
HOUSE BILL 2063

State of Washington 59th Legislature 2005 Regular Session

By Representatives Wallace, Dunn, Santos, Blake and McCune

Read first time 02/16/2005. Referred to Committee on Local Government.

1 AN ACT Relating to the use by local governments of real estate
2 excise tax revenue; amending RCW 82.46.010; and reenacting and amending
3 RCW 82.46.035.

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

5 **Sec. 1.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
6 as follows:

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

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

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

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

15 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
16 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 shall 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 the
24 county or within the corporate limits of the city, as the case may be.

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

28 (6) As used in this section, "city" means any city or town and
29 "capital project" means those public works projects of a local
30 government for planning, acquisition, construction, reconstruction,
31 repair, replacement, rehabilitation, or improvement of streets; roads;
32 highways; sidewalks; street and road lighting systems; traffic signals;
33 bridges; domestic water systems; storm and sanitary sewer systems;
34 parks; recreational facilities; law enforcement facilities; fire
35 protection facilities; trails; libraries; administrative and/or
36 judicial facilities; river and/or waterway flood control projects (~~by
37 those jurisdictions that, prior to June 11, 1992, have expended funds
38 derived from the tax authorized by this section for such purposes; and,~~

1 ~~until December 31, 1995,)); or housing projects ((for those~~
2 ~~jurisdictions that, prior to June 11, 1992, have expended or committed~~
3 ~~to expend funds derived from the tax authorized by this section or the~~
4 ~~tax authorized by RCW 82.46.035 for such purposes)).~~

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

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

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

25 (3) Revenues generated from the tax imposed under subsection (2) of
26 this section shall be used by such counties and cities solely for
27 financing capital projects specified in a capital facilities plan
28 element of a comprehensive plan. However, revenues (a) pledged by such
29 counties and cities to debt retirement prior to March 1, 1992, may
30 continue to be used for that purpose until the original debt for which
31 the revenues were pledged is retired, or (b) committed prior to March
32 1, 1992, by such counties or cities to a project may continue to be
33 used for that purpose until the project is completed.

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

36 (5) As used in this section, "city" means any city or town and
37 "capital project" means those public works projects of a local

1 government ((for planning, acquisition, construction, reconstruction,
2 repair, replacement, rehabilitation, or improvement of streets, roads,
3 highways, sidewalks, street and road lighting systems, traffic signals,
4 bridges, domestic water systems, storm and sanitary sewer systems, and
5 planning, construction, reconstruction, repair, rehabilitation, or
6 improvement of parks)) authorized by RCW 82.46.010.

7 (6) When the governor files a notice of noncompliance under RCW
8 36.70A.340 with the secretary of state and the appropriate county or
9 city, the county or city's authority to impose the additional excise
10 tax under this section shall be temporarily rescinded until the
11 governor files a subsequent notice rescinding the notice of
12 noncompliance.

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