

FINAL BILL REPORT

ESHB 2298

C 44 L 14
Synopsis as Enacted

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

Sponsors: House Committee on Local Government (originally sponsored by Representatives Pike, Takko, Vick, Harris, Blake, Rodne and Farrell).

House Committee on Local Government
Senate Committee on Governmental Operations

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:

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

Summary:

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" for purposes of specific, locally-imposed REET provisions, is expanded to allow REET proceeds to be used for technology infrastructure that is integral to the capital project.

Votes on Final Passage:

House	83	13
Senate	48	0

Effective: June 12, 2014