

1990 Second Extraordinary Session

The Legislature convened on June 5, 1990 to address the issue of fiscal assistance for local government criminal justice systems.

Local Criminal Justice Assistance -- SB 6913

Chapter 1, Laws of 1990 Second Extraordinary Session (SB 6913), provides a total of \$99.4 million to counties and cities in fiscal year 1991. This includes general fund appropriations, tax base sharing, increased local government revenue distributions, and increased county taxing authority. A fiscal summary of the measure is displayed in the following table. The key provisions of SB 6913 are summarized below.

Criminal Justice Funding

A total of \$55 million is distributed to cities and counties which includes \$35 million in on-going funding from the Motor Vehicle Excise Tax (MVET) and \$20

million in one-time assistance from the state general fund. In fiscal year 1991, \$32.5 million is allocated to counties from the MVET through a formula based on population, crime rate, and criminal filings. This includes \$25 million from the MVET and \$7.5 million from the general fund. In addition, a total of \$2.5 million from the state general fund is provided on a per capita basis to counties.

Distributions to cities include \$10 million on a per capita basis to 24 cities with exceptionally high crime rates. This amount includes \$5 million from the MVET and \$5 million from the state general fund. In addition, \$10 million is provided on a per capita basis to all incorporated cities, including a total of \$2.5 million to cities under 10,000 in population. This distribution consists of \$5 million from the MVET and \$5 million from the state general fund.

Local Sales Tax Distribution

The distribution of local sales tax revenues to counties, cities, and transit districts is made monthly rather than bimonthly. Investment earnings on the balances in these accounts will be credited to the account rather than the general fund. These changes will provide \$1.6 million to counties, \$2.8 million to cities, and \$1.7 million to transit districts in fiscal year 1991.

Unclaimed Property

Local governments are authorized to retain and spend certain types of unclaimed intangible property, rather than distributing the property to the state. This includes canceled warrants, excess proceeds from property tax and irrigation district foreclosures, and property tax overpayments and refunds. County governments are anticipated to receive \$200,000 in fiscal year 1991 from these provisions.

Parking Violations

The current requirement that the Department of Licensing be notified of unpaid parking violations at least 150 days prior to license renewal is reduced to 120 days, and the requirement that there be at least three unpaid parking tickets prior to enforcement is reduced to two parking tickets. In addition, the surcharge on unpaid parking tickets is increased from \$10 to \$15. These changes are expected to provide \$4.0 million to cities in fiscal year 1991.

Six Year Levies

Subject to voter approval of a constitutional amendment, taxing districts are permitted to propose to their voters excess property tax levies for up to six years. Current law authorizes one-year levies, except school districts are authorized two-year levies for maintenance and operation, and six-year levies for construction, remodeling, or modernization of school facilities. The local revenue impact of this provision cannot be estimated.

Initiative 62 Revisions

Initiative 62 is amended to clarify the issue of state reimbursement for local government costs which result from new programs and services that are required by the Legislature. The change specifies that after 1979 (the year the initiative was enacted), any increased revenue distributions and taxing authority constitutes reimbursement under Initiative 62. Existing litigation would not be affected by this provision.

Local Transit Sales Tax

The counties of King, Pierce, Snohomish, Thurston, Clark, and Spokane are authorized, subject to voter approval, to use 0.1 percent of the existing 1.0 percent transit sales tax for criminal justice purposes. Ten percent of the tax proceeds would be retained by the counties, while the remaining 90 percent would be allocated to the cities and counties based on population. The tax, if imposed, could raise \$35.8 million in fiscal year 1991 with counties receiving

\$18.6 million and cities receiving \$17.2 million.

Task Force on City and County Finances

A task force is established to examine issues of city and county financing with particular emphasis on criminal justice. The task force will be composed of five members from each house of the Legislature with three from each majority caucus. In addition, the task force will include two nonvoting representatives of the Governor. The task force will submit its findings to the Legislature and the Governor by September 1, 1992.

Sales Tax Equalization for New Cities

A sales tax equalization program for new cities is created which allows new cities to base their distribution on a few months of collection experience rather than a full year. It would also permit sales tax equalization payments to begin within several months of incorporation.

Authorizing Six-Year Property Tax Levies -- SJR 8241

The Legislature also enacted Senate Joint Resolution 8241 which authorizes taxing districts to seek voter approval for excess property tax levies of up to six years. This amendment will appear on the ballot in the general election on November 6, 1990. A simple majority is required for ratification.

LOCAL FISCAL ASSISTANCE / CRIMINAL JUSTICE
SB 6913 - FY 1991 Funding

(\$ in millions)

| | ON-GOING | ONE-TIME | TOTAL |
|---|-------------|-------------|-------------|
| A. FORMULA / PER CAPITA \$ | | | |
| County Crime Formula | 25.0 | 7.5 | 32.5 |
| County Per Capita | 0.0 | 2.5 | 2.5 |
| | | | |
| City Crime Formula | 5.0 | 5.0 | 10.0 |
| City Per Capita (\$2.5 for small cities) | 5.0 | 5.0 | 10.0 |
| Subtotal: | 35.0 | 20.0 | 55.0 |
| B. MONTHLY SALES TAX | | | |
| County | 1.6 | 0.0 | 1.6 |
| City | 2.8 | 0.0 | 2.8 |
| Subtotal: | 4.4 | 0.0 | 4.4 |
| C. UNPAID PARKING TICKETS | | | |
| County | 0.0 | 0.0 | 0.0 |
| City | 4.0 | 0.0 | 4.0 |
| Subtotal: | 4.0 | 0.0 | 4.0 |
| D. UNCLAIMED PROPERTY | | | |
| County | 0.2 | 0.0 | 0.2 |
| City | 0.0 | 0.0 | 0.0 |
| Subtotal: | 0.2 | 0.0 | 0.2 |
| Total Cash: | 43.6 | 20.0 | 63.6 |
| E. 1/10 of 1 PERCENT TRANSIT SALES TAX | | | |
| County | 18.6 | 0.0 | 18.6 |
| City | 17.2 | 0.0 | 17.2 |
| Subtotal: | 35.8 | 0.0 | 35.8 |
| F. SIX-YEAR PROPERTY TAX LEVY | YES | YES | YES |
| TOTAL COUNTY ASSISTANCE: | 45.4 | 10.0 | 55.4 |
| TOTAL CITY ASSISTANCE: | 34.0 | 10.0 | 44.0 |
| TOTAL LOCAL ASSISTANCE: | 79.4 | 20.0 | 99.4 |