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SENATE BILL 5755

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Ranker and White

Read first time 02/10/11. Referred to Committee on Government Operations, Tribal Relations & Elections.

1 AN ACT Relating to county and city additional real estate excise  
2 tax authority; amending RCW 82.46.035; reenacting and amending RCW  
3 82.46.035; providing an effective date; and providing an expiration  
4 date.

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

6 **Sec. 1.** RCW 82.46.035 and 2009 c 211 s 1 are each amended to read  
7 as follows:

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

15 (2) The legislative authority of any county or any city that plans  
16 under RCW 36.70A.040 (1) or (2) may impose an additional excise tax on  
17 each sale of real property in the unincorporated areas of the county  
18 for the county tax and in the corporate limits of the city for the city  
19 tax at a rate not exceeding one-quarter of one percent of the selling

1 price. (~~Any county choosing to plan under RCW 36.70A.040(2) and any~~  
2 ~~city within such a county may only adopt an ordinance imposing the~~  
3 ~~excise tax authorized by this section if the ordinance is first~~  
4 ~~authorized by a proposition approved by a majority of the voters of the~~  
5 ~~taxing district voting on the proposition at a general election held~~  
6 ~~within the district or at a special election within the taxing district~~  
7 ~~called by the district for the purpose of submitting such proposition~~  
8 ~~to the voters.))~~

9 (3) Revenues generated from the tax imposed under subsection (2) of  
10 this section shall be used by such counties and cities solely for  
11 financing capital projects specified in a capital facilities plan  
12 element of a comprehensive plan, and, at the option of the city or  
13 county, maintenance and operation expenditures. However, revenues (a)  
14 pledged by such counties and cities to debt retirement prior to March  
15 1, 1992, may continue to be used for that purpose until the original  
16 debt for which the revenues were pledged is retired, or (b) committed  
17 prior to March 1, 1992, by such counties or cities to a project may  
18 continue to be used for that purpose until the project is completed.

19 (4) Revenues generated by the tax imposed by this section shall be  
20 deposited in a separate account.

21 (5) As used in this section: (a) "City" means any city or town;  
22 (b) "capital project" means those public works projects of a local  
23 government for planning, acquisition, construction, reconstruction,  
24 repair, replacement, rehabilitation, or improvement of streets, roads,  
25 highways, sidewalks, street and road lighting systems, traffic signals,  
26 bridges, municipally owned heavy rail short line railroads, domestic  
27 water systems, storm and sanitary sewer systems, (~~and planning,~~  
28 ~~construction, reconstruction, repair, rehabilitation, or improvement~~  
29 ~~of~~) parks, recreational facilities, law enforcement facilities, fire  
30 protection facilities, trails, libraries, administrative and/or  
31 judicial facilities, and river and/or waterway flood control projects;  
32 and (c) "short line railroads" means class III railroads as defined by  
33 the United States surface transportation board.

34 (6) When the governor files a notice of noncompliance under RCW  
35 36.70A.340 with the secretary of state and the appropriate county or  
36 city, the county or city's authority to impose the additional excise  
37 tax under this section (~~shall be~~) is temporarily rescinded until the

1 governor files a subsequent notice rescinding the notice of  
2 noncompliance.

3 (7) A city or county may use revenue generated under subsection (2)  
4 of this section for municipally owned heavy short line railroads only  
5 if the revenue was collected prior to December 31, 2008, and may not  
6 use more than twenty-five percent of the total revenue generated under  
7 subsection (2) of this section for municipally owned heavy short line  
8 railroads.

9 **Sec. 2.** RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33  
10 are each reenacted and amended to read as follows:

11 (1) The legislative authority of any county or city (~~shall~~) must  
12 identify in the adopted budget the capital projects, maintenance and  
13 operation expenditures, or both, funded in whole or in part from the  
14 proceeds of the tax authorized in this section, and (~~shall~~) must  
15 indicate that such tax is intended to be in addition to other funds  
16 that may be reasonably available for (~~such capital projects~~) these  
17 purposes.

18 (2) The legislative authority of any county or any city that plans  
19 under RCW 36.70A.040 (1) or (2) may impose an additional excise tax on  
20 each sale of real property in the unincorporated areas of the county  
21 for the county tax and in the corporate limits of the city for the city  
22 tax at a rate not exceeding one-quarter of one percent of the selling  
23 price. (~~Any county choosing to plan under RCW 36.70A.040(2) and any~~  
24 ~~city within such a county may only adopt an ordinance imposing the~~  
25 ~~excise tax authorized by this section if the ordinance is first~~  
26 ~~authorized by a proposition approved by a majority of the voters of the~~  
27 ~~taxing district voting on the proposition at a general election held~~  
28 ~~within the district or at a special election within the taxing district~~  
29 ~~called by the district for the purpose of submitting such proposition~~  
30 ~~to the voters.))~~

31 (3) Revenues generated from the tax imposed under subsection (2) of  
32 this section shall be used by such counties and cities solely for  
33 financing capital projects specified in a capital facilities plan  
34 element of a comprehensive plan, and, at the option of the city or  
35 county, maintenance and operation expenditures. However, revenues (a)  
36 pledged by such counties and cities to debt retirement prior to March  
37 1, 1992, may continue to be used for that purpose until the original

1 debt for which the revenues were pledged is retired, or (b) committed  
2 prior to March 1, 1992, by such counties or cities to a project may  
3 continue to be used for that purpose until the project is completed.

4 (4) Revenues generated by the tax imposed by this section shall be  
5 deposited in a separate account.

6 (5) As used in this section, "city" means any city or town and  
7 "capital project" means those public works projects of a local  
8 government for planning, acquisition, construction, reconstruction,  
9 repair, replacement, rehabilitation, or improvement of streets, roads,  
10 highways, sidewalks, street and road lighting systems, traffic signals,  
11 bridges, domestic water systems, storm and sanitary sewer systems,  
12 (~~and planning, construction, reconstruction, repair, rehabilitation,~~  
13 ~~or improvement of~~) parks, recreational facilities, law enforcement  
14 facilities, fire protection facilities, trails, libraries,  
15 administrative and/or judicial facilities, and river and/or waterway  
16 flood control projects.

17 (6) When the governor files a notice of noncompliance under RCW  
18 36.70A.340 with the secretary of state and the appropriate county or  
19 city, the county or city's authority to impose the additional excise  
20 tax under this section (~~shall be~~) is temporarily rescinded until the  
21 governor files a subsequent notice rescinding the notice of  
22 noncompliance.

23 NEW SECTION. Sec. 3. Section 1 of this act expires June 30, 2012.

24 NEW SECTION. Sec. 4. Section 2 of this act takes effect June 30,  
25 2012.

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