

SIXTIETH LEGISLATURE - REGULAR SESSION

SIXTY EIGHTH DAY

House Chamber, Olympia, Friday, March 16, 2007

The House was called to order at 10:00 a.m. by the Speaker (Representative Lovick presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Alexandra Webster and Matt Luedtke. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Bishop Carlos Sevilla, Diocese of Yakima.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

RESOLUTION

HOUSE RESOLUTION NO. 2007-4645, By Representatives Dickerson, Sommers, Dunshee, Darneille, Haigh, Ormsby, Takko, Roberts, Conway, Hunt and Flannigan

WHEREAS, Citizens of character, intelligence, courage, initiative, and compassion have made significant contributions to the growth and development of the State of Washington; and

WHEREAS, Walt C. Crowley is representative of these qualities and contributions; and

WHEREAS, Walt C. Crowley, of Seattle, is cofounder, President, and Executive Director of HistoryLink and HistoryLink.org, the free online encyclopedia of Washington state history and the nation's first encyclopedia of community history created expressly for the Internet; and

WHEREAS, HistoryLink now serves more than two million annual visitors, one-third of whom are K-12 teachers and students, and has earned a National Certificate of Commendation from the American Association for State and Local History, the State Historic Preservation Officer's award, and numerous other national, regional, and local honors; and

WHEREAS, Walt C. Crowley is the author of more than fifteen books on local and regional history and earned the Pacific Northwest Historians Guild 2007 Northwest History Award for HistoryLink and his personal scholarship; and

WHEREAS, Walt C. Crowley was named "Citizen of the Year 2007" by the Municipal League of King County; and

WHEREAS, Walt C. Crowley served the State of Washington in an exemplary manner as a major contributor to the community and the political life of the Northwest Region; and

WHEREAS, Now is an appropriate time to recognize the contributions of Walt C. Crowley and the trustees and staff of HistoryLink in Washington State;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize and honor Walt C. Crowley's and HistoryLink's contributions to Washington State; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Walt C. Crowley and to HistoryLink.

HOUSE RESOLUTION NO. 4645 was adopted.

POINT OF PERSONAL PRIVILEGE

Representative Strow: *Jack Metcalf*

POINT OF PERSONAL PRIVILEGE

Representative Sells

POINT OF PERSONAL PRIVILEGE

Representative Pearson

POINT OF PERSONAL PRIVILEGE

Representative B. Sullivan

There being no objection, the House advanced to the sixth order of business.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5089, By Senate Committee on Ways & Means (originally sponsored by Senators Regala, Zarelli, Eide, Shin, Franklin, Keiser, Rockefeller, Weinstein, Pridemore, Marr, Hobbs, Rasmussen, Murray, Prentice, Fairley, Fraser, Spanel, Berkey, Tom, Kohl-Welles, McAuliffe and Kline; by request of Governor Gregoire)

Conforming Washington's tax structure to the streamlined sales and use tax agreement.

The bill was read the second time.

Representative Orcutt moved the adoption of amendment (442):

Beginning on page 64, line 25, strike all of sections 1103 and 1104

Correct any internal references accordingly and correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Hunter spoke against the adoption of the amendment.

The amendment was not adopted.

Representative Orcutt moved the adoption of amendment (443):

On page 75, after line 38, insert the following:

"**Sec. 1303.** RCW 82.08.020 and 2006 c 1 s 3 are each amended to read as follows:

(1)(a) There is levied and there shall be collected a tax on each retail sale in this state equal to ~~((six and five-tenths percent of))~~ the selling price multiplied by the rate determined under this subsection.

(b) The rate of tax under this subsection for taxable events occurring during a calendar year is six and five-tenths percent multiplied by a fraction. The numerator of the fraction is the baseline sales and use tax collections for the previous fiscal year. The denominator of the fraction is all sales and use tax collections for the previous fiscal year. The rate shall be rounded down to the nearest tenth of a percent. The department shall calculate the rate in effect for each calendar year by the preceding October 1.

(c) The following definitions apply for the purposes of this subsection.

(i) "Baseline sales and use tax collections" means all sales and use tax collections, less the amount of sales and use tax collections attributable to remote sellers.

(ii) "Sales and use tax collections" means revenues, penalties, and interest actually collected for credit to the fiscal year under this subsection (1) and RCW 82.12.020.

(iii) "Previous fiscal year" means the year ending on the June 30 preceding the date the rate is calculated.

(2) There is levied and there shall be collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection shall be deposited in the multimodal transportation account created in RCW 47.66.070.

(3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection shall be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section shall be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection shall be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter shall apply to successive retail sales of the same property.

(7) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

NEW SECTION. Sec. 1304. A new section is added to chapter 82.14 RCW to read as follows:

Any local jurisdiction that imposes a tax under this chapter or under RCW 81.104.170 must adjust the tax rate on January 1 of each year by multiplying the rate that is otherwise imposed by the jurisdiction but for the limitations of this section by the fraction described in RCW 82.08.020(1)(b). The department must publish the fraction on its web site as of the preceding October 1. The local jurisdiction must round down the adjusted rate to the nearest tenth of a percent."

On page 90, line 13, after "1302" insert "through 1304"

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative McIntire spoke against the adoption of the amendment.

The amendment was not adopted.

Representative Orcutt moved the adoption of amendment (444):

On page 90, after line 9, strike all of sections 1704 through 1707 and insert the following:

NEW SECTION. Sec. 1704. Sections 101 through 105, 201, 202, 401, 501 through 503, 601, 701 through 703, 801, 802, 901 through 905, 1001, 1002, 1004, 1005, 1007 through 1013, 1015 through 1017, 1019 through 1024, 1101 through 1104, 1201 through 1203, 1302, 1401 through 1403, 1501, 1502, and 1601 of this act take effect when Oregon ceases to impose income tax on Washington residents.

NEW SECTION. Sec. 1705. (1) Section 302 of this act takes effect on the date that is the latter of the dates described in (a) and (b) of this subsection.

(a) Oregon ceases to impose income tax on Washington residents; and

(b)(i) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or

(ii) It is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.

(2) The department of revenue shall provide notice to affected taxpayers, the legislature, and others as deemed appropriate by the department, if either of the contingencies in this section occurs.

NEW SECTION. Sec. 1706. Section 1301 of this act expires July 1, 2008.

NEW SECTION. Sec. 1707. Sections 1003, 1006, 1014, and 1018 of this act take effect the later of: The date chapter 67, Laws of 2002, becomes null and void; or July 1, 2008; or the date Oregon ceases to impose income tax on Washington residents."

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative McIntire spoke against the adoption of the amendment.

The amendment was not adopted.

Representative Orcutt moved the adoption of amendment (445):

On page 90, after line 9, strike all of sections 1704 through 1707 and insert the following:

"NEW SECTION. Sec. 1704. Sections 101 through 105, 201, 202, 401, 501 through 503, 601, 701 through 703, 801, 802, 901 through 905, 1001, 1002, 1004, 1005, 1007 through 1013, 1015 through 1017, 1019 through 1024, 1101 through 1104, 1201 through 1203, 1302, 1401 through 1403, 1501, 1502, and 1601 of this act take effect when Oregon, Idaho, and California become member states of the streamlined sales and use tax agreement.

NEW SECTION. Sec. 1705. (1) Section 302 of this act takes effect on the date that is the latter of the dates described in (a) and (b) of this subsection.

(a) Oregon, Idaho, and California become member states of the streamlined sales and use tax agreement; and

(b)(i) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or

(ii) It is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.

(2) The department of revenue shall provide notice to affected taxpayers, the legislature, and others as deemed appropriate by the department, if either of the contingencies in this section occurs.

NEW SECTION. Sec. 1706. Section 1301 of this act expires on the date that section 1302 of this act takes effect.

NEW SECTION. Sec. 1707. Sections 1003, 1006, 1014, and 1018 of this act take effect the later of: The date chapter 67, Laws of 2002, becomes null and void; or July 1, 2008; or the date Oregon, Idaho, and California become member states of the streamlined sales and use tax agreement."

Correct the title.

Representative Orcutt spoke in favor of the adoption of the amendment.

Representative Hunter spoke against the adoption of the amendment.

The amendment was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives McIntire, Ericks, Condotta and Hunter spoke in favor of passage of the bill.

Representatives Orcutt, Roach and Dunn spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5089.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5089 and the bill passed the House by the following vote: Yeas - 76, Nays - 15, Absent - 0, Excused - 7.

Voting yea: Representatives Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buri, Chase, Clibborn, Cody, Condotta, Conway, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Goodman, Grant, Haigh, Hailey, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Newhouse, O'Brien, Pedersen, Pettigrew, Priest, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schual-Berke, Sells, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, Williams, Wood and Mr. Speaker - 76.

Voting nay: Representatives Ahern, Barlow, Campbell, Chandler, Dunn, Green, Hurst, Kelley, Kretz, Kristiansen, McCune, Orcutt, Pearson, Roach and Seaquist - 15.

Excused: Representatives Crouse, Curtis, Kenney, Morris, Ormsby, Schindler and Sump - 7.

SUBSTITUTE SENATE BILL NO. 5089, having received the necessary constitutional majority, was declared passed.

POINT OF PERSONAL PRIVILEGE

Representative Hunter:

POINT OF PERSONAL PRIVILEGE

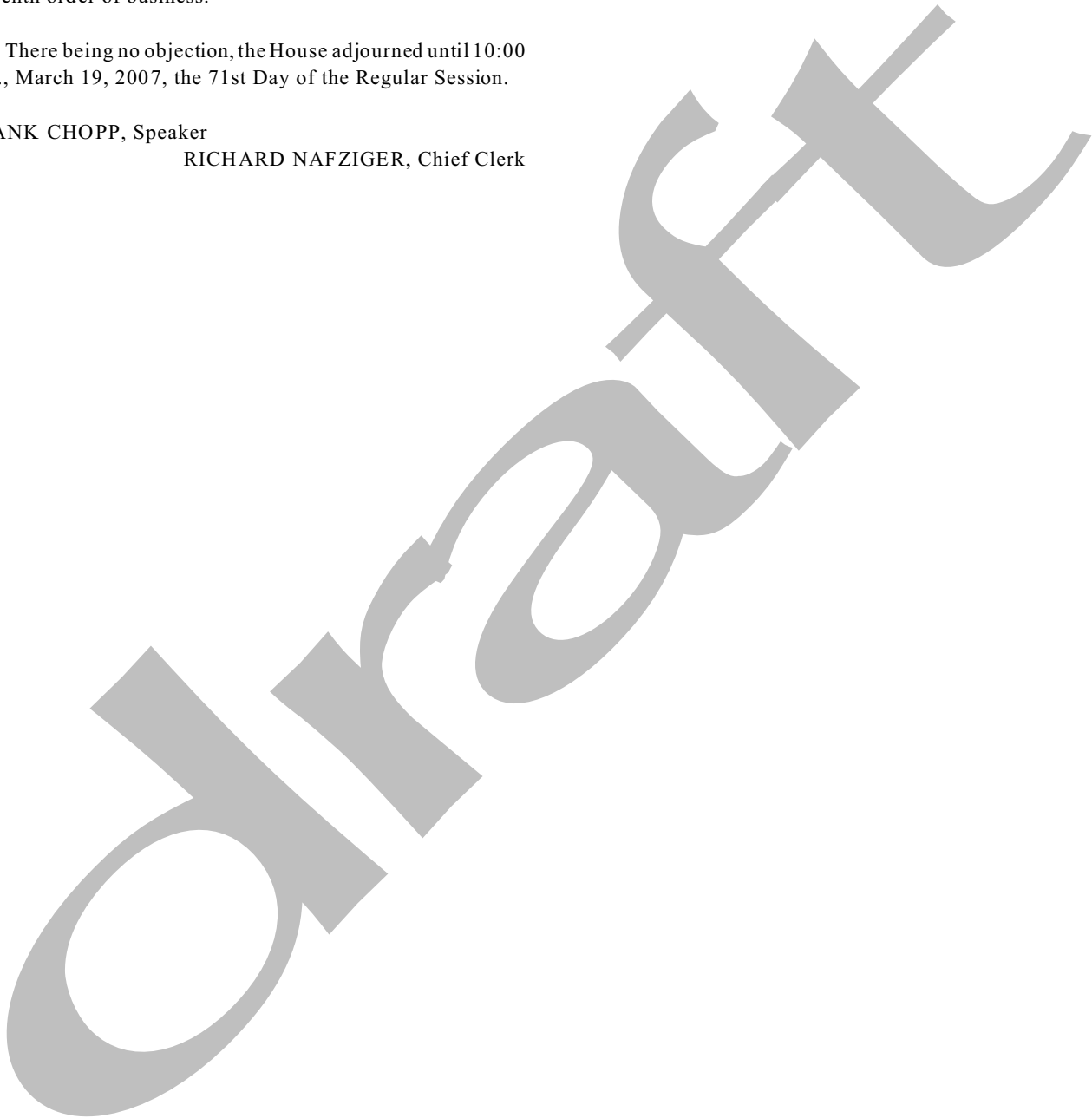
Representative Ahern

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 10:00 a.m., March 19, 2007, the 71st Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk



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