
SECOND SUBSTITUTE HOUSE BILL 1744

State of Washington 61st Legislature 2010 Regular Session

By House Local Government & Housing (originally sponsored by Representatives Ericks, Springer, and Clibborn)

READ FIRST TIME 02/03/10.

1 AN ACT Relating to real estate excise tax expenditures for parks
2 and capital projects; amending RCW 82.46.035; reenacting and amending
3 RCW 82.46.035; providing an effective date; and providing an expiration
4 date.

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

6 **Sec. 1.** RCW 82.46.035 and 2009 c 211 s 1 are each amended to read
7 as follows:

8 (1) The legislative authority of any county or city shall identify
9 in the adopted budget the capital projects, park maintenance and
10 operation expenditures, or both, funded in whole or in part from the
11 proceeds of the tax authorized in this section, and shall indicate that
12 such tax is intended to be in addition to other funds that may be
13 reasonably available for (~~(such capital projects)~~) these purposes.

14 (2) The legislative authority of any county or any city that plans
15 under RCW 36.70A.040(1) may impose an additional excise tax on each
16 sale of real property in the unincorporated areas of the county for the
17 county tax and in the corporate limits of the city for the city tax at
18 a rate not exceeding one-quarter of one percent of the selling price.
19 Any county choosing to plan under RCW 36.70A.040(2) and any city within

1 such a county may only adopt an ordinance imposing the excise tax
2 authorized by this section if the ordinance is first authorized by a
3 proposition approved by a majority of the voters of the taxing district
4 voting on the proposition at a general election held within the
5 district or at a special election within the taxing district called by
6 the district for the purpose of submitting such proposition to the
7 voters.

8 (3)(a) Revenues generated from the tax imposed under subsection (2)
9 of this section shall be used by such counties and cities (~~(solely)~~)
10 for financing capital projects specified in a capital facilities plan
11 element of a comprehensive plan, and, until June 30, 2012, at the
12 option of the city or county, park maintenance and operation
13 expenditures. Revenues from this tax may not be used by any county or
14 city to supplant existing sources of funding for park maintenance and
15 operation expenditures. However, revenues (~~((a+))~~) (i) pledged by such
16 counties and cities to debt retirement prior to March 1, 1992, may
17 continue to be used for that purpose until the original debt for which
18 the revenues were pledged is retired, or (~~((b+))~~) (ii) committed prior
19 to March 1, 1992, by such counties or cities to a project may continue
20 to be used for that purpose until the project is completed.

21 (b) Counties and cities using revenues generated from the tax
22 imposed under subsection (2) of this section for park maintenance and
23 operation expenditures may not use these revenues for the acquisition
24 of capital projects specified in a capital facilities plan element of
25 a comprehensive plan. This subsection (3)(b) does not apply to capital
26 projects that are necessary for the health and safety of residents
27 within the county or city imposing the tax.

28 (4) Revenues generated by the tax imposed by this section shall be
29 deposited in a separate account.

30 (5) As used in this section:

31 (a) "City" means any city or town;

32 (b) "Capital project" means, except as provided in subsection (3)
33 of this section, those public works projects of a local government for
34 planning, acquisition, construction, reconstruction, repair,
35 replacement, rehabilitation, or improvement of streets, roads,
36 highways, sidewalks, street and road lighting systems, traffic signals,
37 bridges, municipally owned heavy rail short line railroads, domestic
38 water systems, storm and sanitary sewer systems, (~~and planning,~~

1 ~~construction, reconstruction, repair, rehabilitation, or improvement~~
2 ~~of)) parks, recreational facilities, law enforcement facilities, fire~~
3 ~~protection facilities, trails, libraries, administrative and/or~~
4 ~~judicial facilities, and river and water flood control facilities; and~~

5 (c) "Short line railroads" means class III railroads as defined by
6 the United States surface transportation board.

7 (6) When the governor files a notice of noncompliance under RCW
8 36.70A.340 with the secretary of state and the appropriate county or
9 city, the county or city's authority to impose the additional excise
10 tax under this section shall be temporarily rescinded until the
11 governor files a subsequent notice rescinding the notice of
12 noncompliance.

13 (7) A city or county may use revenue generated under subsection (2)
14 of this section for municipally owned heavy short line railroads only
15 if the revenue was collected prior to December 31, 2008, and may not
16 use more than twenty-five percent of the total revenue generated under
17 subsection (2) of this section for municipally owned heavy short line
18 railroads.

19 **Sec. 2.** RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33
20 are each reenacted and amended to read as follows:

21 (1) The legislative authority of any county or city shall identify
22 in the adopted budget the capital projects, park maintenance and
23 operation expenditures, or both, funded in whole or in part from the
24 proceeds of the tax authorized in this section, and shall indicate that
25 such tax is intended to be in addition to other funds that may be
26 reasonably available for (~~(such capital projects))~~ these purposes.

27 (2) The legislative authority of any county or any city that plans
28 under RCW 36.70A.040(1) may impose an additional excise tax on each
29 sale of real property in the unincorporated areas of the county for the
30 county tax and in the corporate limits of the city for the city tax at
31 a rate not exceeding one-quarter of one percent of the selling price.
32 Any county choosing to plan under RCW 36.70A.040(2) and any city within
33 such a county may only adopt an ordinance imposing the excise tax
34 authorized by this section if the ordinance is first authorized by a
35 proposition approved by a majority of the voters of the taxing district
36 voting on the proposition at a general election held within the

1 district or at a special election within the taxing district called by
2 the district for the purpose of submitting such proposition to the
3 voters.

4 (3)(a) Revenues generated from the tax imposed under subsection (2)
5 of this section shall be used by such counties and cities (~~solely~~)
6 for financing capital projects specified in a capital facilities plan
7 element of a comprehensive plan, and, until June 30, 2012, at the
8 option of the city or county, park maintenance and operation
9 expenditures. Revenues from this tax may not be used by any county or
10 city to supplant existing sources of funding for park maintenance and
11 operation expenditures. However, revenues (~~(+a+)~~) (i) pledged by such
12 counties and cities to debt retirement prior to March 1, 1992, may
13 continue to be used for that purpose until the original debt for which
14 the revenues were pledged is retired, or (~~(+b+)~~) (ii) committed prior
15 to March 1, 1992, by such counties or cities to a project may continue
16 to be used for that purpose until the project is completed.

17 (b) Counties and cities using revenues generated from the tax
18 imposed under subsection (2) of this section for park maintenance and
19 operation expenditures may not use these revenues for the acquisition
20 of capital projects specified in a capital facilities plan element of
21 a comprehensive plan. This subsection (3)(b) does not apply to capital
22 projects that are necessary for the health and safety of residents
23 within the county or city imposing the tax.

24 (4) Revenues generated by the tax imposed by this section shall be
25 deposited in a separate account.

26 (5) As used in this section, "city" means any city or town and
27 "capital project" means, except as provided by subsection (3) of this
28 section, those public works projects of a local government for
29 planning, acquisition, construction, reconstruction, repair,
30 replacement, rehabilitation, or improvement of streets, roads,
31 highways, sidewalks, street and road lighting systems, traffic signals,
32 bridges, domestic water systems, storm and sanitary sewer systems,
33 (~~and planning, construction, reconstruction, repair, rehabilitation,~~
34 ~~or improvement of~~) parks, recreational facilities, law enforcement
35 facilities, fire protection facilities, trails, libraries,
36 administrative and/or judicial facilities, and river and water flood
37 control facilities. "Capital projects" after June 30, 2012, include
38 expenditures for the planning, construction, reconstruction, repair,

1 rehabilitation, or improvement of parks. "Capital projects" after June
2 30, 2012, do not include expenditures for the planning, acquisition,
3 construction, reconstruction, repair, replacement, rehabilitation, or
4 improvement of recreational facilities, law enforcement facilities,
5 fire protection facilities, trails, libraries, administrative
6 facilities, judicial facilities, and river and water flood control
7 facilities.

8 (6) When the governor files a notice of noncompliance under RCW
9 36.70A.340 with the secretary of state and the appropriate county or
10 city, the county or city's authority to impose the additional excise
11 tax under this section shall be temporarily rescinded until the
12 governor files a subsequent notice rescinding the notice of
13 noncompliance.

14 NEW SECTION. Sec. 3. Section 1 of this act expires June 30, 2012.

15 NEW SECTION. Sec. 4. Section 2 of this act takes effect June 30,
16 2012.

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