

CERTIFICATION OF ENROLLMENT

**ENGROSSED HOUSE BILL 2122**

Chapter 10, Laws of 2015

64th Legislature  
2015 2nd Special Session

REAL ESTATE EXCISE TAX REVENUES--TRANSACTIONS--LOCAL GOVERNMENT  
AUTHORITY

EFFECTIVE DATE: 9/26/2015

Passed by the House June 11, 2015  
Yeas 86 Nays 3

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate June 25, 2015  
Yeas 40 Nays 4

BRAD OWEN

**President of the Senate**

Approved July 9, 2015 3:39 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2122** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

**Chief Clerk**

FILED

July 9, 2015

**Secretary of State  
State of Washington**

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ENGROSSED HOUSE BILL 2122

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Passed Legislature - 2015 2nd Special Session

State of Washington

64th Legislature

2015 Regular Session

By Representatives McBride, Nealey, Peterson, Fey, Muri, Ryu, Walsh,  
and Springer

Read first time 02/16/15. Referred to Committee on Local Government.

1 AN ACT Relating to real estate as it concerns the local  
2 government authority in the use of real estate excise tax revenues  
3 and regulating real estate transactions; amending RCW 82.46.010 and  
4 43.110.030; adding new sections to chapter 82.46 RCW; and adding a  
5 new section to chapter 64.06 RCW.

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

7 **Sec. 1.** RCW 82.46.010 and 2014 c 44 s 1 are each amended to read  
8 as follows:

9 (1) The legislative authority of any county or city must identify  
10 in the adopted budget the capital projects funded in whole or in part  
11 from the proceeds of the tax authorized in this section, and 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.

14 (2)(a) The legislative authority of any county or any city may  
15 impose an excise tax on each sale of real property in the  
16 unincorporated areas of the county for the county tax and in the  
17 corporate limits of the city for the city tax at a rate not exceeding  
18 one-quarter of one percent of the selling price. The revenues from  
19 this tax must be used by any city or county with a population of five  
20 thousand or less and any city or county that does not plan under RCW  
21 36.70A.040 for any capital purpose identified in a capital

1 improvements plan and local capital improvements, including those  
2 listed in RCW 35.43.040.

3 (b) After April 30, 1992, revenues generated from the tax imposed  
4 under this subsection (2) in counties over five thousand population  
5 and cities over five thousand population that are required or choose  
6 to plan under RCW 36.70A.040 must be used solely for financing  
7 capital projects specified in a capital facilities plan element of a  
8 comprehensive plan and housing relocation assistance under RCW  
9 59.18.440 and 59.18.450. However, revenues (i) pledged by such  
10 counties and cities to debt retirement prior to April 30, 1992, may  
11 continue to be used for that purpose until the original debt for  
12 which the revenues were pledged is retired, or (ii) committed prior  
13 to April 30, 1992, by such counties or cities to a project may  
14 continue to be used for that purpose until the project is completed.

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

21 (4) Taxes imposed under this section must be collected from  
22 persons who are taxable by the state under chapter 82.45 RCW upon the  
23 occurrence of any taxable event within the unincorporated areas of  
24 the county or within the corporate limits of the city, as the case  
25 may be.

26 (5) Taxes imposed under this section must comply with all  
27 applicable rules, regulations, laws, and court decisions regarding  
28 real estate excise taxes as imposed by the state under chapter 82.45  
29 RCW.

30 (6) (~~As used in this section,~~) The definitions in this  
31 subsection (6) apply throughout this section unless the context  
32 clearly requires otherwise.

33 (a) "City" means any city or town (~~and~~).

34 (b) "Capital project" means those public works projects of a  
35 local government for planning, acquisition, construction,  
36 reconstruction, repair, replacement, rehabilitation, or improvement  
37 of streets; roads; highways; sidewalks; street and road lighting  
38 systems; traffic signals; bridges; domestic water systems; storm and  
39 sanitary sewer systems; parks; recreational facilities; law  
40 enforcement facilities; fire protection facilities; trails;

1 libraries; administrative ((and/or)) facilities; judicial facilities;  
2 river ((and/or)) flood control projects; waterway flood control  
3 projects by those jurisdictions that, prior to June 11, 1992, have  
4 expended funds derived from the tax authorized by this section for  
5 such purposes; ((and,)) until December 31, 1995, housing projects for  
6 those jurisdictions that, prior to June 11, 1992, have expended or  
7 committed to expend funds derived from the tax authorized by this  
8 section or the tax authorized by RCW 82.46.035 for such purposes; and  
9 technology infrastructure that is integral to the capital project.

10 (7) From July 22, 2011, until December 31, 2016, a city or county  
11 may use the greater of one hundred thousand dollars or thirty-five  
12 percent of available funds under this section, but not to exceed one  
13 million dollars per year, for the operations and maintenance of  
14 existing capital projects as defined in subsection (6) of this  
15 section.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.46  
17 RCW to read as follows:

18 (1) A city or county that meets the requirements of subsection  
19 (2) of this section may use the greater of one hundred thousand  
20 dollars or twenty-five percent of available funds, but not to exceed  
21 one million dollars per year, from revenues collected under RCW  
22 82.46.010 for the maintenance of capital projects, as defined in RCW  
23 82.46.010(6)(b).

24 (2) A city or county may use revenues pursuant to subsection (1)  
25 of this section if:

26 (a) The city or county prepares a written report demonstrating  
27 that it has or will have adequate funding from all sources of public  
28 funding to pay for all capital projects, as defined in RCW 82.46.010,  
29 identified in its capital facilities plan for the succeeding two-year  
30 period. Cities or counties not required to prepare a capital  
31 facilities plan may satisfy this provision by using a document that,  
32 at a minimum, identifies capital project needs and available public  
33 funding sources for the succeeding two-year period; and

34 (b) The city or county has not enacted, after the effective date  
35 of this section, any requirement on the listing, leasing, or sale of  
36 real property, unless the requirement is either specifically  
37 authorized by state or federal law or is a seller or landlord  
38 disclosure requirement pursuant to section 4 of this act.

1 (3) The report prepared under subsection (2)(a) of this section  
2 must: (a) Include information necessary to determine compliance with  
3 the requirements of subsection (2)(a) of this section; (b) identify  
4 how revenues collected under RCW 82.46.010 were used by the city or  
5 county during the prior two-year period; (c) identify how funds  
6 authorized under subsection (1) of this section will be used during  
7 the succeeding two-year period; and (d) identify what percentage of  
8 funding for capital projects within the city or county is  
9 attributable to revenues under RCW 82.46.010 compared to all other  
10 sources of capital project funding. The city or county must prepare  
11 and adopt the report as part of its regular, public budget process.

12 (4) The authority to use funds as authorized in this section is  
13 in addition to the authority to use funds pursuant to RCW  
14 82.46.010(7), which remains in effect through December 31, 2016.

15 (5) For purposes of this section, "maintenance" means the use of  
16 funds for labor and materials that will preserve, prevent the decline  
17 of, or extend the useful life of a capital project. "Maintenance"  
18 does not include labor or material costs for routine operations of a  
19 capital project.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.46  
21 RCW to read as follows:

22 (1) A city or county that meets the requirements of subsection  
23 (2) of this section may use the greater of one hundred thousand  
24 dollars or twenty-five percent of available funds, but not to exceed  
25 one million dollars per year, from revenues collected under RCW  
26 82.46.035 for:

27 (a) The maintenance of capital projects, as defined in RCW  
28 82.46.035(5); or

29 (b) The planning, acquisition, construction, reconstruction,  
30 repair, replacement, rehabilitation, improvement, or maintenance of  
31 capital projects as defined in RCW 82.46.010(6)(b) that are not also  
32 included within the definition of capital projects in RCW  
33 82.46.035(5).

34 (2) A city or county may use revenues pursuant to subsection (1)  
35 of this section if:

36 (a) The city or county prepares a written report demonstrating  
37 that it has or will have adequate funding from all sources of public  
38 funding to pay for all capital projects, as defined in RCW

1 82.46.035(5), identified in its capital facilities plan for the  
2 succeeding two-year period; and

3 (b) The city or county has not enacted, after the effective date  
4 of this section, any requirement on the listing, leasing, or sale of  
5 real property, unless the requirement is either specifically  
6 authorized by state or federal law or is a seller or landlord  
7 disclosure requirement pursuant to section 4 of this act.

8 (3) The report prepared under subsection (2)(a) of this section  
9 must: (a) Include information necessary to determine compliance with  
10 the requirements of subsection (2)(a) of this section; (b) identify  
11 how revenues collected under RCW 82.46.035 were used by the city or  
12 county during the prior two-year period; (c) identify how funds  
13 authorized under subsection (1) of this section will be used during  
14 the succeeding two-year period; and (d) identify what percentage of  
15 funding for capital projects within the city or county is  
16 attributable to revenues under RCW 82.46.035 compared to all other  
17 sources of capital project funding. The city or county must prepare  
18 and adopt the report as part of its regular, public budget process.

19 (4) The authority to use funds as authorized in this section is  
20 in addition to the authority to use funds pursuant to RCW  
21 82.46.035(7), which remains in effect through December 31, 2016.

22 (5) For purposes of this section, "maintenance" means the use of  
23 funds for labor and materials that will preserve, prevent the decline  
24 of, or extend the useful life of a capital project. "Maintenance"  
25 does not include labor or material costs for routine operations of a  
26 capital project.

27 NEW SECTION. **Sec. 4.** A new section is added to chapter 64.06  
28 RCW to read as follows:

29 (1) Any ordinance, resolution, or policy adopted by a city or  
30 county that imposes a requirement on landlords or sellers of real  
31 property, or their agents, to provide information to a buyer or  
32 tenant pertaining to the subject property or the surrounding area is  
33 effective only after the ordinance, resolution, or policy is posted  
34 electronically in accordance with RCW 43.110.030(2)(e).

35 (2) If, prior to the effective date of this section, a city or  
36 county adopted an ordinance, resolution, or policy that imposes a  
37 requirement on landlords or sellers of real property, or their  
38 agents, to provide information to a buyer or tenant pertaining to the  
39 subject property or the surrounding area, the city or county must

1 cause the ordinance, resolution, or policy to be posted  
2 electronically in accordance with RCW 43.110.030(2)(e) within ninety  
3 days of the effective date of this section, or the requirement shall  
4 thereafter cease to be in effect.

5 **Sec. 5.** RCW 43.110.030 and 2012 2nd sp.s. c 5 s 5 are each  
6 amended to read as follows:

7 (1) The department of commerce must contract for the provision of  
8 municipal research and services to cities, towns, and counties.  
9 Contracts for municipal research and services must be made with state  
10 agencies, educational institutions, or private consulting firms, that  
11 in the judgment of the department are qualified to provide such  
12 research and services. Contracts for staff support may be made with  
13 state agencies, educational institutions, or private consulting firms  
14 that in the judgment of the department are qualified to provide such  
15 support.

16 (2) Municipal research and services consists of:

17 (a) Studying and researching city, town, and county government  
18 and issues relating to city, town, and county government;

19 (b) Acquiring, preparing, and distributing publications related  
20 to city, town, and county government and issues relating to city,  
21 town, and county government;

22 (c) Providing educational conferences relating to city, town, and  
23 county government and issues relating to city, town, and county  
24 government; (~~and~~)

25 (d) Furnishing legal, technical, consultative, and field services  
26 to cities, towns, and counties concerning planning, public health,  
27 utility services, fire protection, law enforcement, public works, and  
28 other issues relating to city, town, and county government; and

29 (e) Providing a list of all requirements imposed by all cities,  
30 towns, and counties on landlords or sellers of real property to  
31 provide information to a buyer or tenant pertaining to the subject  
32 property or the surrounding area. The list must be posted in a  
33 specific section on a web site maintained by the entity with which  
34 the department of commerce contracts for the provision of municipal  
35 research and services under this section, and must list by  
36 jurisdiction all applicable requirements. Cities, towns, and counties  
37 must provide information for posting on the web site in accordance  
38 with section 4 of this act.

1           (3) Requests for legal services by county officials must be sent  
2 to the office of the county prosecuting attorney. Responses by the  
3 department of commerce to county requests for legal services must be  
4 provided to the requesting official and the county prosecuting  
5 attorney.

6           (4) The department of commerce must coordinate with the  
7 association of Washington cities and the Washington state association  
8 of counties in carrying out the activities in this section.

Passed by the House June 11, 2015.

Passed by the Senate June 25, 2015.

Approved by the Governor July 9, 2015.

Filed in Office of Secretary of State July 9, 2015.

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