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**SUBSTITUTE SENATE BILL 6279**

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**State of Washington 57th Legislature**

**2002 Regular Session**

**By** Senate Committee on Environment, Energy & Water (originally sponsored by Senators Jacobsen, Fraser and Kline)

READ FIRST TIME 02/08/2002.

1 AN ACT Relating to sales of water rights; amending RCW 82.45.180;  
2 adding new sections to chapter 82.45 RCW; adding new sections to  
3 chapter 90.03 RCW; creating a new section; and providing effective  
4 dates.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.45 RCW  
7 to read as follows:

8 The legislature recognizes that water rights are appurtenant to  
9 land and can be transferred along with the land or can be transferred  
10 separately, becoming appurtenant to other land. The legislature also  
11 recognizes that the department of ecology administers water rights  
12 records and counties administer real property records. It is the  
13 intent of this act to establish a source of funds to help improve and  
14 integrate records relating to water rights ownership that the  
15 department of ecology and counties each administer. Revenue collected  
16 by the state from that portion of the existing real estate excise tax  
17 that is attributable to sales of water rights is dedicated to this  
18 purpose. Use of the revenue by the departments of ecology and revenue

1 and counties to develop and implement improvements in administration of  
2 records relating to water rights ownership is authorized.

3 **Sec. 2.** RCW 82.45.180 and 1998 c 106 s 11 are each amended to read  
4 as follows:

5 (1) For taxes collected by the county under this chapter, the  
6 county treasurer shall collect a two-dollar fee on all transactions  
7 required by this chapter where the transaction does not require the  
8 payment of tax. A total of two dollars shall be collected in the form  
9 of a tax and fee, where the calculated tax payment is less than two  
10 dollars. The county treasurer shall place one percent of the proceeds  
11 of the tax imposed by this chapter and the treasurer's fee in the  
12 county current expense fund to defray costs of collection and shall pay  
13 over to the state treasurer and account to the department of revenue  
14 for the remainder of the proceeds at the same time the county treasurer  
15 remits funds to the state under RCW 84.56.280. The state treasurer  
16 shall deposit the proceeds in the general fund for the support of the  
17 common schools, except that the proceeds of taxes upon sales identified  
18 in section 3 of this act shall be deposited to the water rights records  
19 account created in section 4 of this act.

20 (2) For taxes collected by the department of revenue under this  
21 chapter, the department shall remit the tax to the state treasurer who  
22 shall deposit the proceeds of any state tax in the general fund for the  
23 support of the common schools, except that the proceeds of taxes upon  
24 sales identified in section 3 of this act shall be deposited to the  
25 water rights records account created in section 4 of this act. The  
26 state treasurer shall deposit the proceeds of any local taxes imposed  
27 under chapter 82.46 RCW in the local real estate excise tax account  
28 hereby created in the state treasury. Moneys in the local real estate  
29 excise tax account may be spent only for distribution to counties,  
30 cities, and towns imposing a tax under chapter 82.46 RCW. Except as  
31 provided in RCW 43.08.190, all earnings of investments of balances in  
32 the local real estate excise tax account shall be credited to the local  
33 real estate excise tax account and distributed to the counties, cities,  
34 and towns monthly. Monthly the state treasurer shall make distribution  
35 from the local real estate excise tax account to the counties, cities,  
36 and towns the amount of tax collected on behalf of each taxing  
37 authority. The state treasurer shall make the distribution under this  
38 subsection without appropriation.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.45 RCW  
2 to read as follows:

3        The real estate excise tax affidavit form prescribed and furnished  
4 by the department pursuant to RCW 82.45.150 shall provide for separate  
5 identification of sales subject to this chapter that are solely the  
6 sale of a water right or an interest in a water right. The department  
7 and counties each shall separately identify proceeds of taxes collected  
8 upon such sales when paying such proceeds over to the state treasurer  
9 as provided in RCW 82.45.180.

10       NEW SECTION.    **Sec. 4.**    A new section is added to chapter 90.03 RCW  
11 to read as follows:

12       The water rights records account is created in the state treasury.  
13 All receipts from proceeds identified in section 3 of this act must be  
14 deposited in the account. Moneys in the account may be spent only  
15 after appropriation. Expenditures from the account may be used for  
16 improving and integrating the administration of such records relating  
17 to ownership of water rights as are administered by the department and  
18 counties respectively. From amounts appropriated, the department may  
19 make grants to counties to assist with this purpose.

20       NEW SECTION.    **Sec. 5.**    A new section is added to chapter 90.03 RCW  
21 to read as follows:

22       The departments of ecology and revenue shall work with county  
23 treasurers, auditors, and assessors, as appropriate, to develop and  
24 implement procedures for improving and integrating state and local  
25 administration of records relating to ownership of water rights.

26       NEW SECTION.    **Sec. 6.**    By November 1, 2004, the department of  
27 ecology shall report to the appropriate standing committees of the  
28 senate and house of representatives regarding implementation of this  
29 act and make recommendations for administrative and legislative actions  
30 to improve records and information management regarding water rights  
31 ownership.

32       NEW SECTION.    **Sec. 7.**    Sections 2 and 3 of this act take effect  
33 January 1, 2003.

1        NEW SECTION.    **Sec. 8.**    Sections 5 and 6 of this act take effect  
2    July 1, 2003.

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