

HOUSE BILL ANALYSIS

SSB 6357

Title: An act relating to funding the municipal research council.

Brief Description: Funding the municipal research council.

Sponsors: Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Horn, Haugen, Honeyford, Loveland, Winsley, Kline, McCaslin, Gardner and Spanel).

Brief Summary of Bill

- Creates the City and Town Research Services Account to fund the Municipal Research Council with excess money from the Liquor Revolving Fund.

Background: The Municipal Research Council (MRC) is a state agency established in 1969 to contract for the provision of municipal research and services to cities, towns, and counties. This research includes responding to city and county officials' requests for information on law, finance, growth management, personnel management, public works, and other issues.

Funding for services provided by the MRC to cities and towns formerly came from the state general fund and was derived from Motor Vehicle Excise Tax (MVET) distributions to cities and towns. Initiative 695's repeal of the MVET eliminated this source of funding for the MRC.

Excess funds from the Liquor Revolving Fund consist of profit from liquor sales. Cities and towns currently receive a share of this profit, which is distributed quarterly. In 1999, towns' and cities' share amounted to \$21 million. For comparison purposes, the MRC's budget for services to cities and towns is approximately \$1.8 million, or 8.6 percent of \$21 million.

Summary: The MRC's services to cities and towns are funded from the city and town research services account, a newly created appropriated account. The source of revenue for the account is the cities' and towns' share of the liquor revolving fund distributions. Each quarter, prior to distributing the cities and towns' share of these distributions, the treasurer will deduct a portion for deposit in the city and town research services account. The amount deducted will be based on the MRC's expenditure authority for that quarter.

Transferring support for the MRC from the general fund to the city and town research services account will result in a reduction of the general fund expenditure limit, but

general fund obligations are reduced by a like amount, resulting in no net effect on the ability to make expenditures within the limit.

Appropriation: None.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2000.

Fiscal Note: Available.