to disbursing the distribution to incorporated cities~~
19 ~~and towns under subsection (1)(b) of this section, the treasurer must~~
20 ~~deduct from that distribution an amount that will fund that quarter's~~
21 ~~allotments under RCW 43.88.110 from any legislative appropriation from~~
22 ~~the city and town research services account. The treasurer must~~
23 ~~deposit the amount deducted into the city and town research services~~
24 ~~account.~~

25 ~~(3) The governor may notify and direct the state treasurer to~~
26 ~~withhold the revenues to which the counties and cities are entitled~~
27 ~~under this section if the counties or cities are found to be in~~
28 ~~noncompliance pursuant to RCW 36.70A.340.~~

29 ~~(4) During the 2011-2013 fiscal biennium, from the amount remaining~~
30 ~~after distribution under subsection (1)(a) of this section, (a) 51.7~~
31 ~~percent to the general fund of the state, (b) 9.7 percent to the~~
32 ~~counties of the state, and (c) 38.6 percent to the incorporated cities~~
33 ~~and towns of the state))~~ to border areas, counties, cities, and towns
34 as provided in RCW 66.24.065.

35 (3) The amount remaining after distributions under subsections (1)
36 and (2) of this section must be deposited into the general fund.

1 **Sec. 9.** RCW 66.08.196 and 2001 c 8 s 2 are each amended to read as
2 follows:

3 (1) Distribution of funds to border areas under RCW 66.08.190 and
4 66.24.290 (1)((+a)) (c) and (4) (~~shall be~~) is as follows:

5 ((+1)) (a) Sixty-five percent of the funds (~~shall~~) must be
6 distributed to border areas ratably based on border area traffic
7 totals;

8 ((+2)) (b) Twenty-five percent of the funds (~~shall~~) must be
9 distributed to border areas ratably based on border-related crime
10 statistics; and

11 ((+3)) (c) Ten percent of the funds (~~shall~~) must be distributed
12 to border areas ratably based upon border area per capita law
13 enforcement spending.

14 (2) Distributions to an unincorporated area (~~shall~~) must be made
15 to the county in which such an area is located and may only be spent on
16 services provided to that area.

17 **Sec. 10.** RCW 66.08.200 and 1979 c 151 s 167 are each amended to
18 read as follows:

19 With respect to the (~~ten percent share coming~~) distribution of
20 funds to the counties, the computations for distribution (~~shall~~) must
21 be made by the state agency responsible for collecting the same as
22 follows:

23 (1) The share coming to each eligible county (~~shall~~) must be
24 determined by a division among the eligible counties according to the
25 relation which the population of the unincorporated area of such
26 eligible county, as last determined by the office of financial
27 management, bears to the population of the total combined
28 unincorporated areas of all eligible counties, as determined by the
29 office of financial management(~~÷—PROVIDED, That~~). However, no
30 county in which the sale of liquor is forbidden in the unincorporated
31 area thereof as the result of an election (~~shall be~~) is entitled to
32 share in such distribution. "Unincorporated area" means all that
33 portion of any county not included within the limits of incorporated
34 cities and towns.

35 (2) When a special county census has been conducted for the purpose
36 of determining the population base of a county's unincorporated area
37 for use in the distribution of liquor funds, the census figure

1 (~~shall~~) becomes effective for the purpose of distributing funds as of
2 the official census date once the census results have been certified by
3 the office of financial management and officially submitted to the
4 office of the secretary of state.

5 **Sec. 11.** RCW 66.08.210 and 1979 c 151 s 168 are each amended to
6 read as follows:

7 (1) With respect to the (~~forty percent share coming~~) distribution
8 of funds to the incorporated cities and towns under RCW
9 66.24.290(1)(c), the computations for distribution (~~shall~~) must be
10 made by the state agency responsible for collecting the same as
11 (~~follows~~) provided in subsection (2) of this section.

12 (2) The share coming to each eligible city or town (~~shall~~) must
13 be determined by a division among the eligible cities and towns within
14 the state ratably on the basis of population as last determined by the
15 office of financial management (~~AND PROVIDED, That~~). However, no
16 city or town in which the sale of liquor is forbidden as the result of
17 an election (~~shall be~~) is entitled to any share in such distribution.

18 **Sec. 12.** RCW 43.63A.190 and 1995 c 159 s 5 are each amended to
19 read as follows:

20 Funds appropriated by the legislature as supplemental resources for
21 border areas (~~shall~~) must be distributed by the state treasurer
22 pursuant to the formula for distributing funds (~~from the liquor~~
23 ~~revolving fund~~) to border areas, and expenditure requirements for such
24 distributions, under RCW 66.08.196.

25 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and takes effect
28 immediately.

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