S-1236.2

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**SUBSTITUTE SENATE BILL 5676**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senate Local Government (originally sponsored by Senators Takko, Walsh, and Short)

AN ACT Relating to authorizing cities planning under the growth management act to impose certain real estate excise taxes by council action; and amending RCW 82.46.035.

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

**Sec.**  RCW 82.46.035 and 2011 c 354 s 3 are each amended to read as follows:

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

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

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

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

(5) As used in this section, "city" means any city or town and "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

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

(7) From June 30, 2012, until December 31, 2016, a city or county may use the greater of one hundred thousand dollars or thirty‑five percent of available funds under this section, but not to exceed one million dollars per year, for operations and maintenance of existing capital projects as defined in subsection (5) of this section, and counties may use available funds under this section for the payment of existing debt service incurred for capital projects as defined in RCW 82.46.010. If a county uses available funds for payment of existing debt service under RCW 82.46.010, the total amount used for payment of debt service and any amounts used for operations and maintenance is subject to the limits in this subsection.

(8)(a)(i) Any referendum petition to repeal a county or city ordinance imposing a tax authorized by subsection (2) of this section must be filed with a filing officer, as identified in the ordinance, within seven days of passage of the ordinance. Within ten days of receiving a referendum petition, the filing officer must confer with the petitioner concerning form and style of the petition, issue an identification number for the petition, and write a ballot title for the measure. The ballot title must be posed as a question so that an affirmative answer to the question and an affirmative vote on the measure results in the tax being imposed and a negative answer to the question and a negative vote on the measure results in the tax not being imposed. The petitioner must be notified of the identification number and ballot title within this ten-day period.

(ii) Within thirty days of notification of the identification number and ballot title, the petitioner must secure and file with the filing officer petition forms with the signatures of at least fifteen percent of the registered voters of the county for county measures, or at least fifteen percent of the registered voters of the city for city measures. Each petition form must contain the ballot title and the full text of the measure to be referred. The filing officer must verify the sufficiency of the signatures on the petitions. If sufficient valid signatures are properly submitted, the filing officer must submit the referendum measure to the county or city voters at a general or special election held on one of the dates provided in RCW 29A.04.321 as determined by the county or city legislative authority. The election must not take place later than one hundred twenty days after the signed petition has been filed with the filing officer.

(b) The referendum and initiative procedure provided in (a) of this subsection applies only to ordinances imposing a tax authorized in subsection (2) of this section enacted by a county choosing to plan under RCW 36.70A.040(2) and any city within such a county.

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