

# SENATE BILL REPORT

## ESHB 2298

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As Reported by Senate Committee On:  
Governmental Operations, February 27, 2014

**Title:** An act relating to changing the definition of capital projects to include technology infrastructure.

**Brief Description:** Changing the definition of capital projects to include technology infrastructure.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Pike, Takko, Vick, Harris, Blake, Rodne and Farrell).

**Brief History:** Passed House: 2/14/14, 83-13.

**Committee Activity:** Governmental Operations: 2/27/14 [DP].

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**Majority Report:** Do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Conway and McCoy.

**Staff:** Karen Epps (786-7424)

**Background:** County legislative authorities may impose an excise tax on each sale of real property in unincorporated areas of the county. Similarly, city and town legislative authorities also may impose an excise tax on each sale of real property within their corporate limits. The rate of this real estate excise tax (REET) may not exceed 0.25 percent of the selling price. Revenues generated from this tax must be used for financing qualifying capital projects and for housing relocation assistance.

In counties, cities, and towns with more than 5000 residents, and that are required to fully plan under the Growth Management Act (GMA) the REET revenues, with some exceptions, may only be used for financing capital projects specified in the capital facilities element of a comprehensive plan adopted under GMA and for housing relocation assistance for low-income tenants.

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*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.*

Capital project for purposes of REET means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of specific facilities and infrastructure, including the following:

- streets, roads, highways, bridges, and sidewalks;
- street and road lighting systems;
- domestic water systems;
- storm and sanitary sewer systems;
- parks, trails, and recreation facilities;
- law enforcement, fire protection, and administrative or judicial facilities; and
- libraries.

Until 2016, counties, cities, and towns may use a portion of REET revenues to pay for the maintenance and operation expenditures of existing capital facilities.

**Summary of Bill:** The definition of capital project for purposes of REET is expanded to allow REET revenues to be used for technology infrastructure that is integral to the capital project.

**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: This bill is at the request of the Cowlitz County Commissioners. This bill was clarified in the House to address concerns raised by the Washington Realtors Association.

**Persons Testifying:** PRO: Representative Pike, prime sponsor.