

HOUSE BILL REPORT

HB 1653

As Reported by House Committee On: Finance

Title: An act relating to increasing the maximum tax rate for the voter-approved local sales and use tax for emergency communication systems and facilities.

Brief Description: Increasing the maximum tax rate for the voter-approved local sales and use tax for emergency communication systems and facilities.

Sponsors: Representatives Doglio, Dolan, Barkis, Griffey, Kloba, Santos and Tarleton.

Brief History:

Committee Activity:

Finance: 2/7/19, 2/25/19 [DP].

Brief Summary of Bill

- Increases the maximum rate for the voter-approved local sales and use tax for emergency communications systems and facilities from 0.1 percent to 0.2 percent.
- Allows counties to increase their tax rate with voter approval.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives Tarleton, Chair; Walen, Vice Chair; Chapman, Frame, Macri, Morris, Orwall, Springer and Wylie.

Minority Report: Do not pass. Signed by 4 members: Representatives Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Stokesbary and Vick.

Staff: Richelle Geiger (786-7139).

Background:

Emergency Communications Systems and Facilities Local Sales and Use Tax.

Counties may levy a sales and use tax to fund costs associated with emergency communication systems and facilities (emergency communications sales and use tax) with

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

voter approval. The maximum tax rate is 0.1 percent. The funds may be used for costs associated with financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, and improvement of emergency communication systems and facilities.

Counties are authorized to develop joint ventures to collocate emergency communication systems and facilities. If a county provides emergency communication services to a governmental agency pursuant to a contract, the parties to the contract must review and negotiate the terms prior to submitting the tax authorization to voters. If a county has a population of more than 500,000, in which any city with a population over 50,000 operates emergency communication system and facilities, the county must enter an interlocal agreement with the city to determine distribution of revenue prior to submitting the authorizing ballot to the voters.

Summary of Bill:

The maximum rate for the emergency communications sales and use tax is increased from 0.1 percent to 0.2 percent. In order for counties to increase the tax rate, they must receive voter approval.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Since this sales and use tax was enacted, about half of the counties in the state have benefited from this stable and predictable revenue stream. For some it is enough revenue to keep up with maintenance and operation costs and some minor upgrades, while for others it falls short. For many agencies it leaves little room for any upgrades.

Most agencies throughout the state are now using technology that is at least 40 years old, which needs to be upgraded. The replacement cost of a public safety system is tens of millions of dollars. The systems do not support interagency communication, which is especially problematic when large-scale emergencies occur and multiple agencies need to respond. Officers use the communication systems in many life-or-death situations and cannot afford for their systems to be unreliable. The communication system is the backbone of every emergency response operation. The number of phone calls and dispatches, data required to be processed, and technological needs have been increasing, and many communication centers have not been able to keep up.

Emergency communication centers operate on tax revenue: the telephone excise tax, user fees, and this retail sales and use tax. Excise tax revenue has not kept up with inflation, therefore the centers are relying more heavily on user fees. Because the local tax base is eroding, centers have had cut or consider cutting funding for essential repairs, services provided, and staff.

Emergency communication service organizations actively support this bill.

(Opposed) None.

Persons Testifying: Representative Doglio, prime sponsor; Steve Brooks, Washington Fire Chiefs; Keith Flewelling, Thurston 911 Communications; John Snaza, Thurston County Sheriff; Richard Kirton, Kitsap 911; Tim Martindale, Pacific County Communications Center; Brenda Cantu, Grays Harbor Communications Center; Scott LaVielle, Tumwater Fire Department; and Kurt Hardin, Thurston County Emergency Services.

Persons Signed In To Testify But Not Testifying: None.