

Local Government & Housing

HB 1477

Brief Description: *Allowing counties to impose taxes for emergency communication systems.*

Sponsors: *Representatives Dunshee, Mulliken, Lantz, Rockefeller, G. Chandler, Cooper and McIntire.*

Brief Summary of Bill

- *Authorizes counties to put to a vote an additional sales and use tax for emergency communications systems.*

Hearing Date: *2/5/01*

Staff: *Scott MacColl (786-7106).*

Background:

The state sales and use tax is set at 6.5 percent. The state sales tax is imposed on each retail sale of most articles of tangible personal property and certain services, and is applied to the selling price of the article or service. The use tax is imposed on the use of articles of tangible personal property when the sale or acquisition has not been subject to the sales tax.

Cities and counties may impose additional general and specific sales and use taxes, some being subject to referendum vote and some count against the state portion and do not count as an additional tax. The total state and local sales and use tax rate imposed is between 7 and 8.6 percent, depending on location. Total authorized rates are 8.3 percent in most counties, however in some counties it may be as high as 9.3 percent.

There is also state and local taxes on telephone lines for emergency 911 telephone services. Emergency 911 telephone services allows callers to reach agencies that can dispatch an appropriate type of response. "Enhanced 911", known as 'E-911', allows the person answering the call to identify the location of the calling party. In Washington, 911 systems

are primarily administered by counties, and in some cases, cities.

Counties may impose up to 50 cents per month tax on each wired telephone line to help fund 911 systems; counties may also impose up to a 25 cent per month tax on each cellular phone line for the same purpose. In addition, a state E-911 tax of up to 20 cents per month tax on each wired telephone line is imposed to pay for implementation of E-911 throughout the state. These taxes are used only for E-911 equipment and do not fund dispatch systems.

Summary of Bill:

Counties are authorized to impose an additional 0.1 percent tax for the financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, reequipping, and improvement of emergency communication systems and facilities. The additional tax is subject to voter approval.

Counties are also authorized to develop joint ventures to collocate emergency communication systems and facilities.

Any governmental agency that contracts with a county that imposes this tax will have its contracts reduced by the same percentage that results in reduced operating contributions from the county general fund due to the money collected from the tax.

Effective Date: *Ninety days after adjournment of session in which bill is passed.*

Appropriation: *None.*

Fiscal Note: *Requested on January 31, 2001.*