
HOUSE BILL 1232

State of Washington 60th Legislature 2007 Regular Session

By Representatives Hunt, Alexander, Curtis, Simpson, Chandler,
Armstrong and Appleton

Read first time 01/15/2007. Referred to Committee on Local Government.

1 AN ACT Relating to the use of local government real estate excise
2 tax proceeds for the acquisition of equipment and software related to
3 business applications; amending RCW 82.46.010; and creating a new
4 section.

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

6 NEW SECTION. **Sec. 1.** The legislature declares that its intent in
7 defining the permitted uses of the proceeds of the tax authorized in
8 RCW 82.46.010(2) has always been to authorize the use of tax proceeds
9 for the acquisition of equipment such as computer hardware,
10 telecommunications equipment, and software used by a county, city, or
11 town in the regular course of business in connection with associated
12 capital improvements. All such expenditures made by counties, cities,
13 and towns on, before, or after the effective date of this act are
14 declared to be authorized and valid.

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

17 (1) The legislative authority of any county or city shall identify
18 in the adopted budget the capital projects funded in whole or in part

1 from the proceeds of the tax authorized in subsection (2) of this
2 section, and shall indicate that such tax is intended to be in addition
3 to other funds that may be reasonably available for such capital
4 projects.

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

10 (a) The revenues from this tax shall be used by any city or county
11 with a population of five thousand or less and any city or county that
12 does not plan under RCW 36.70A.040 for any capital purpose identified
13 in a capital improvements plan and local capital improvements,
14 including those listed in RCW 35.43.040. For purposes of this
15 subsection (2), "capital purpose" and "local capital improvements"
16 include equipment as defined in RCW 43.105.020 and software, regardless
17 of its expected useful life, used by a city or county in the regular
18 course of business in connection with any improvement for which
19 proceeds from the tax authorized in this subsection may be spent,
20 regardless of whether the city or county financed the improvement using
21 proceeds from the tax authorized in this subsection.

22 (b) After April 30, 1992, revenues generated from the tax imposed
23 under this subsection in counties over five thousand population and
24 cities over five thousand population that are required or choose to
25 plan under RCW 36.70A.040 shall be used solely for financing capital
26 projects specified in a capital facilities plan element of a
27 comprehensive plan and housing relocation assistance under RCW
28 59.18.440 and 59.18.450. However, revenues ((+a)) (i) pledged by such
29 counties and cities to debt retirement prior to April 30, 1992, may
30 continue to be used for that purpose until the original debt for which
31 the revenues were pledged is retired, or ((+b)) (ii) committed prior
32 to April 30, 1992, by such counties or cities to a project may continue
33 to be used for that purpose until the project is completed.

34 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
35 legislative authority of any county or any city may impose an
36 additional excise tax on each sale of real property in the
37 unincorporated areas of the county for the county tax and in the

1 corporate limits of the city for the city tax at a rate not exceeding
2 one-half of one percent of the selling price.

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

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

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

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

12 (b) "Capital project" means those public works projects of a local
13 government for planning, acquisition, construction, reconstruction,
14 repair, replacement, rehabilitation, or improvement of streets; roads;
15 highways; sidewalks; street and road lighting systems; traffic signals;
16 bridges; domestic water systems; storm and sanitary sewer systems;
17 parks; recreational facilities; law enforcement facilities; fire
18 protection facilities; trails; libraries; administrative and/or
19 judicial facilities; river and/or waterway flood control projects by
20 those jurisdictions that, prior to June 11, 1992, have expended funds
21 derived from the tax authorized by this section for such purposes; and,
22 until December 31, 1995, housing projects for those jurisdictions that,
23 prior to June 11, 1992, have expended or committed to expend funds
24 derived from the tax authorized by this section or the tax authorized
25 by RCW 82.46.035 for such purposes. "Capital project" includes
26 equipment as defined in RCW 43.105.020 and software, regardless of its
27 expected useful life, used by a city or county in the regular course of
28 business in connection with any of the systems, facilities, or projects
29 specifically enumerated in this subsection (6)(b), regardless of
30 whether the city or county financed the system, facility, or project
31 using proceeds from the tax authorized in subsection (2) of this
32 section.

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