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**Local Government Committee**

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**HB 1900**

**Brief Description:** Expanding the uses of the local government real estate excise tax.

**Sponsors:** Representatives Santos, Jarrett and Kirby.

**Brief Summary of Bill**

- Broadens the permitted uses of proceeds from the tax on real estate sales to any local government capital project.

**Hearing Date:** 2/26/03

**Staff:** Amy Wood (786-7127).

**Background:**

The legislative authority of a county or city that is required to plan under the Growth Management Act (GMA) may impose an additional excise tax on each sale of real property at a rate not to exceed one quarter of one percent of the selling price. The legislative authority of a county or city that chooses to plan under the GMA may adopt an ordinance imposing the additional excise tax only if authorized by a proposition approved by a majority of the voters of the taxing district.

Proceeds generated from the excise tax must be used solely for financing capital projects that are identified in the capital facilities plan element of a comprehensive plan and that meet the definition of "capital project." "Capital project" is defined as a public works project for:

"(a) 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, recreational facilities, law enforcement facilities, fire protection facilities, river or waterway flood control projects, and housing projects; and (b) planning, construction, reconstruction, repair, rehabilitation, or improvement of parks."

**Summary of Bill:**

The proceeds generated from the tax on real estate sales may be used for any local

government capital project.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.