FINAL BILL REPORT
SB 5587

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Synopsis as Enacted

Brief Description: Authorizing existing city and county real estate excise taxes to be expended on municipally owned heavy rail short lines.

Sponsors: Senator Pridemore.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on Finance

Background: The legislative authority of any county or city is required to identify in their adopted budget the capital projects funded in whole or in part from the proceeds of the excise tax on real estate sales and must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

The legislative authority of any county or city required to plan under the Growth Management Act (GMA) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not to exceed one quarter of one percent of the selling price. Any county choosing to plan under the GMA and any city within such a county may only adopt an ordinance imposing the excise tax if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district.

Revenues generated from the additional excise tax must be used by the counties and cities solely for financing capital projects specified in the capital facilities plan element of a comprehensive plan. Capital projects are defined as those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Summary: A city or county may use revenue generated by an additional excise tax on each sale of real property at a rate not to exceed one quarter of one percent of the selling price for municipally-owned heavy short line railroads only if the revenue was collected prior to December 31, 2008, and may not use more than 25 percent of the total revenue generated for municipally-owned heavy short line railroads.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The definition of capital project is expanded to include municipally-owned heavy rail short line railroads.

Short line railroads are defined as class III railroads as defined by the United States surface transportation board.

The legislation expires June 30, 2012.

Votes on Final Passage:

Senate	36	9
House	93	5

Effective: July 26, 2009