
HOUSE BILL 2140

State of Washington 62nd Legislature 2011 2nd Special Session

By Representative Hunter; by request of Office of Financial Management

Read first time 12/01/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to liquor revenue; amending RCW 82.08.160,
2 43.110.030, 66.08.190, 66.08.196, 66.08.200, 66.08.210, 35A.66.020,
3 36.70A.340, 70.94.390, 70.96A.087, and 43.63A.190; creating new
4 sections; repealing RCW 82.08.170, 82.08.180, 43.110.050, and
5 43.110.060; and providing an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 82.08.160 and 2011 1st sp.s. c 50 s 969 are each
8 amended to read as follows:

9 ((~~1~~)) On or before the twenty-fifth day of each month, all taxes
10 collected under RCW 82.08.150 during the preceding month must be
11 remitted to the state department of revenue, to be deposited (~~with the~~
12 ~~state treasurer. Except as provided in subsection (2) of this section,~~
13 ~~upon receipt of such moneys the state treasurer must credit sixty five~~
14 ~~percent of the sums collected and remitted under RCW 82.08.150 (1) and~~
15 ~~(2) and one hundred percent of the sums collected and remitted under~~
16 ~~RCW 82.08.150 (3) and (4) to the state general fund and thirty five~~
17 ~~percent of the sums collected and remitted under RCW 82.08.150 (1) and~~
18 ~~(2) to a fund which is hereby created to be known as the "liquor excise~~
19 ~~tax fund."~~

1 ~~(2) During the 2011-2013 fiscal biennium, 66.19 percent of the sums~~
2 ~~collected and remitted under RCW 82.08.150 (1) and (2) must be~~
3 ~~deposited in the state general fund and the remainder collected and~~
4 ~~remitted under RCW 82.08.150 (1) and (2) must be deposited in the~~
5 ~~liquor excise tax fund)) into the general fund.~~

6 NEW SECTION. **Sec. 2.** The following acts or parts of acts are each
7 repealed:

8 (1) RCW 82.08.170 (Apportionment and distribution from liquor
9 excise tax fund) and 2002 c 38 s 3, 1997 c 437 s 4, 1983 c 3 s 215, &
10 1961 c 15 s 82.08.170; and

11 (2) RCW 82.08.180 (Apportionment and distribution from liquor
12 excise tax fund--Withholding for noncompliance) and 1991 sp.s. c 32 s
13 36.

14 NEW SECTION. **Sec. 3.** All moneys remaining in the liquor excise
15 tax fund on July 1, 2012, must be deposited by the state treasurer into
16 the general fund.

17 **Sec. 4.** RCW 43.110.030 and 2010 c 271 s 701 are each amended to
18 read as follows:

19 (1) The department of commerce shall contract for the provision of
20 municipal research and services to cities, towns, and counties.
21 Contracts for municipal research and services shall be made with state
22 agencies, educational institutions, or private consulting firms, that
23 in the judgment of the department are qualified to provide such
24 research and services. Contracts for staff support may be made with
25 state agencies, educational institutions, or private consulting firms
26 that in the judgment of the department are qualified to provide such
27 support.

28 (2) Municipal research and services (~~shall~~) consists of:

29 (a) Studying and researching city, town, and county government and
30 issues relating to city, town, and county government;

31 (b) Acquiring, preparing, and distributing publications related to
32 city, town, and county government and issues relating to city, town,
33 and county government;

34 (c) Providing educational conferences relating to city, town, and

1 county government and issues relating to city, town, and county
2 government; and

3 (d) Furnishing legal, technical, consultative, and field services
4 to cities, towns, and counties concerning planning, public health,
5 utility services, fire protection, law enforcement, public works, and
6 other issues relating to city, town, and county government.

7 (3) Requests for legal services by county officials shall be sent
8 to the office of the county prosecuting attorney. Responses by the
9 department of commerce to county requests for legal services shall be
10 provided to the requesting official and the county prosecuting
11 attorney.

12 (4) The department of commerce shall coordinate with the
13 association of Washington cities and the Washington state association
14 of counties in carrying out the activities in this section. ((Services
15 to cities and towns shall be based upon the moneys appropriated to the
16 department from the city and town research services account under RCW
17 43.110.060. Services to counties shall be based upon the moneys
18 appropriated to the department from the county research services
19 account under RCW 43.110.050.))

20 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
21 repealed:

22 (1) RCW 43.110.050 (County research services account) and 2002 c 38
23 s 1 & 1997 c 437 s 3; and

24 (2) RCW 43.110.060 (City and town research services account) and
25 2010 c 271 s 702, 2002 c 38 s 4, & 2000 c 227 s 1.

26 NEW SECTION. **Sec. 6.** All moneys remaining in the county research
27 services account and city and town research services account on July 1,
28 2012, must be deposited by the state treasurer into the general fund.

29 **Sec. 7.** RCW 66.08.190 and 2011 1st sp.s. c 50 s 960 are each
30 amended to read as follows:

31 ((~~(1) Except for revenues generated by the 2003 surcharge of~~
32 ~~\$0.42/liter on retail sales of spirits that must be distributed to the~~
33 ~~state general fund during the 2003-2005 biennium,~~) When excess funds
34 are distributed, all moneys subject to distribution must be disbursed
35 as follows:

1 ~~((a) Three tenths of one percent to border areas under RCW~~
2 ~~66.08.195; and~~

3 ~~(b) Except as provided in subsection (4) of this section, from the~~
4 ~~amount remaining after distribution under (a) of this subsection, (i)~~
5 ~~fifty percent to the general fund of the state, (ii) ten percent to the~~
6 ~~counties of the state, and (iii) forty percent to the incorporated~~
7 ~~cities and towns of the state.~~

8 ~~(2) During the months of June, September, December, and March of~~
9 ~~each year, prior to disbursing the distribution to incorporated cities~~
10 ~~and towns under subsection (1)(b) of this section, the treasurer must~~
11 ~~deduct from that distribution an amount that will fund that quarter's~~
12 ~~allotments under RCW 43.88.110 from any legislative appropriation from~~
13 ~~the city and town research services account. The treasurer must~~
14 ~~deposit the amount deducted into the city and town research services~~
15 ~~account.~~

16 ~~(3) The governor may notify and direct the state treasurer to~~
17 ~~withhold the revenues to which the counties and cities are entitled~~
18 ~~under this section if the counties or cities are found to be in~~
19 ~~noncompliance pursuant to RCW 36.70A.340.~~

20 ~~(4) During the 2011-2013 fiscal biennium, from the amount remaining~~
21 ~~after distribution under subsection (1)(a) of this section, (a) 51.7~~
22 ~~percent to the general fund of the state, (b) 9.7 percent to the~~
23 ~~counties of the state, and (c) 38.6 percent to the incorporated cities~~
24 ~~and towns of the state)) (1) During the months of June, September,~~
25 ~~December, and March of each year, quarterly distributions must be made~~
26 ~~to border areas, counties, cities, and towns as provided in section 302~~
27 ~~of Initiative Measure No. 1183; and~~

28 (2) The amount remaining after distribution under subsection (1) of
29 this section must be deposited into the general fund.

30 **Sec. 8.** RCW 66.08.196 and 2001 c 8 s 2 are each amended to read as
31 follows:

32 Distribution of funds to border areas under RCW 66.08.190 and
33 66.24.290 (1)((+a)) (c) and (4) (~~shall be~~) is as follows:

34 (1) Sixty-five percent of the funds shall be distributed to border
35 areas ratably based on border area traffic totals;

36 (2) Twenty-five percent of the funds shall be distributed to border
37 areas ratably based on border-related crime statistics; and

1 (3) Ten percent of the funds shall be distributed to border areas
2 ratably based upon border area per capita law enforcement spending.

3 Distributions to an unincorporated area shall be made to the county
4 in which such an area is located and may only be spent on services
5 provided to that area.

6 **Sec. 9.** RCW 66.08.200 and 1979 c 151 s 167 are each amended to
7 read as follows:

8 With respect to the (~~ten percent share coming~~) distribution of
9 funds to the counties under RCW 66.24.290(1)(c), the computations for
10 distribution (~~shall~~) must be made by the state agency responsible for
11 collecting the same as follows:

12 (1) The share coming to each eligible county (~~shall~~) must be
13 determined by a division among the eligible counties according to the
14 relation which the population of the unincorporated area of such
15 eligible county, as last determined by the office of financial
16 management, bears to the population of the total combined
17 unincorporated areas of all eligible counties, as determined by the
18 office of financial management(~~:+ PROVIDED, That~~). However, no
19 county in which the sale of liquor is forbidden in the unincorporated
20 area thereof as the result of an election (~~shall be~~) is entitled to
21 share in such distribution. "Unincorporated area" means all that
22 portion of any county not included within the limits of incorporated
23 cities and towns.

24 (2) When a special county census has been conducted for the purpose
25 of determining the population base of a county's unincorporated area
26 for use in the distribution of liquor funds, the census figure
27 (~~shall~~) becomes effective for the purpose of distributing funds as of
28 the official census date once the census results have been certified by
29 the office of financial management and officially submitted to the
30 office of the secretary of state.

31 **Sec. 10.** RCW 66.08.210 and 1979 c 151 s 168 are each amended to
32 read as follows:

33 With respect to the (~~forty percent share coming~~) distribution of
34 funds to the incorporated cities and towns under RCW 66.24.290(1)(c),
35 the computations for distribution (~~shall~~) must be made by the state
36 agency responsible for collecting the same as follows:

1 The share coming to each eligible city or town (~~shall~~) must be
2 determined by a division among the eligible cities and towns within the
3 state ratably on the basis of population as last determined by the
4 office of financial management(~~(:—AND PROVIDED, That)~~). However, no
5 city or town in which the sale of liquor is forbidden as the result of
6 an election shall be entitled to any share in such distribution.

7 **Sec. 11.** RCW 35A.66.020 and 1967 ex.s. c 119 s 35A.66.020 are each
8 amended to read as follows:

9 The qualified electors of any code city may petition for an
10 election upon the question of whether the sale of liquor (~~shall be~~)
11 is permitted within the boundaries of such city as provided by chapter
12 66.40 RCW, and (~~shall be~~) is governed by the procedure therein, and
13 may regulate music, dancing and entertainment as authorized by RCW
14 66.28.080(~~(:—PROVIDED, That)~~). However, every code city (~~shall~~)
15 must enforce state laws relating to the investigation and prosecution
16 of all violations of Title 66 RCW relating to control of alcoholic
17 beverages and (~~shall be~~) is entitled to retain the fines collected
18 therefrom as therein provided. Every code city (~~shall~~) must also
19 share in the allocation and distribution of liquor profits and excise
20 as provided in RCW (~~(82.08.170,)~~) 66.08.190(~~(7)~~) and 66.08.210, and
21 make reports of seizure as required by RCW 66.32.090, and otherwise
22 regulate by ordinances not in conflict with state law or liquor board
23 regulations.

24 **Sec. 12.** RCW 36.70A.340 and 2011 c 120 s 2 are each amended to
25 read as follows:

26 Upon receipt from the board of a finding that a state agency,
27 county, or city is in noncompliance under RCW 36.70A.330, or as a
28 result of failure to meet the requirements of RCW 36.70A.210, the
29 governor may either:

30 (1) Notify and direct the director of the office of financial
31 management to revise allotments in appropriation levels;

32 (2) Notify and direct the state treasurer to withhold the portion
33 of revenues to which the county or city is entitled under one or more
34 of the following: The motor vehicle fuel tax, as provided in chapter
35 82.36 RCW; the transportation improvement account, as provided in RCW
36 47.26.084; the rural arterial trust account, as provided in RCW

1 36.79.150; the sales and use tax, as provided in chapter 82.14 RCW; and
2 the liquor profit tax, as provided in RCW 66.08.190(~~(; and the liquor~~
3 ~~excise tax, as provided in RCW 82.08.170))~~); or

4 (3) File a notice of noncompliance with the secretary of state and
5 the county or city, which (~~shall~~) temporarily rescinds the county or
6 city's authority to collect the real estate excise tax under RCW
7 82.46.030 until the governor files a notice rescinding the notice of
8 noncompliance.

9 **Sec. 13.** RCW 70.94.390 and 1987 c 109 s 42 are each amended to
10 read as follows:

11 (1) The department may, at any time and on its own motion, hold a
12 hearing to determine if the activation of an authority is necessary for
13 the prevention, abatement and control of air pollution which exists or
14 is likely to exist in any area of the state. Notice of such hearing
15 shall be conducted in accordance with chapter 42.30 RCW and chapter
16 34.05 RCW. If at such hearing the department finds that air pollution
17 exists or is likely to occur in a particular area, and that the
18 purposes of this chapter and the public interest will be best served by
19 the activation of an authority it shall designate the boundaries of
20 such area and set forth in a report to the appropriate county or
21 counties recommendations for the activation of an authority(~~(;~~
22 ~~PROVIDED, That)~~). However, if at such hearing the department
23 determines that the activation of an authority is not practical or
24 feasible for the reason that a local or regional air pollution control
25 program cannot be successfully established or operated due to unusual
26 circumstances and conditions, but that the control and/or prevention of
27 air pollution is necessary for the purposes of this chapter and the
28 public interest, it may assume jurisdiction and so declare by order.
29 Such order shall designate the geographic area in which, and the
30 effective date upon which, the department will exercise jurisdiction
31 for the control and/or prevention of air pollution. The department
32 shall exercise its powers and duties in the same manner as if it had
33 assumed authority under RCW 70.94.410.

34 (2) All expenses incurred by the department in the control and
35 prevention of air pollution in any county pursuant to the provisions of
36 RCW 70.94.390 and 70.94.410 (~~shall~~) constitutes a claim against such
37 county. The department shall certify the expenses to the auditor of

1 the county, who promptly shall issue his warrant on the county
2 treasurer payable out of the current expense fund of the county. In
3 the event that the amount in the current expense fund of the county is
4 not adequate to meet the expenses incurred by the department, (~~the~~
5 ~~department shall certify to the state treasurer that they have a prior~~
6 ~~claim on any money in the "liquor excise tax fund" that is to be~~
7 ~~apportioned to that county by the state treasurer as provided in RCW~~
8 ~~82.08.170. In the event that the amount in the "liquor excise tax~~
9 ~~fund" that is to be apportioned to that county by the state treasurer~~
10 ~~is not adequate to meet the expenses incurred by the department,~~) the
11 department shall certify to the state treasurer that they have a prior
12 claim on any excess funds from the liquor revolving fund that are to be
13 distributed to that county as provided in RCW 66.08.190 through
14 66.08.220. All moneys that are collected as provided in this section
15 (~~shall~~) must be placed in the general fund in the account of the
16 office of air programs of the department.

17 **Sec. 14.** RCW 70.96A.087 and 1989 c 270 s 13 are each amended to
18 read as follows:

19 To be eligible to receive its share of liquor (~~taxes and~~)
20 profits, each city and county (~~shall~~) must devote no less than two
21 percent of its share of liquor (~~taxes and~~) profits to the support of
22 a program of alcoholism and other drug addiction approved by the
23 alcoholism and other drug addiction board authorized by RCW 70.96A.300
24 and the secretary.

25 **Sec. 15.** RCW 43.63A.190 and 1995 c 159 s 5 are each amended to
26 read as follows:

27 Funds appropriated by the legislature as supplemental resources for
28 border areas (~~shall~~) must be distributed by the state treasurer
29 pursuant to the formula for distributing funds (~~from the liquor~~
30 ~~revolving fund~~) to border areas, and expenditure requirements for such
31 distributions, under RCW 66.08.196.

32 NEW SECTION. **Sec. 16.** This act takes effect July 1, 2012.

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