
Finance Committee

ESSB 5272

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

Sponsors: Senate Committee on Local Government (originally sponsored by Senator Hunt).

Brief Summary of Engrossed Substitute 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
- Requires a county with a population of more than 1.5 million to enter into inter-local agreements with its cities with populations over 50,000 regarding revenue distribution, if a city is part of a regional communication system or operates the communication system independently.

Hearing Date: 3/26/19

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 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

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than 500,000, in which any city with a population over 50,000 operates emergency communication system and facilities is located, 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.

For counties with a population of 1,500,000 or more, a city with a population over 50,000 may either provide emergency communications systems and facilities independently or as a member of a regional emergency agency to necessitate a revenue distribution inter-local agreement.

Appropriation: None.

Fiscal Note: Available on Senate Bill 5272.

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