

SENATE BILL REPORT

SB 5436

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
FEBRUARY 11, 1991

Brief Description: Eliminating the real estate excise tax for the acquisition of conservation areas.

SPONSORS: Senators Matson, Owen and Newhouse.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators McCaslin, Chairman; Matson, and Sutherland.

Staff: Eugene Green (786-7405)

Hearing Dates: February 11, 1991

BACKGROUND:

In 1990, counties were authorized to levy an excise tax upon the sale of real property at a rate not to exceed 1 percent of the selling price to acquire and maintain conservation areas. The tax requires voter approval and must be imposed countywide. The buyer is liable for the tax and payment of the tax is required prior to recording of title. The proposal for the tax may be initiated by the county legislative authority or by a petition signed by 10 percent of the total number of voters voting in the last general election. Seven counties have had this proposal on the ballot, but the tax was approved only in San Juan County.

SUMMARY:

This tax is eliminated for any county which has not imposed the tax before the effective date of the act.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This tax is unfair in that it only affects home buyers, when everyone benefits. It is especially unfair to first-time home buyers.

TESTIMONY AGAINST:

This is a local tax. Give it a chance to work. If the people don't like the tax, they won't vote for it.

TESTIFIED: Rick Wickman, Washington State Association of Counties (con); Ron Main, King County (con); Bruce Smith (con); Glen Hudson, Dewayne Granaki, Washington Association of Realtors (pro)