
Local Government Committee

HB 1240

Brief Description: Funding the development of an automated system to process real estate excise taxes.

Sponsors: Representatives Kessler and DeBolt.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Imposes fees to fund an automated system for processing real estate excise taxes.

Hearing Date: 2/3/05

Staff: Bob Longman (786-7139).

Background:

The state imposes an excise tax of 1.28 percent on each sale of real property. The tax is usually collected by the treasurer of the county within which the property is located, or in some circumstances by the Department of Revenue. Both the buyer and the seller are required to sign a REET affidavit when a taxable transaction occurs. The affidavit must contain the names and addresses of the buyer and seller, a legal description of the property, a parcel number, and the property selling price.

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 and processing REET affidavits.

Summary of Bill:

The fee a county treasurer collects on state-imposed REET transactions is changed to \$10. Five dollars of the ten-dollar fee must be deposited in the county treasurer's real estate excise tax electronic technology account.

The county treasurer must collect an additional fee of \$5 on all transactions that are subject to state REET. This additional fee must be remitted to the State Treasurer for deposit in a newly created REET technology account. An appropriation is not required for expenditure from the REET technology account.

The State Treasurer must distribute the moneys in the account to county treasurers each month. One-half of the money must be equally distributed among all counties, and the rest must be distributed based on population.

The money received by the county treasurer must be used exclusively for the development and implementation of an electronic processing and reporting system for REET affidavits. Any money remaining in the account on July 1, 2015, reverts to the county capital improvements fund.

Appropriation: None.

Fiscal Note: Requested on February 1, 2005.

Effective Date: The bill takes effect on August 1, 2005.