
SENATE BILL 5966

State of Washington

55th Legislature

1997 Regular Session

By Senators Haugen, Patterson, Wood, Goings and McAuliffe

Read first time 02/24/97. Referred to Committee on Government Operations.

1 AN ACT Relating to funding for implementation of capital facilities
2 plans by counties and cities under the growth management act; amending
3 RCW 82.02.020; and adding new sections to chapter 36.70A RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A RCW
6 to read as follows:

7 (1) Subject to the conditions set forth in subsections (2) and (3)
8 of this section, the legislative body of a county or city by ordinance
9 or resolution may levy and collect a special excise tax of not to
10 exceed one percent on the sale of or charge made for new construction
11 in the county or city.

12 (2) A county or city may only levy and collect the excise tax
13 authorized by subsection (1) of this section if it meets all of the
14 following requirements:

15 (a) The county or city is planning under RCW 36.70A.040;

16 (b) The county or city is in compliance with all deadlines under
17 this chapter;

18 (c) The county or city is not under an order of noncompliance
19 issued by a growth management hearings board;

1 (d) The county or city has adopted a capital facilities plan under
2 this chapter that is consistent with its comprehensive plan; and

3 (e) The county or city has filed with the department of revenue a
4 statement signed by the chief executive officer of the county or city
5 that it meets the requirements set forth in (a) through (d) of this
6 subsection.

7 (3) The special excise tax authorized by subsection (1) of this
8 section shall only be expended for purposes of implementing a county's
9 or city's capital facilities plan adopted under this chapter. The tax
10 shall be used to supplement and shall not supplant any other funds
11 expended by a county or city for the same purposes.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
13 to read as follows:

14 Any seller, as defined in RCW 82.08.010, who is required to collect
15 any tax under section 1 of this act for any county or city shall pay
16 over such tax to the county or city as provided in section 3 of this
17 act and such tax shall be deducted from the amount of tax such seller
18 would otherwise be required to collect and to pay over to the
19 department of revenue under chapter 82.08 RCW.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
21 to read as follows:

22 The legislative body of a county or city authorized to impose the
23 tax provided for by section 1 of this act, before the effective date of
24 the resolution or ordinance imposing the tax, shall contract with the
25 department of revenue for the administration and collection of the tax.
26 The department of revenue shall deduct a percentage amount for
27 administration and collection expenses incurred by the department from
28 the tax collected, as provided by the contract, not to exceed one
29 percent of the taxes collected. The remainder of any tax authorized by
30 section 1 of this act collected by the department of revenue shall be
31 deposited by the department of revenue in the local sales tax on new
32 construction account hereby created in the state treasury. Moneys in
33 the local sales tax on new construction account may be spent only for
34 distribution to counties and cities imposing the tax authorized by
35 section 1 of this act. All administrative provisions in chapters
36 82.03, 82.08, 82.12, and 82.32 RCW, insofar as they are applicable,
37 apply to taxes imposed under sections 1 through 3 of this act. Except

1 as otherwise provided in RCW 43.08.190, all earnings of investments of
2 balances in the local sales tax on new construction account shall be
3 credited to the local sales tax on new construction account and
4 distributed to the counties and cities monthly.

5 **Sec. 4.** RCW 82.02.020 and 1996 c 230 s 1612 are each amended to
6 read as follows:

7 Except only as expressly provided in RCW 67.28.180 ~~((and)),~~
8 67.28.190, section 1 of this act, section 2 of this act, and section 3
9 of this act and the provisions of chapter 82.14 RCW, the state preempts
10 the field of imposing taxes upon retail sales of tangible personal
11 property, the use of tangible personal property, parimutuel wagering
12 authorized pursuant to RCW 67.16.060, conveyances, and cigarettes, and
13 no county, town, or other municipal subdivision shall have the right to
14 impose taxes of that nature. Except as provided in RCW 82.02.050
15 through 82.02.090, no county, city, town, or other municipal
16 corporation shall impose any tax, fee, or charge, either direct or
17 indirect, on the construction or reconstruction of residential
18 buildings, commercial buildings, industrial buildings, or on any other
19 building or building space or appurtenance thereto, or on the
20 development, subdivision, classification, or reclassification of land.
21 However, this section does not preclude dedications of land or
22 easements within the proposed development or plat which the county,
23 city, town, or other municipal corporation can demonstrate are
24 reasonably necessary as a direct result of the proposed development or
25 plat to which the dedication of land or easement is to apply.

26 This section does not prohibit voluntary agreements with counties,
27 cities, towns, or other municipal corporations that allow a payment in
28 lieu of a dedication of land or to mitigate a direct impact that has
29 been identified as a consequence of a proposed development,
30 subdivision, or plat. A local government shall not use such voluntary
31 agreements for local off-site transportation improvements within the
32 geographic boundaries of the area or areas covered by an adopted
33 transportation program authorized by chapter 39.92 RCW. Any such
34 voluntary agreement is subject to the following provisions:

35 (1) The payment shall be held in a reserve account and may only be
36 expended to fund a capital improvement agreed upon by the parties to
37 mitigate the identified, direct impact;

1 (2) The payment shall be expended in all cases within five years of
2 collection; and

3 (3) Any payment not so expended shall be refunded with interest at
4 the rate applied to judgments to the property owners of record at the
5 time of the refund; however, if the payment is not expended within five
6 years due to delay attributable to the developer, the payment shall be
7 refunded without interest.

8 No county, city, town, or other municipal corporation shall require
9 any payment as part of such a voluntary agreement which the county,
10 city, town, or other municipal corporation cannot establish is
11 reasonably necessary as a direct result of the proposed development or
12 plat.

13 Nothing in this section prohibits cities, towns, counties, or other
14 municipal corporations from collecting reasonable fees from an
15 applicant for a permit or other governmental approval to cover the cost
16 to the city, town, county, or other municipal corporation of processing
17 applications, inspecting and reviewing plans, or preparing detailed
18 statements required by chapter 43.21C RCW.

19 This section does not limit the existing authority of any county,
20 city, town, or other municipal corporation to impose special
21 assessments on property specifically benefitted thereby in the manner
22 prescribed by law.

23 Nothing in this section prohibits counties, cities, or towns from
24 imposing or permits counties, cities, or towns to impose water, sewer,
25 natural gas, drainage utility, and drainage system charges: PROVIDED,
26 That no such charge shall exceed the proportionate share of such
27 utility or system's capital costs which the county, city, or town can
28 demonstrate are attributable to the property being charged: PROVIDED
29 FURTHER, That these provisions shall not be interpreted to expand or
30 contract any existing authority of counties, cities, or towns to impose
31 such charges.

32 Nothing in this section prohibits a transportation benefit district
33 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits
34 the legislative authority of a county, city, or town from approving the
35 imposition of such fees within a transportation benefit district.

36 Nothing in this section prohibits counties, cities, or towns from
37 imposing transportation impact fees authorized pursuant to chapter
38 39.92 RCW.

1 Nothing in this section prohibits counties, cities, or towns from
2 requiring property owners to provide relocation assistance to tenants
3 under RCW 59.18.440 and 59.18.450.

4 This section does not apply to special purpose districts formed and
5 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority
6 conferred by these titles affected.

7 NEW SECTION. **Sec. 5.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

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