

CERTIFICATION OF ENROLLMENT  
**SECOND SUBSTITUTE HOUSE BILL 1240**

59th Legislature  
2005 Regular Session

Passed by the House April 20, 2005  
Yeas 52 Nays 46

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**Speaker of the House of Representatives**

Passed by the Senate April 23, 2005  
Yeas 26 Nays 22

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1240** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SECOND SUBSTITUTE HOUSE BILL 1240**

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Passed Legislature - 2005 Regular Session

**State of Washington                      59th Legislature                      2005 Regular Session**

**By** House Committee on Finance (originally sponsored by  
Representatives Kessler and DeBolt)

READ FIRST TIME 04/19/05.

1            AN ACT Relating to real estate excise tax fees and electronic  
2 processing of affidavits; amending RCW 82.45.180; adding new sections  
3 to chapter 82.45 RCW; creating a new section; making an appropriation;  
4 providing an effective date; and declaring an emergency.

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

6            NEW SECTION.    **Sec. 1.** (1) It is the legislature's intent to  
7 provide funding for the development and implementation of an automated  
8 system for the electronic processing of the real estate excise tax.  
9 The legislature finds that due to the numerous users of the real estate  
10 excise tax information, and the many entities involved in its work  
11 flow, county systems must be compatible with the automated system  
12 developed by the state department of revenue.

13            (2) The legislature finds that under current law an electronic real  
14 estate excise tax affidavit that is signed with a digital signature  
15 under chapter 19.34 RCW is a legally valid document and, pursuant to  
16 RCW 5.46.010, electronic facsimiles, scanned signatures, and digital  
17 and other electronic conversions of written signatures satisfy the  
18 signature component of the affidavit requirement under this act.

1       **Sec. 2.** RCW 82.45.180 and 1998 c 106 s 11 are each amended to read  
2 as follows:

3       (1)(a) For taxes collected by the county under this chapter, the  
4 county treasurer shall collect a (~~two-dollar~~) five-dollar fee on all  
5 transactions required by this chapter where the transaction does not  
6 require the payment of tax. A total of (~~two~~) five dollars shall be  
7 collected in the form of a tax and fee, where the calculated tax  
8 payment is less than (~~two~~) five dollars. Through June 30, 2010, the  
9 county treasurer shall collect an additional five-dollar fee on all  
10 transactions required by this chapter where the transaction does not  
11 require the payment of a tax, and on all taxable transactions required  
12 by this chapter where the calculated tax payment is less than five  
13 dollars. This additional five-dollar fee shall be deposited in the  
14 county treasurer's real estate excise tax electronic technology  
15 account. Through June 30, 2006, the county treasurer shall place one  
16 percent of the (~~proceeds of the tax imposed by~~) taxes collected by  
17 the county under this chapter and the treasurer's fee in the county  
18 current expense fund to defray costs of collection (~~and~~). After June  
19 30, 2006, the county treasurer shall place one and three-tenths percent  
20 of the taxes collected by the county under this chapter and the  
21 treasurer's fee in the county current expense fund to defray costs of  
22 collection. For taxes collected by the county under this chapter  
23 before July 1, 2006, the county treasurer shall pay over to the state  
24 treasurer and account to the department of revenue for the (~~remainder~~  
25 of the)) proceeds at the same time the county treasurer remits funds to  
26 the state under RCW 84.56.280. For taxes collected by the county under  
27 this chapter after June 30, 2006, on a monthly basis the county  
28 treasurer shall pay over to the state treasurer the month's  
29 transmittal. The month's transmittal must be received by the state  
30 treasurer by 5:00 p.m. on the last working day of each month. The  
31 county treasurer shall account to the department for the month's  
32 transmittal by the twentieth day of the month following the month in  
33 which the month's transmittal was paid over to the state treasurer.  
34 The state treasurer shall deposit the proceeds in the general fund for  
35 the support of the common schools.

36       (b) For purposes of this subsection, the definitions in this  
37 subsection apply.

1       (i) "Close of business" means the time when the county treasurer  
2 makes his or her daily deposit of proceeds.

3       (ii) "Month's transmittal" means all proceeds deposited by the  
4 county through the close of business of the day that is two working  
5 days before the last working day of the month. This definition of  
6 "month's transmittal" shall not be construed as requiring any change in  
7 a county's practices regarding the timing of its daily deposits of  
8 proceeds.

9       (iii) "Proceeds" means moneys collected and receipted by the county  
10 from the taxes imposed by this chapter, less the county's share of the  
11 proceeds used to defray the county's costs of collection allowable in  
12 (a) of this subsection.

13       (iv) "Working day" means a calendar day, except Saturdays, Sundays,  
14 and all legal holidays as provided in RCW 1.16.050.

15       (2) For taxes collected by the department of revenue under this  
16 chapter, the department shall remit the tax to the state treasurer who  
17 shall deposit the proceeds of any state tax in the general fund for the  
18 support of the common schools. The state treasurer shall deposit the  
19 proceeds of any local taxes imposed under chapter 82.46 RCW in the  
20 local real estate excise tax account hereby created in the state  
21 treasury. Moneys in the local real estate excise tax account may be  
22 spent only for distribution to counties, cities, and towns imposing a  
23 tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all  
24 earnings of investments of balances in the local real estate excise tax  
25 account shall be credited to the local real estate excise tax account  
26 and distributed to the counties, cities, and towns monthly. Monthly  
27 the state treasurer shall make distribution from the local real estate  
28 excise tax account to the counties, cities, and towns the amount of tax  
29 collected on behalf of each taxing authority. The state treasurer  
30 shall make the distribution under this subsection without  
31 appropriation.

32       (3)(a) The real estate excise tax electronic technology account is  
33 created in the custody of the state treasurer. An appropriation is not  
34 required for expenditures and the account is not subject to allotment  
35 procedures under chapter 43.88 RCW.

36       (b) Through June 30, 2010, the county treasurer shall collect an  
37 additional five-dollar fee on all taxable transactions required by this  
38 chapter. The county treasurer shall remit this fee to the state

1 treasurer at the same time the county treasurer remits funds to the  
2 state under subsection (1) of this section. The state treasurer shall  
3 place money from this fee in the real estate excise tax electronic  
4 technology account. By the twentieth day of the subsequent month, the  
5 state treasurer shall distribute to each county treasurer according to  
6 the following formula: Three-quarters of the funds available shall be  
7 equally distributed among the thirty-nine counties; and the balance  
8 shall be ratably distributed among the counties in direct proportion to  
9 their population as it relates to the total state's population based on  
10 most recent statistics by the office of financial management.

11 (c) When received by the county treasurer, the funds shall be  
12 placed in a special real estate excise tax electronic technology fund  
13 held by the county treasurer to be used exclusively for the  
14 development, implementation, and maintenance of an electronic  
15 processing and reporting system for real estate excise tax affidavits.  
16 Funds may be expended to make the system compatible with the automated  
17 real estate excise tax system developed by the department and  
18 compatible with the processes used in the offices of the county  
19 assessor and county auditor. Any funds held in the account that are  
20 not expended by July 1, 2015, revert to the county capital improvements  
21 fund in accordance with RCW 82.46.010.

22 NEW SECTION. Sec. 3. A new section is added to chapter 82.45 RCW  
23 to read as follows:

24 (1) The real estate excise tax grant account is created in the  
25 state treasury. Moneys in the account may be spent only after  
26 appropriation. Expenditures from the account may be used only for  
27 grants authorized under section 4 of this act in the manner provided  
28 for in section 4 of this act.

29 (2) Any funds remaining in the real estate excise tax grant account  
30 on July 1, 2010, shall be deposited in the general fund.

31 NEW SECTION. Sec. 4. A new section is added to chapter 82.45 RCW  
32 to read as follows:

33 (1) To the extent that funds are appropriated, the department shall  
34 administer a grant program for counties to assist in the development,  
35 implementation, and maintenance of an electronic processing and  
36 reporting system for real estate excise tax affidavits that is

1 compatible with the automated real estate excise tax system developed  
2 by the department, and to assist in complying with the requirements of  
3 RCW 82.45.180(1).

4 (2) Subject to the limit in subsection (3) of this section, the  
5 amount of the grant shall be equal to the amount paid by a county to:

6 (a) Purchase computer hardware or software, or to repair or upgrade  
7 existing computer hardware or software, used for the electronic  
8 processing and reporting of real estate excise tax affidavits and that  
9 is compatible with the automated real estate excise tax system  
10 developed by the department; and

11 (b) Make changes to existing software that are necessary to comply  
12 with the requirements of RCW 82.45.180(1).

13 (3) No county is eligible for grants under this section totaling  
14 more than one hundred thousand dollars.

15 (4) No more than three million nine hundred thousand dollars in  
16 grants may be awarded under this section.

17 (5) The source of funds for this grant program is the real estate  
18 excise tax grant account created in section 3 of this act.

19 NEW SECTION. **Sec. 5.** The sum of three million nine hundred  
20 thousand dollars, or as much thereof as may be necessary, is  
21 appropriated for the fiscal year ending June 30, 2006, from the general  
22 fund to the real estate excise tax grant account for the purposes of  
23 section 4 of this act.

24 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
25 preservation of the public peace, health, or safety, or support of the  
26 state government and its existing public institutions, and takes effect  
27 July 1, 2005.

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