
SENATE BILL 5975

State of Washington

54th Legislature

1995 Regular Session

By Senators Prentice, Hale and Kohl; by request of Department of Community, Trade, and Economic Development

Read first time 02/20/95. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to creating an exemption from the real estate
2 excise tax for affordable housing; amending RCW 82.46.010; and creating
3 a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes the objective of
6 the housing policy act to ensure a decent home in a healthy, safe
7 environment for every resident of the state by strengthening public and
8 private institutions. Therefore, it is the intent of the legislature
9 to encourage local jurisdictions to leverage resources for the creation
10 of affordable housing by allowing cities and counties that levy a local
11 real estate excise tax to exempt by local ordinance from that local tax
12 certain transactions involving the sale of private property for use as
13 low-income housing.

14 **Sec. 2.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
15 as follows:

16 (1) The legislative authority of any county or city shall identify
17 in the adopted budget the capital projects funded in whole or in part
18 from the proceeds of the tax authorized in this section, and shall

1 indicate that such tax is intended to be in addition to other funds
2 that may be reasonably available for such capital projects.

3 (2)(a) The legislative authority of any county or any city may
4 impose an excise tax on each sale of real property in the
5 unincorporated areas of the county for the county tax and in the
6 corporate limits of the city for the city tax at a rate not exceeding
7 one-quarter of one percent of the selling price. The revenues from
8 this tax shall be used by any city or county with a population of five
9 thousand or less and any city or county that does not plan under RCW
10 36.70A.040 for any capital purpose identified in a capital improvements
11 plan and local capital improvements, including those listed in RCW
12 35.43.040.

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

25 (b) The legislative authority of any county or city may exempt,
26 from the tax imposed under (a) of this subsection, any transaction
27 involving the sale of private property for use as low-income housing.

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

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