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**SUBSTITUTE HOUSE BILL 1900**

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**State of Washington                      58th Legislature                      2003 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Santos, Jarrett and Kirby)

READ FIRST TIME 03/05/03.

1            AN ACT Relating to the use of real estate excise tax revenue; and  
2 reenacting and amending RCW 82.46.035.

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

4            **Sec. 1.** RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33  
5 are each reenacted and amended to read as follows:

6            (1) The legislative authority of any county or city shall identify  
7 in the adopted budget the capital projects funded in whole or in part  
8 from the proceeds of the tax authorized in this section, and shall  
9 indicate that such tax is intended to be in addition to other funds  
10 that may be reasonably available for such capital projects.

11            (2) The legislative authority of any county or any city that plans  
12 under RCW 36.70A.040(1) may impose an additional excise tax on each  
13 sale of real property in the unincorporated areas of the county for the  
14 county tax and in the corporate limits of the city for the city tax at  
15 a rate not exceeding one-quarter of one percent of the selling price.  
16 Any county choosing to plan under RCW 36.70A.040(2) and any city within  
17 such a county may only adopt an ordinance imposing the excise tax  
18 authorized by this section if the ordinance is first authorized by a  
19 proposition approved by a majority of the voters of the taxing district

1 voting on the proposition at a general election held within the  
2 district or at a special election within the taxing district called by  
3 the district for the purpose of submitting such proposition to the  
4 voters.

5 (3) Revenues generated from the tax imposed under subsection (2) of  
6 this section shall be used by such counties and cities solely for  
7 financing capital projects specified in a capital facilities plan  
8 element of a comprehensive plan. However, revenues (a) pledged by such  
9 counties and cities to debt retirement prior to March 1, 1992, may  
10 continue to be used for that purpose until the original debt for which  
11 the revenues were pledged is retired, or (b) committed prior to March  
12 1, 1992, by such counties or cities to a project may continue to be  
13 used for that purpose until the project is completed.

14 (4) Revenues generated by the tax imposed by this section shall be  
15 deposited in a separate account.

16 (5) As used in this section, "city" means any city or town and  
17 "capital project" means those public works projects of a local  
18 government for: (a) Planning, acquisition, construction,  
19 reconstruction, repair, replacement, rehabilitation, or improvement of  
20 streets, roads, highways, sidewalks, street and road lighting systems,  
21 traffic signals, bridges, domestic water systems, storm and sanitary  
22 sewer systems, law enforcement facilities, fire protection facilities,  
23 or judicial facilities; and (b) planning, construction, reconstruction,  
24 repair, rehabilitation, or improvement of parks.

25 (6) When the governor files a notice of noncompliance under RCW  
26 36.70A.340 with the secretary of state and the appropriate county or  
27 city, the county or city's authority to impose the additional excise  
28 tax under this section shall be temporarily rescinded until the  
29 governor files a subsequent notice rescinding the notice of  
30 noncompliance.

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