

POTENTIAL LOCAL TAX OPTIONS FOR PUBLIC HEALTH PURPOSES

COUNTY/LOCAL HEALTH JURISDICTION OPTION SALES/USE TAX OF 0.1%

Description: Currently, a various local retail sales/use taxes are authorized for various purposes. The only mandatory local tax is the basic 0.5 percent sales/use tax for general purposes, imposed by cities and counties. There are a number of other local optional taxes, most of which are required to be used for specific purposes. These include:

Rate	Purpose	Authority	No. jrsdctns levied by	State-shared?
0.5%	general purposes	city, county	313	N
0.1 - 0.9%	transit	county, PTBA	24	N
1.0%	high capacity transit	RTA	1	N
0.1%	Criminal justice	County (proceeds shared)	32	N
0.2%	public facilities	PFD	1	N
0.1%	juvenile correction	County	14	N
0.5%	food/beverage tax (King Co.)	King County	1	N
0.017%	baseball stadium (King Co.)	King County	1	Y
0.016%	football stadium (King Co.)	King County	1	Y
0.08%	rural counties	Rural county	32	Y
0.1%	zoo/aquarium	Metro Park District	1	N
0.033%	regional centers	PFD	19	Y
0.1%	emergency communications	County	6	N
0.5%	regional transportation	RTID	0	N
0.4%	passenger ferries	PTBA	0	N
0.3%	public safety	County (proceeds shared)	3	N
0.1%	Mental health/chemical dep.	County	3	N

The average aggregate local rate imposed is 2.1 percent. The change would authorize a new county/local health jurisdiction option tax of 0.1 percent for public health purposes.

Fiscal Impact, 2007 (\$000)*: State: \$ 0 Local: \$ 113,800

*If all counties impose.

NEW REGULAR COUNTY/LOCAL HEALTH JURISDICTION PROPERTY TAX LEVY

Description: Authorize a new county regular levy of 7 cents per \$1,000 of assessed value, outside the \$1.80 per \$1,000 statutory limitation for the current expense levy. Because in recent years there have been tighter limitations placed on revenue collections and because assessed valuations have been increasing rapidly, the actual rates in many places have been dropping. The decline in the state rate means that there is capacity within the overall statutory limit on regular levies of \$10.00 per \$1,000 for new levy authorities.

Fiscal Impact, 2007 (\$000)*: State: \$ 0 Local: \$ 51,300

*If all counties impose.

POTENTIAL LOCAL TAX OPTIONS FOR PUBLIC HEALTH PURPOSES

NEW COUNTY/LOCAL HEALTH JURISDICTION OPTION REAL ESTATE EXCISE TAX

Description: Counties and cities are currently authorized to impose various taxes on real estate excise transactions. The tax (REET) is measured by the full selling price of the property. Counties are authorized to impose REET for the following purposes:

Rate	Purpose	No. jrsdctns levied by
0.25 %	Capital improvements	37
0.5 %	General purposes*	0
0.25 %	Capital projects in comprehensive plans	14
1.0 %	Acquiring and maintaining conservation areas	1
0.5 %	Affordable housing facilities**	0

*May only be levied if the county does not levy the second 0.5 cent general-purposes retail sales/use tax.

** May only be levied if the county has imposed the 1.0% REET for conservation areas.

The state rate is 1.28 percent. The combined state and local rate in most areas is either 1.53 percent or 1.78 percent.

The change would authorize a new county/LHJ REET of 0.25 percent for public health purposes.

Fiscal Impact, 2007 (\$000)*: State: \$ 0 Local: \$ 153,100

*If all counties impose.

NEW COUNTY/LOCAL HEALTH JURISDICTION UTILITY TAX AUTHORITY

Description: Unlike cities, counties are not authorized to license business activities (including utilities) and to impose fees or taxes for the purpose of regulation or raising revenue. The change would give counties/local health jurisdictions the authority to impose a 1 percent utility tax on the gross receipts of utilities providing services within the county boundaries.

Fiscal Impact, 2007 (\$000)*: State: \$ 0 Local: \$ 53,000

POTENTIAL LOCAL PARTICIPATION OPTIONS FOR PUBLIC HEALTH PURPOSES

MATCH REQUIREMENT

Description: In order to ensure adequate participation at the local level, the state would require counties/local health jurisdictions to match the distribution of any state funds with new local funding for public health (i.e., over and above existing funding levels) at an amount equal to 20 percent of the new state funds provided. Areas with distressed tax sales and property tax bases relative to the statewide average could receive a partial or complete waiver of this requirement.

MAINTENANCE OF EFFORT

Description: No additional state funding will be provided unless the county/LHJ demonstrates “maintenance of effort”, meaning that existing local funding levels must be maintained.

PERFORMANCE STANDARDS

Description: State funding will be distributed based on a minimum expectation of service delivery. For a set of services for which the state agrees to help fund, performance criteria will be developed to ensure a minimum standard of quality for anyone receiving the service in the state. Counties/LHJs that fail to meet the criteria would lose eligibility to receive additional new state funding until deficiencies are corrected.

LOCAL PUBLIC HEALTH EFFORT REQUIREMENT

Description: New state funds will be provided based in part on a defined local public health effort (e.g., a minimum amount of public health funds budgeted as percentage of local property and sales taxes collected). An exception would be provided to allow counties/LHJs with distressed tax bases more leeway.