

SENATE BILL REPORT

SB 6671

As of February 6, 2004

Title: An act relating to real estate excise tax fees and electronic processing of affidavits.

Brief Description: Providing funds for an automated system for processing real estate excise taxes.

Sponsors: Senators Swecker, Spanel, Benton, Haugen, Winsley, Doumit, Carlson, Jacobsen and Fraser.

Brief History:

Committee Activity: Government Operations & Elections: 2/6/04.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Mac Nicholson (786-7445)

Background: The state imposes an excise tax of 1.28 percent on each sale of real property with the proceeds deposited in the general fund for the support of schools. The tax is collected by the treasurer of the county within which the property is located, or in limited circumstances by the Department of Revenue. A fee of \$2 is collected by the county treasurer on all state-imposed real estate excise tax (REET) transactions. The fee is used to defray costs associated with collecting the REET.

Summary of Bill: The fee a county treasurer collects on state-imposed REET transactions is changed to \$5.

From July 1, 2004, until July 1, 2007, the county treasurer must collect an additional fee of \$5 on all state-imposed REET transactions. From July 1, 2007 through June 30, 2012, the county treasurer must collect an additional fee of \$2. This additional fee must be remitted to the State Treasurer immediately after the last day of each month for placement in a newly created REET technology account. An appropriation is not required for expenditure from the REET technology account.

By the twentieth day of the subsequent month, the State Treasurer must distribute the funds available to county treasurers. One-half of the funds must be equally distributed among all counties, and the rest shall be distributed based on population.

The money received by the county treasurer shall be used exclusively for the development and implementation of an electronic processing and reporting system for REET affidavits. The Washington State Association of County Treasurers must submit a progress report on the system to the Legislature by January 1, 2008, and January 1, 2012.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2004.