

SENATE BILL REPORT

SB 5587

As Reported by Senate Committee On:
Government Operations & Elections, February 10, 2009

Title: An act relating to authorizing existing city and county real estate excise taxes to be expended on municipally owned heavy rail short lines.

Brief Description: Authorizing existing city and county real estate excise taxes to be expended on municipally owned heavy rail short lines.

Sponsors: Senator Pridemore.

Brief History:

Committee Activity: Government Operations & Elections: 2/10/09 [DP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Benton, McDermott, Pridemore and Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach, Ranking Minority Member.

Staff: Sharon Swanson (786-7447)

Background: The legislative authority of any county or city is required to identify in their adopted budget the capital projects funded in whole or in part from the proceeds of the excise tax on real estate sales and must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

The legislative authority of any county or city required to plan under the Growth Management Act (GMA) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not to exceed one quarter of one percent of the selling price. Any county choosing to plan under the GMA and any city within such a county may only adopt an ordinance imposing the excise tax if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Revenues generated from the additional excise tax must be used by the counties and cities solely for financing capital projects specified in the capital facilities plan element of a comprehensive plan. Capital projects are defined as those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Summary of Bill: A city or county may use revenue generated by an additional excise tax on each sale of real property at a rate not to exceed one quarter of one percent of the selling price for municipally-owned heavy short line railroads only if the revenue was collected prior to December 31, 2008, and may not use more than 25 percent of the total revenue generated for municipally-owned heavy short line railroads.

The definition of capital project is expanded to include municipally-owned heavy rail short line railroads.

Short line railroads are defined as class III railroads as defined by the United States surface transportation board.

The legislation expires June 30, 2012.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The local railroad in Clark County needs upgrades to help keep businesses in the county. Some of the local REET money has been set aside for economic development. This fund is not currently available to be used for projects such as the Clark County owned rail line so we need this legislation. This bill will open a very small window of opportunity to allow existing money to be used for this specific project. Without additional funding, Clark County stands to lose two major companies that could use the railroad if we are able to continue with the improvements and maintenance.

Persons Testifying: PRO: Vern Veysey, Washington Realtors; Fred Abraham, Clark County.