

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1953

62nd Legislature
2011 Regular Session

Passed by the House March 4, 2011
Yeas 79 Nays 18

Speaker of the House of Representatives

Passed by the Senate April 8, 2011
Yeas 28 Nays 20

President of the Senate

Approved

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 **HOUSE BILL 1953** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 1953

Passed Legislature - 2011 Regular Session

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Springer, Asay, Takko, Upthegrove, Haler,
Fitzgibbon, Angel, Smith, and Sullivan

Read first time 02/14/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to county and city real estate excise taxes;
2 amending RCW 82.46.010 and 82.46.035; reenacting and amending RCW
3 82.46.035; providing an effective date; and providing an expiration
4 date.

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

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

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

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

1 under RCW 36.70A.040 for any capital purpose identified in a capital
2 improvements plan and local capital improvements, including those
3 listed in RCW 35.43.040.

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

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

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

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

30 (6) As used in this section, "city" means any city or town and
31 "capital project" means those public works projects of a local
32 government for planning, acquisition, construction, reconstruction,
33 repair, replacement, rehabilitation, or improvement of streets; roads;
34 highways; sidewalks; street and road lighting systems; traffic signals;
35 bridges; domestic water systems; storm and sanitary sewer systems;
36 parks; recreational facilities; law enforcement facilities; fire
37 protection facilities; trails; libraries; administrative and/or
38 judicial facilities; river and/or waterway flood control projects by

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

7 (7) From the effective date of this section until December 31,
8 2016, a city or county may use the greater of one hundred thousand
9 dollars or thirty-five percent of available funds under this section,
10 but not to exceed one million dollars per year, for the operations and
11 maintenance of existing capital projects as defined in subsection (6)
12 of this section.

13 **Sec. 2.** RCW 82.46.035 and 2009 c 211 s 1 are each amended to read
14 as follows:

15 (1) The legislative authority of any county or city (~~shall~~) must
16 identify in the adopted budget the capital projects funded in whole or
17 in part from the proceeds of the tax authorized in this section, and
18 (~~shall~~) must indicate that such tax is intended to be in addition to
19 other funds that may be reasonably available for such capital projects.

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

33 (3) Revenues generated from the tax imposed under subsection (2) of
34 this section (~~shall~~) must be used by such counties and cities solely
35 for financing capital projects specified in a capital facilities plan
36 element of a comprehensive plan. However, revenues (a) pledged by such
37 counties and cities to debt retirement prior to March 1, 1992, may

1 continue to be used for that purpose until the original debt for which
2 the revenues were pledged is retired, or (b) committed prior to March
3 1, 1992, by such counties or cities to a project may continue to be
4 used for that purpose until the project is completed.

5 (4) Revenues generated by the tax imposed by this section (~~shall~~)
6 must be deposited in a separate account.

7 (5) As used in this section: (a) "City" means any city or town;
8 (b) "capital project" means those public works projects of a local
9 government for planning, acquisition, construction, reconstruction,
10 repair, replacement, rehabilitation, or improvement of streets, roads,
11 highways, sidewalks, street and road lighting systems, traffic signals,
12 bridges, municipally owned heavy rail short line railroads, domestic
13 water systems, storm and sanitary sewer systems, and planning,
14 construction, reconstruction, repair, rehabilitation, or improvement of
15 parks; and (c) "short line railroads" means class III railroads as
16 defined by the United States surface transportation board.

17 (6) When the governor files a notice of noncompliance under RCW
18 36.70A.340 with the secretary of state and the appropriate county or
19 city, the county or city's authority to impose the additional excise
20 tax under this section (~~shall be~~) is temporarily rescinded until the
21 governor files a subsequent notice rescinding the notice of
22 noncompliance.

23 (7) A city or county may use revenue generated under subsection (2)
24 of this section for municipally owned heavy short line railroads only
25 if the revenue was collected prior to December 31, 2008, and may not
26 use more than twenty-five percent of the total revenue generated under
27 subsection (2) of this section for municipally owned heavy short line
28 railroads.

29 (8) From the effective date of this section until December 31,
30 2016, a city or county may use the greater of one hundred thousand
31 dollars or thirty-five percent of available funds under this section,
32 but not to exceed one million dollars per year, for operations and
33 maintenance of existing capital projects as defined in subsection (5)
34 of this section, and counties may use available funds under this
35 section for the payment of existing debt service incurred for capital
36 projects as defined in RCW 82.46.010. If a county uses available funds
37 for payment of existing debt service under RCW 82.46.010, the total

1 amount used for payment of debt service and any amounts used for
2 operations and maintenance is subject to the limits in this subsection.

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

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

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

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

32 (4) Revenues generated by the tax imposed by this section (~~shall~~)
33 must be deposited in a separate account.

34 (5) As used in this section, "city" means any city or town and
35 "capital project" means those public works projects of a local
36 government for planning, acquisition, construction, reconstruction,
37 repair, replacement, rehabilitation, or improvement of streets, roads,

1 highways, sidewalks, street and road lighting systems, traffic signals,
2 bridges, domestic water systems, storm and sanitary sewer systems, and
3 planning, construction, reconstruction, repair, rehabilitation, or
4 improvement of parks.

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

11 (7) From the effective date of this section until December 31,
12 2016, a city or county may use the greater of one hundred thousand
13 dollars or thirty-five percent of available funds under this section,
14 but not to exceed one million dollars per year, for operations and
15 maintenance of existing capital projects as defined in subsection (5)
16 of this section, and counties may use available funds under this
17 section for the payment of existing debt service incurred for capital
18 projects as defined in RCW 82.46.010. If a county uses available funds
19 for payment of existing debt service under RCW 82.46.010, the total
20 amount used for payment of debt service and any amounts used for
21 operations and maintenance is subject to the limits in this subsection.

22 NEW SECTION. Sec. 4. Section 2 of this act expires June 30, 2012.

23 NEW SECTION. Sec. 5. Section 3 of this act takes effect June 30,
24 2012.

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