

SENATE BILL REPORT

SB 6670

As of February 3, 2000

Title: An act relating to a local real estate excise tax for maintenance and operations.

Brief Description: Using revenue from the local real estate excise tax to pay for maintenance and operations of capital facilities.

Sponsors: Senator Jacobsen.

Brief History:

Committee Activity: State & Local Government: 2/3/2000.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Staff: Eugene Green (786-7405)

Background: The legislative authority of any city, town, or county may impose an excise tax on each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. The revenues from this tax may be used by any city, town or county with a population of 5,000 or less and any city or county that does not plan under the Growth Management Act for any capital purpose identified in a capital improvements plan. For those cities with a population of 5,000 or more, the revenues from this tax are restricted to the following uses: 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; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; and river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from this tax for this purpose.

The legislative authority of any city, town, or county that plans under the Growth Management Act may impose a second excise tax on the each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. The use of revenues from this tax are more restricted than the use of the first excise tax in that the revenues may only be used 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, and storm and sanitary sewer systems, and parks.

Summary of Bill: The revenues from both the first and second excise tax of 1/4 percent on each sale of real property may be used for maintenance and operation of those facilities funded by the revenues from these taxes. However, the amount of revenues used for maintenance or operation may not exceed 25 percent of the total amount collected from the tax in the preceding fiscal year.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.