

SHB 1232 - H AMD 83

By Representative Alexander

1 Strike everything after the enacting clause and insert the
2 following:

3 "**Sec. 1.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to
4 read as follows:

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

11 (2) The legislative authority of any county or any city may
12 impose an excise tax on each sale of real property in the
13 unincorporated areas of the county for the county tax and in the
14 corporate limits of the city for the city tax at a rate not
15 exceeding one-quarter of one percent of the selling price.

16 (a) The revenues from this tax shall be used by any city or
17 county with a population of five thousand or less and any city or
18 county that does not plan under RCW 36.70A.040 for any capital
19 purpose identified in a capital improvements plan and local capital
20 improvements, including those listed in RCW 35.43.040.

21 (b) For purposes of this subsection (2), "capital projects"
22 include equipment items that may contain and employ a software
23 element necessary for initial installation and operation that may
24 be included in the capital expenditure on a one-time basis during
25 initial acquisition by a county or city in the regular course of
26 business in connection with associated capital improvements. These
27 expenditures must be capitalized with a lifetime of at least five
28 years and must be tied directly to the dollar amount used solely
29 for the economic development value of an existing or planned

1 capital improvement. None of the tax proceeds may be used for
2 daily operations or upgrading of the original capital investment.

3 (c) After April 30, 1992, revenues generated from the tax
4 imposed under this subsection in counties over five thousand
5 population and cities over five thousand population that are
6 required or choose to plan under RCW 36.70A.040 shall be used
7 solely for financing capital projects specified in a capital
8 facilities plan element of a comprehensive plan and housing
9 relocation assistance under RCW 59.18.440 and 59.18.450. However,
10 revenues (~~(a)~~) (i) pledged by such counties and cities to debt
11 retirement prior to April 30, 1992, may continue to be used for
12 that purpose until the original debt for which the revenues were
13 pledged is retired, or (~~(b)~~) (ii) committed prior to April 30,
14 1992, by such counties or cities to a project may continue to be
15 used for that purpose until the project is completed.

16 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2),
17 the legislative authority of any county or any city may impose an
18 additional excise tax on each sale of real property in the
19 unincorporated areas of the county for the county tax and in the
20 corporate limits of the city for the city tax at a rate not
21 exceeding one-half of one percent of the selling price.

22 (4) Taxes imposed under this section shall be collected from
23 persons who are taxable by the state under chapter 82.45 RCW upon
24 the occurrence of any taxable event within the unincorporated areas
25 of the county or within the corporate limits of the city, as the
26 case may be.

27 (5) Taxes imposed under this section shall comply with all
28 applicable rules, regulations, laws, and court decisions regarding
29 real estate excise taxes as imposed by the state under chapter
30 82.45 RCW.

31 (6) As used in this section, the following definitions apply:

32 (a) "City" means any city or town; and

33 (b) "Capital project" means those public works projects of a
34 local government for planning, acquisition, construction,
35 reconstruction, repair, replacement, rehabilitation, or improvement
36 of streets; roads; highways; sidewalks; street and road lighting
37 systems; traffic signals; bridges; domestic water systems; storm
38 and sanitary sewer systems; parks; recreational facilities; law
39 enforcement facilities; fire protection facilities; trails;

1 libraries; administrative and/or judicial facilities; river and/or
2 waterway flood control projects by those jurisdictions that, prior
3 to June 11, 1992, have expended funds derived from the tax
4 authorized by this section for such purposes; and, until December
5 31, 1995, housing projects for those jurisdictions that, prior to
6 June 11, 1992, have expended or committed to expend funds derived
7 from the tax authorized by this section or the tax authorized by
8 RCW 82.46.035 for such purposes.

9 "Capital project" includes equipment that may contain and
10 employ software elements necessary for initial installation and
11 operation that may be included in the capital budget expenditure on
12 a one-time basis during the initial acquisition by a county or city
13 in the regular course of business in connection with associated
14 capital improvements. These capital expenditures must be
15 capitalized with a lifetime of at least five years and must be tied
16 directly to the dollar amount used solely for the economic
17 development value of an existing or planned capital improvement.
18 None of the tax proceeds may be used for daily operation,
19 maintenance, or upgrading of the original capital investment.

20 (7) All expenditures made by counties and cities for capital
21 purposes, local capital improvements, and capital projects
22 authorized under this section on or before the effective date of
23 this act are declared to be valid.

24 **Sec. 2.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to
25 read as follows:

26 (1) The legislative authority of any county or city shall
27 identify in the adopted budget the capital projects funded in whole
28 or in part from the proceeds of the tax authorized in subsection
29 (2) of this section, and shall indicate that such tax is intended
30 to be in addition to other funds that may be reasonably available
31 for such capital projects.

32 (2) The legislative authority of any county or any city may
33 impose an excise tax on each sale of real property in the
34 unincorporated areas of the county for the county tax and in the
35 corporate limits of the city for the city tax at a rate not
36 exceeding one-quarter of one percent of the selling price.

37 (a) The revenues from this tax shall be used by any city or
38 county with a population of five thousand or less and any city or

1 county that does not plan under RCW 36.70A.040 for any capital
2 purpose identified in a capital improvements plan and local capital
3 improvements, including those listed in RCW 35.43.040.

4 (b) After April 30, 1992, revenues generated from the tax
5 imposed under this subsection in counties over five thousand
6 population and cities over five thousand population that are
7 required or choose to plan under RCW 36.70A.040 shall be used
8 solely for financing capital projects specified in a capital
9 facilities plan element of a comprehensive plan and housing
10 relocation assistance under RCW 59.18.440 and 59.18.450. However,
11 revenues (~~((a))~~) (i) pledged by such counties and cities to debt
12 retirement prior to April 30, 1992, may continue to be used for
13 that purpose until the original debt for which the revenues were
14 pledged is retired, or (~~((b))~~) (ii) committed prior to April 30,
15 1992, by such counties or cities to a project may continue to be
16 used for that purpose until the project is completed.

17 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2),
18 the legislative authority of any county or any city may impose an
19 additional excise tax on each sale of real property in the
20 unincorporated areas of the county for the county tax and in the
21 corporate limits of the city for the city tax at a rate not
22 exceeding one-half of one percent of the selling price.

23 (4) Taxes imposed under this section shall be collected from
24 persons who are taxable by the state under chapter 82.45 RCW upon
25 the occurrence of any taxable event within the unincorporated areas
26 of the county or within the corporate limits of the city, as the
27 case may be.

28 (5) Taxes imposed under this section shall comply with all
29 applicable rules, regulations, laws, and court decisions regarding
30 real estate excise taxes as imposed by the state under chapter
31 82.45 RCW.

32 (6) As used in this section, the following definitions apply:

33 (a) "City" means any city or town; and

34 (b) "Capital project" means those public works projects of a
35 local government for planning, acquisition, construction,
36 reconstruction, repair, replacement, rehabilitation, or improvement
37 of streets; roads; highways; sidewalks; street and road lighting
38 systems; traffic signals; bridges; domestic water systems; storm
39 and sanitary sewer systems; parks; recreational facilities; law

1 enforcement facilities; fire protection facilities; trails;
2 libraries; administrative and/or judicial facilities; river and/or
3 waterway flood control projects by those jurisdictions that, prior
4 to June 11, 1992, have expended funds derived from the tax
5 authorized by this section for such purposes; and, until December
6 31, 1995, housing projects for those jurisdictions that, prior to
7 June 11, 1992, have expended or committed to expend funds derived
8 from the tax authorized by this section or the tax authorized by
9 RCW 82.46.035 for such purposes.

10 (7) All expenditures made by counties and cities for capital
11 purposes, local capital improvements, and capital projects
12 authorized under this section on or before the effective date of
13 this act are declared to be valid.

14 NEW SECTION. Sec. 3. Section 1 of this act expires January 1,
15 2010.

16 NEW SECTION. Sec. 4. Section 2 of this act takes effect
17 January 1, 2010."

18 Correct the title.

EFFECT: Expires, excepting expenditure validation provisions,
amendatory provisions pertaining to county, city, and town
expenditures of locally imposed real estate excise tax proceeds
on January 1, 2010.