
Local Government Committee

HB 2298

Brief Description: Changing the definition of capital projects to include technology infrastructure.

Sponsors: Representatives Pike, Takko, Vick, Harris, Blake, Rodne and Farrell.

Brief Summary of Bill

- Expands the list of capital projects upon which specific real estate excise tax proceeds can be used to include technology infrastructure, including hardware and software.

Hearing Date: 1/27/14

Staff: Ethan Moreno (786-7386).

Background:

County legislative authorities may impose an excise tax on each sale of real property in unincorporated areas of the county. Similarly, city and town legislative authorities also may impose an excise tax on each sale of real property within their corporate limits. The rate of these real estate excise taxes (REETs) may not exceed 0.25 percent of the selling price.

Revenues generated from this tax, which are intended to be in addition to other funds that may be reasonably available for the capital projects, must be used for financing qualifying capital purposes and improvements in smaller counties and cities, and in cities that do not plan under the Growth Management Act (GMA). In counties and cities with more than 5,000 residents, and that do plan under the GMA, the REET revenues must, with limited exceptions, be used solely for capital projects and for housing relocation assistance for low-income tenants.

"Capital project," for purposes of these REET provisions, means public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of specific facilities and infrastructure, including:

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- streets, roads, highways, and sidewalks;
- street and road lighting systems;
- storm and sanitary sewer systems;
- parks; and
- law enforcement and fire protection facilities.

Summary of Bill:

The definition "capital project" for purposes of specific REET provisions, is expanded to allow REET proceeds to be used for technology infrastructure, including hardware and software.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.