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SENATE BILL 5965

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State of Washington                      57th Legislature                      2001 Regular Session

By Senators Spanel, Gardner, Kohl-Welles, Kline and Rasmussen

Read first time 02/09/2001. Referred to Committee on Ways & Means.

1            AN ACT Relating to local option real estate excise taxes for  
2 affordable housing purposes; and adding a new section to chapter 82.46  
3 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.46 RCW  
6 to read as follows:

7            (1) Subject to subsection (4) of this section, the legislative  
8 authority of any county may impose an additional excise tax on the  
9 purchase and sale of real property in the county at the rate of one-  
10 half of one percent of the selling price. The proceeds of the tax  
11 shall be used exclusively for the development of affordable housing  
12 including acquisition, building, rehabilitation, and maintenance and  
13 operation of housing for very low, low, and moderate income persons and  
14 those with special needs.

15            (2) Revenues generated from the tax imposed under this section  
16 shall be placed in an affordable housing account administered by the  
17 county. Disbursements from the account shall be made following a  
18 competitive grant and loan process. The county legislative authority  
19 shall determine a mechanism for receiving grant and loan applications,

1 and criteria by which the applications shall be approved and funded.  
2 Eligible recipients of grants and loans from the account shall be  
3 private nonprofit, affordable housing providers, the housing authority  
4 for the county, or other housing programs conducted or funded by a  
5 public agency, or by a public agency in partnership with a private  
6 nonprofit entity.

7 (3) The taxes imposed under this section shall be imposed in the  
8 same manner and on the same occurrences, and are subject to the same  
9 conditions, as the taxes under chapter 82.45 RCW, except that the tax  
10 shall be the obligation of both the purchaser and the seller, as  
11 determined by the county legislative authority, with at least one-half  
12 of the obligation being that of the purchaser. The county may enforce  
13 the obligation through an action of debt against the purchaser or  
14 seller or may foreclose the lien on the property in the same manner  
15 prescribed for the foreclosure of mortgages. The imposition of the tax  
16 is effective thirty days after the election at which the tax is  
17 authorized.

18 (4)(a) No tax may be imposed under this section unless approved by  
19 a majority of the voters of the county voting, for a specified period  
20 and for a specified maximum rate. This vote must follow either:

21 (i) The adoption of a resolution by the county legislative  
22 authority proposing this action; or

23 (ii) The filing of a petition proposing this action with the county  
24 auditor, signed by county voters at least equal in number to ten  
25 percent of the total number of voters in the county who voted in the  
26 preceding general election.

27 (b) The ballot proposition shall be submitted to the voters of the  
28 county at the next general election occurring at least sixty days after  
29 a petition is filed, or at any special election prior to this general  
30 election called for this purpose by the county legislative authority.

31 (5) A plan for the expenditure of the proceeds of the tax imposed  
32 by this section shall be prepared by the county legislative authority  
33 at least sixty days before the election if the proposal is initiated by  
34 resolution of the county legislative authority, or within six months  
35 after the tax has been authorized by the voters if the proposal is  
36 initiated by petition. Prior to the adoption of this plan, the elected  
37 officials of cities located within the county shall be consulted and at

1 least one public hearing shall be held to obtain public comment. The  
2 proceeds of the tax shall be expended in conformance with this plan.

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