

1 **Resolution to Allow Counties Implement a Severance**
2 **Fee on Sand, Gravel and Hard Rock**

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4 **WHEREAS** opportunities are limited for counties to collect revenue adequate for
5 providing their required services and important social programs;

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7 **WHEREAS** many counties in Washington State contain valuable resources such as
8 timber and mineral deposits (of sand, gravel and hard rock);

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10 **WHEREAS** counties with those mineral resources are denied significant sales tax
11 revenue because so many of the sales are reported out of the county of extraction and
12 the taxes from those sales go to the place of delivery;

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14 **WHEREAS** by contrast, since 1972 the State Legislature has authorized a 5% tax on
15 private timber harvest with 1% going to the state and 4% going to the direct benefit and
16 use by the county of harvest;

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18 **WHEREAS** in 1992 the timber harvest tax was extended to state and federal lands;

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20 **WHEREAS** timber is a renewable resource as compared with sand, gravel and hard
21 rock which are not;

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23 **WHEREAS** Washington State does receive a minimal income from the “severance fee”
24 it applies to the gross business revenue generated from the sale of sand, gravel and hard
25 rock; and

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27 **WHEREAS** counties would be more equitably compensated for the extraction and sale
28 of their valuable and non-renewable resource if allowed to enact a local option for a
29 severance fee applied to the extraction of sand, gravel and hard rock;

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31 **THEREFORE BE IT RESOLVED** the Washington State Democrats and Central
32 Committee submit this resolution and ask their state representatives to sponsor and
33 enact state legislation that will authorize counties, as a local option, to implement a
34 severance fee on sand, gravel and hard rock - to insure those counties are more
35 adequately compensated for the minerals extracted and transferred out of those
36 counties; and

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38 **THEREFORE BE IT FURTHER RESOLVED** the Washington State Democrats support
39 legislation to authorize counties to implement, as a local option, a severance fee - to
40 insure those counties are more adequately compensated for the minerals that are
41 extracted and subsequently transferred out of those counties.
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45 Submitted by the Jefferson County Democrats to the Washington State Democratic
46 Central Committee for consideration at its October 9, 2010 meeting in Moses Lake. (Date
47 Submitted 9/29/2010)

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49 Submitted by the Agriculture and Rural Caucus to the Washington State Democratic
50 Central Committee for consideration at its October 9, 2010 meeting in Moses Lake. (Date
51 Submitted 10/9/2010)

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53 The WSDCC Resolutions Committee "RECOMMENDED A PASS" on this resolution at
54 its October 8, 2010 meeting in Moses Lake.

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56 The WSDCC "PASSED" this resolution at its October 9, 2010 meeting in Moses Lake.