SENATE BILL REPORT
SB 5116

As of January 28, 2013

Title: An act relating to exempting transfers of real property by operation of law or court order from the requirement to file a real estate excise tax affidavit.

Brief Description: Exempting transfers of real property by operation of law or court order from the requirement to file a real estate excise tax affidavit.

Sponsors: Senators Benton, Harper and King.

Brief History:
 Committee Activity: Governmental Operations: 2/11/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

 Staff: Sam Thompson (786-7413)

 Background: A real estate excise tax (REET) is imposed on transfers of real estate, mobile homes, and certain other property. The state imposes the REET at a rate of 1.28 percent. Cities and counties may impose lesser rates, which vary by locale. While the REET must generally be paid by the seller, the buyer may be liable if the tax is not paid by the seller.

 Some transfers by operation of law, including inheritances, are exempt from the REET, if properly documented. Required documentation may involve filing of affidavits. For example, a surviving spouse or domestic partner may file a REET affidavit affirming that they are the sole and rightful heir to a particular property that was held as community property, thus providing evidence that the transfer is exempt from REET.

 Summary of Bill: No REET affidavit is required to evidence any transfer of real property by operation of law or by order of the court where no instrument of conveyance is recorded in the official records of the county in which the real property is located.

 Appropriation: None.

 Fiscal Note: Not requested.

 Committee/Commission/Task Force Created: No.

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.

Effective Date: Ninety days after adjournment of session in which bill is passed.