
SECOND SUBSTITUTE HOUSE BILL 1232

State of Washington 60th Legislature 2008 Regular Session

By House Local Government (originally sponsored by Representatives Hunt, Alexander, Curtis, Simpson, Chandler, Armstrong, and Appleton)

READ FIRST TIME 02/05/08.

1 AN ACT Relating to the use of local government real estate excise
2 tax proceeds for the acquisition of equipment and software related to
3 business applications; amending RCW 82.46.010; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
7 as follows:

8 (1) The legislative authority of any county or city shall identify
9 in the adopted budget the capital projects funded in whole or in part
10 from the proceeds of the tax authorized in subsection (2) of this
11 section, and shall indicate that such tax is intended to be in addition
12 to other funds that may be reasonably available for such capital
13 projects.

14 (2) The legislative authority of any county or any city may impose
15 an excise tax on each sale of real property in the unincorporated areas
16 of the county for the county tax and in the corporate limits of the
17 city for the city tax at a rate not exceeding one-quarter of one
18 percent of the selling price.

1 (a) The revenues from this tax shall be used by any city or county
2 with a population of five thousand or less and any city or county that
3 does not plan under RCW 36.70A.040 for any capital purpose identified
4 in a capital improvements plan and local capital improvements,
5 including those listed in RCW 35.43.040. For purposes of this
6 subsection (2), "capital projects" include equipment items that may
7 contain and employ a software element necessary for initial
8 installation and operation that may be included in the capital
9 expenditure on a one-time basis during initial acquisition by a county
10 or city in the regular course of business in connection with associated
11 capital improvements. These expenditures must be capitalized with a
12 lifetime of at least five years and must be tied directly to the dollar
13 amount used solely for the economic development value of an existing or
14 planned capital improvement. None of the tax proceeds may be used for
15 daily operations or upgrading of the original capital investment.

16 (b) After April 30, 1992, revenues generated from the tax imposed
17 under this subsection in counties over five thousand population and
18 cities over five thousand population that are required or choose to
19 plan under RCW 36.70A.040 shall be used solely for financing capital
20 projects specified in a capital facilities plan element of a
21 comprehensive plan and housing relocation assistance under RCW
22 59.18.440 and 59.18.450. However, revenues ((+a+)) (i) pledged by such
23 counties and cities to debt retirement prior to April 30, 1992, may
24 continue to be used for that purpose until the original debt for which
25 the revenues were pledged is retired, or ((+b+)) (ii) committed prior
26 to April 30, 1992, by such counties or cities to a project may continue
27 to be used for that purpose until the project is completed.

28 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
29 legislative authority of any county or any city may impose an
30 additional excise tax on each sale of real property in the
31 unincorporated areas of the county for the county tax and in the
32 corporate limits of the city for the city tax at a rate not exceeding
33 one-half of one percent of the selling price.

34 (4) Taxes imposed under this section shall be collected from
35 persons who are taxable by the state under chapter 82.45 RCW upon the
36 occurrence of any taxable event within the unincorporated areas of the
37 county or within the corporate limits of the city, as the case may be.

1 (5) Taxes imposed under this section shall comply with all
2 applicable rules, regulations, laws, and court decisions regarding real
3 estate excise taxes as imposed by the state under chapter 82.45 RCW.

4 (6)(a) As used in this section, the following definitions apply:

5 (i) "City" means any city or town; and

6 (ii) "Capital project" means those public works projects of a local
7 government for planning, acquisition, construction, reconstruction,
8 repair, replacement, rehabilitation, or improvement of streets; roads;
9 highways; sidewalks; street and road lighting systems; traffic signals;
10 bridges; domestic water systems; storm and sanitary sewer systems;
11 parks; recreational facilities; law enforcement facilities; fire
12 protection facilities; trails; libraries; administrative and/or
13 judicial facilities; river and/or waterway flood control projects by
14 those jurisdictions that, prior to June 11, 1992, have expended funds
15 derived from the tax authorized by this section for such purposes; and,
16 until December 31, 1995, housing projects for those jurisdictions that,
17 prior to June 11, 1992, have expended or committed to expend funds
18 derived from the tax authorized by this section or the tax authorized
19 by RCW 82.46.035 for such purposes.

20 (b)(i) Proceeds from the tax authorized by this section may be used
21 for the initial acquisition and installation of computer hardware and
22 computer business systems and applications that are: Capitalized with
23 a useful life of five or more years; and directly related to an
24 existing or planned capital project.

25 (ii) Proceeds from the tax authorized by this section may not be
26 used for: Ongoing maintenance, operation, or upgrades of computer
27 hardware or software; computer peripherals; or computer accessories.

28 (7) All expenditures made by counties and cities for capital
29 purposes, local capital improvements, and capital projects authorized
30 under this section on or before the effective date of this act are
31 declared to be valid.

32 NEW SECTION. Sec. 2. This act expires June 30, 2010.

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