

**IN THE NARRATIVES THAT FOLLOW:**

(★) Indicates that Governor Gregoire has tentatively chosen to include the item in her 2012 supplemental budget proposal in November.

**ALSO NOTE:**

- ▶ Many items will require notice to clients or providers.
- ▶ Many items will require legislation.
- ▶ Impact descriptions, dollar amounts and effective dates are preliminary and subject to revision due to caseload forecast changes and other adjustments. Numbers have been rounded and may not exactly match numbers in the listing of *General Fund Reduction Alternatives* beginning on page 27.
- ▶ Unless otherwise noted, all dollar amounts are General Fund-State.
- ▶ Dates for eliminations and reductions in services vary. Dates may vary for elimination and an alternative reduction, too, for the same program or service.

## LOCAL GOVERNMENT REVENUE SHARING

### **Eliminate liquor profits sharing (effective Feb. 1, 2012) \$53.9 million**

Eliminates sharing of state liquor profits, under which 50 percent of license and permit fees and liquor markup revenues received by the Liquor Control Board are distributed to counties, cities and towns. Distributed by population, 10 percent is shared with all 39 counties and 40 percent is shared with all 281 cities and towns. Funds can be used for any local government purpose, but each jurisdiction must spend at least 2 percent of its distribution to support alcohol or drug addiction programs.

**Alternative: Eliminate (July 1, 2012) (★) \$35.4 million**

**Alternative: Reduce by 10 percent (July 1, 2012) \$3.5 million**

### **Eliminate county criminal justice assistance (effective Feb. 1, 2012) \$42.1 million**

Ends General Fund-State support for county criminal justice purposes, such as police, courts, jails, prosecutors, defense and victim advocates. All 39 counties receive funding according to a formula based on population and criminal cases filed in superior court.

**Alternative: Reduce by 5 percent (July 1, 2012) \$1.68 million**

### **Eliminate streamlined sales tax mitigation (effective Feb. 1, 2012) \$36.4 million**

Ends revenue distribution to two counties, 51 cities and seven transit districts that impose a sales tax to mitigate revenue losses resulting from the Streamlined Sales and Use Tax Agreement, which changed sales and use from an origin-based, sales-tax sourcing scheme to a destination-based, sales-tax sourcing scheme.

**Alternative: Reduce by 25 percent (July 1, 2012) \$6.2 million**

### **Eliminate liquor excise tax sharing (effective Feb. 1, 2012) \$33.2 million**

Eliminates the state's liquor excise tax revenue sharing (35 percent of all collections) that counties, cities and towns receive. Distributed by population, 20 percent goes to 39 counties and 80 percent goes to 281 cities and towns. Funds can be used for any local government purpose, but each jurisdiction must spend at least 2 percent of its distribution to support alcohol or drug addiction programs.

**Alternative: Eliminate (July 1, 2012) (★) \$26.4 million**

**Alternative: Reduce by 10 percent (July 1, 2012) \$2.6 million**

### **Eliminate the rural county economic development sales tax credit (Effective March 1, 2012) \$24.0 million**

Terminates a tax credit that allows 32 rural counties to retain up to 0.09 percent of the state's sales tax to fund public facilities such as street improvements, bridges and water/sewer systems that serve economic development purposes.

**Alternative: Reduce credit to 0.04 percent (May 1, 2012) (★) \$10.7 million**

**Eliminate the local public health MVET backfill (effective July 1, 2012) \$24.0 million**  
Eliminates GF-S support that 35 local public health departments receive to compensate for revenue losses from the repeal of the motor vehicle excise tax due to the passage of Initiative 695.

**Alternative: Reduce by 20 percent (July 1, 2012) \$4.8 million**

**Eliminate the annexation sales tax credit (effective Feb. 1, 2012) \$17.8 million**  
Terminates a tax credit that benefits seven cities in King, Pierce or Snohomish counties. Under the credit, cities that annexed an area with a population of at least 10,000 are allowed to retain 0.2 percent of the state's sales tax generated in the city to fund the cost of extending city services to the annexed area.

**Alternative: Eliminate (May 1, 2012) (★) \$13.5 million**

**Alternative: Reduce by 50 percent (July 1, 2012) \$7.9 million**

**Eliminate city criminal justice assistance (effective Feb. 1, 2012) \$16.7 million**  
Ends GF-S support for county criminal justice purposes, such as police, courts, jails, prosecutors, defense and victim advocates. Funds are distributed in five categories: 1) population; 2) high crime; 3) violent crime; 4) innovative law enforcement strategies; and 5) contracted law enforcement services. All 281 cities and towns receive one or more distribution.

**Alternative: Reduce by 5 percent (July 1, 2012) \$688,000**

**Eliminate distressed city and county assistance (effective Feb. 1, 2012) \$8.9 million**  
Ends this program under which 1.6 percent of the state's real estate excise tax is deposited into an account to help counties with low sales tax bases, and cities with low sales and property tax bases, fund local government services. Fourteen counties and 170 cities received assistance in fiscal year 2011.

**Alternative: Eliminate (July 1, 2012) \$6.4 million**

**Alternative: Reduce by 20 percent (July 1, 2012) \$1.3 million**

**Eliminate state portion of county prosecuting attorneys salaries (effective July 1, 2012) \$2.9 million**  
Ends state contribution to county prosecuting attorney salaries. In 2008, the Legislature tied the salary of prosecuting attorneys to those of superior court judges, and agreed to cover half the cost of prosecuting attorney salaries.

**Reduce funding for the Criminal Justice Training Commission by 10 percent (effective July 1, 2012) \$1.5 million**  
Cuts state funding for the commission, which provides training and certification for all law enforcement officers in Washington state, except the State Patrol. Ninety-five percent of the individuals trained are city, county and tribal peace and corrections officers, while a small number are state enforcement, corrections and peace officers.

**Alternative: Require 50 percent contribution \$3.3 million**

**(July 1, 2012) (★)**

**Eliminate Rural County Drug Task Force funding (effective July 1, 2012) (★) \$1.5 million**

Terminates one-time temporary state funding for additional rural drug task forces.

**Alternative: Reduce by 50 percent (July 1, 2012) \$ 725,000**