

**FINAL BILL REPORT**

**SSB 6018**

**C 272 L 94**

**SYNOPSIS AS ENACTED**

**Brief Description:** Expanding the uses of the excise tax on the sale of real property.

**SPONSORS:** Senate Committee on Government Operations (originally sponsored by Senators Winsley and Haugen)

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**HOUSE COMMITTEE ON LOCAL GOVERNMENT**

**BACKGROUND:**

In 1982, all counties, cities, and towns were authorized to impose an excise tax on each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. For counties, cities, and towns under 5,000 population that are required or choose to plan under the Growth Management Act or any county, city or town that does not plan under the Growth Management Act, the revenues from this excise tax must be used for local capital improvements. A question has been raised as to whether or not revenues from this tax may be used for the acquisition of real and personal property associated with the local capital improvement.

A question has also been raised as to whether or not revenues from this tax may be used by these entities for capital projects other than those listed in the city local improvement district statute.

**SUMMARY:**

It is clarified that counties, cities, and towns under 5,000 population planning under the Growth Management Act and any county, city, or town not planning under the Growth Management Act may use the revenues from the 1982 one-quarter of 1 percent real estate excise tax for the acquisition of real property and personal property associated with a local capital improvement. It is further clarified that these entities may expend this revenue on any capital purpose identified in a capital improvement plan.

**VOTES ON FINAL PASSAGE:**

|        |    |   |                    |
|--------|----|---|--------------------|
| Senate | 43 | 2 |                    |
| House  | 95 | 0 | (House amended)    |
| Senate | 42 | 1 | (Senate concurred) |

**EFFECTIVE:** June 9, 1994