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HOUSE BILL 2879

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State of Washington                      59th Legislature                      2006 Regular Session

By Representative McIntire; by request of Department of Revenue

Read first time 01/16/2006. Referred to Committee on Finance.

1            AN ACT Relating to the electronic administration of the real estate  
2 excise tax; amending RCW 82.45.210; reenacting and amending RCW  
3 82.45.180; and declaring an emergency.

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

5            **Sec. 1.** RCW 82.45.180 and 2005 c 486 s 2 and 2005 c 480 s 2 are  
6 each reenacted and amended to read as follows:

7            (1)(a) For taxes collected by the county under this chapter, the  
8 county treasurer shall collect a five-dollar fee on all transactions  
9 required by this chapter where the transaction does not require the  
10 payment of tax. A total of five dollars shall be collected in the form  
11 of a tax and fee, where the calculated tax payment is less than five  
12 dollars. (~~Through June 30, 2010, the county treasurer shall collect  
13 an additional five-dollar fee on all transactions required by this  
14 chapter where the transaction does not require the payment of a tax,  
15 and on all taxable transactions required by this chapter where the  
16 calculated tax payment is less than five dollars. This additional  
17 five-dollar fee shall be deposited in the county treasurer's real  
18 estate excise tax electronic technology account.~~) Through June 30,  
19 2006, the county treasurer shall place one percent of the taxes

1 collected by the county under this chapter and the treasurer's fee in  
2 the county current expense fund to defray costs of collection. After  
3 June 30, 2006, the county treasurer shall place one and three-tenths  
4 percent of the taxes collected by the county under this chapter and the  
5 treasurer's fee in the county current expense fund to defray costs of  
6 collection. For taxes collected by the county under this chapter  
7 before July 1, 2006, the county treasurer shall pay over to the state  
8 treasurer and account to the department of revenue for the proceeds at  
9 the same time the county treasurer remits funds to the state under RCW  
10 84.56.280. For taxes collected by the county under this chapter after  
11 June 30, 2006, on a monthly basis the county treasurer shall pay over  
12 to the state treasurer the month's transmittal. The month's  
13 transmittal must be received by the state treasurer by ((5:00)) 12:00  
14 p.m. on the last working day of each month. The county treasurer shall  
15 account to the department for the month's transmittal by the twentieth  
16 day of the month following the month in which the month's transmittal  
17 was paid over to the state treasurer. The state treasurer shall  
18 deposit the proceeds in the general fund.

19 (b) For purposes of this subsection, the definitions in this  
20 subsection apply.

21 (i) "Close of business" means the time when the county treasurer  
22 makes his or her daily deposit of proceeds.

23 (ii) "Month's transmittal" means all proceeds deposited by the  
24 county through the close of business of the day that is two working  
25 days before the last working day of the month. This definition of  
26 "month's transmittal" shall not be construed as requiring any change in  
27 a county's practices regarding the timing of its daily deposits of  
28 proceeds.

29 (iii) "Proceeds" means moneys collected and receipted by the county  
30 from the taxes imposed by this chapter, less the county's share of the  
31 proceeds used to defray the county's costs of collection allowable in  
32 (a) of this subsection.

33 (iv) "Working day" means a calendar day, except Saturdays, Sundays,  
34 and all legal holidays as provided in RCW 1.16.050.

35 (2) For taxes collected by the department of revenue under this  
36 chapter, the department shall remit the tax to the state treasurer who  
37 shall deposit the proceeds of any state tax in the general fund. The  
38 state treasurer shall deposit the proceeds of any local taxes imposed

1 under chapter 82.46 RCW in the local real estate excise tax account  
2 hereby created in the state treasury. Moneys in the local real estate  
3 excise tax account may be spent only for distribution to counties,  
4 cities, and towns imposing a tax under chapter 82.46 RCW. Except as  
5 provided in RCW 43.08.190, all earnings of investments of balances in  
6 the local real estate excise tax account shall be credited to the local  
7 real estate excise tax account and distributed to the counties, cities,  
8 and towns monthly. Monthly the state treasurer shall make distribution  
9 from the local real estate excise tax account to the counties, cities,  
10 and towns the amount of tax collected on behalf of each taxing  
11 authority. The state treasurer shall make the distribution under this  
12 subsection without appropriation.

13 (3)(a) The real estate excise tax electronic technology account is  
14 created in the custody of the state treasurer. An appropriation is not  
15 required for expenditures and the account is not subject to allotment  
16 procedures under chapter 43.88 RCW.

17 (b) Through June 30, 2010, the county treasurer shall collect an  
18 additional five-dollar fee on all (~~taxable~~) transactions required by  
19 this chapter, regardless of whether the transaction requires the  
20 payment of tax. The county treasurer shall remit this fee to the state  
21 treasurer at the same time the county treasurer remits funds to the  
22 state under subsection (1) of this section. The state treasurer shall  
23 place money from this fee in the real estate excise tax electronic  
24 technology account. By the twentieth day of the subsequent month, the  
25 state treasurer shall distribute to each county treasurer according to  
26 the following formula: Three-quarters of the funds available shall be  
27 equally distributed among the thirty-nine counties; and the balance  
28 shall be ratably distributed among the counties in direct proportion to  
29 their population as it relates to the total state's population based on  
30 most recent statistics by the office of financial management.

31 (c) When received by the county treasurer, the funds shall be  
32 placed in a special real estate excise tax electronic technology fund  
33 held by the county treasurer to be used exclusively for the  
34 development, implementation, and maintenance of an electronic  
35 processing and reporting system for real estate excise tax affidavits.  
36 Funds may be expended to make the system compatible with the automated  
37 real estate excise tax system developed by the department and  
38 compatible with the processes used in the offices of the county

1 assessor and county auditor. Any funds held in the account that are  
2 not expended by July 1, 2015, revert to the county capital improvements  
3 fund in accordance with RCW 82.46.010.

4 **Sec. 2.** RCW 82.45.210 and 2005 c 480 s 4 are each amended to read  
5 as follows:

6 (1) To the extent that funds are appropriated, the department shall  
7 administer a grant program for counties to assist in the development,  
8 implementation, and maintenance of an electronic processing and  
9 reporting system for real estate excise tax affidavits that is  
10 compatible with the automated real estate excise tax system developed  
11 by the department, and to assist in complying with the requirements of  
12 RCW 82.45.180(1).

13 (2) Subject to the limits in subsection (3) of this section, the  
14 amount of the grant shall be equal to the amount paid by a county to:

15 (a) Purchase computer hardware or software, or to repair or upgrade  
16 existing computer hardware or software, used for the electronic  
17 processing and reporting of real estate excise tax affidavits and that  
18 is compatible with the automated real estate excise tax system  
19 developed by the department; and

20 (b) Make changes to existing software that are necessary to comply  
21 with the requirements of RCW 82.45.180(1).

22 (3)(a) No county is eligible for grants under this section totaling  
23 more than one hundred thousand dollars.

24 (b) Grant funds shall not be awarded for expenditures made by a  
25 county with funds distributed to the county by the state treasurer  
26 under RCW 82.45.180(3)(b).

27 (4) No more than three million nine hundred thousand dollars in  
28 grants may be awarded under this section.

29 (5) The source of funds for this grant program is the real estate  
30 excise tax grant account created in RCW 82.45.200.

31 NEW SECTION. **Sec. 3.** If any provision of this act or its  
32 application to any person or circumstance is held invalid, the  
33 remainder of the act or the application of the provision to other  
34 persons or circumstances is not affected.

1        NEW SECTION.   **Sec. 4.**   This act is necessary for the immediate  
2   preservation of the public peace, health, or safety, or support of the  
3   state government and its existing public institutions, and takes effect  
4   immediately.

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