

HB 2122 - H AMD 506

By Representative McBride

ADOPTED 6/11/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.46.010 and 2014 c 44 s 1 are each amended to
4 read as follows:

5 (1) The legislative authority of any county or city must identify
6 in the adopted budget the capital projects funded in whole or in part
7 from the proceeds of the tax authorized in this section, and must
8 indicate that such tax is intended to be in addition to other funds
9 that may be reasonably available for such capital projects.

10 (2)(a) The legislative authority of any county or any city may
11 impose an excise tax on each sale of real property in the
12 unincorporated areas of the county for the county tax and in the
13 corporate limits of the city for the city tax at a rate not exceeding
14 one-quarter of one percent of the selling price. The revenues from
15 this tax must be used by any city or county with a population of five
16 thousand or less and any city or county that does not plan under RCW
17 36.70A.040 for any capital purpose identified in a capital
18 improvements plan and local capital improvements, including those
19 listed in RCW 35.43.040.

20 (b) After April 30, 1992, revenues generated from the tax imposed
21 under this subsection (2) in counties over five thousand population
22 and cities over five thousand population that are required or choose
23 to plan under RCW 36.70A.040 must be used solely for financing
24 capital projects specified in a capital facilities plan element of a
25 comprehensive plan and housing relocation assistance under RCW
26 59.18.440 and 59.18.450. However, revenues (i) pledged by such
27 counties and cities to debt retirement prior to April 30, 1992, may
28 continue to be used for that purpose until the original debt for
29 which the revenues were pledged is retired, or (ii) committed prior
30 to April 30, 1992, by such counties or cities to a project may
31 continue to be used for that purpose until the project is completed.

1 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2),
2 the legislative authority of any county or any city may impose an
3 additional excise tax on each sale of real property in the
4 unincorporated areas of the county for the county tax and in the
5 corporate limits of the city for the city tax at a rate not exceeding
6 one-half of one percent of the selling price.

7 (4) Taxes imposed under this section must be collected from
8 persons who are taxable by the state under chapter 82.45 RCW upon the
9 occurrence of any taxable event within the unincorporated areas of
10 the county or within the corporate limits of the city, as the case
11 may be.

12 (5) Taxes imposed under this section must comply with all
13 applicable rules, regulations, laws, and court decisions regarding
14 real estate excise taxes as imposed by the state under chapter 82.45
15 RCW.

16 (6) ~~((As used in this section,))~~ The definitions in this
17 subsection (6) apply throughout this section unless the context
18 clearly requires otherwise.

19 (a) "City" means any city or town ~~((and))~~.

20 (b) "Capital project" means those public works projects of a
21 local government for planning, acquisition, construction,
22 reconstruction, repair, replacement, rehabilitation, or improvement
23 of streets; roads; highways; sidewalks; street and road lighting
24 systems; traffic signals; bridges; domestic water systems; storm and
25 sanitary sewer systems; parks; recreational facilities; law
26 enforcement facilities; fire protection facilities; trails;
27 libraries; administrative ~~((and/or))~~ facilities; judicial facilities;
28 river ~~((and/or))~~ flood control projects; waterway flood control
29 projects by those jurisdictions that, prior to June 11, 1992, have
30 expended funds derived from the tax authorized by this section for
31 such purposes; ~~((and,))~~ until December 31, 1995, housing projects for
32 those jurisdictions that, prior to June 11, 1992, have expended or
33 committed to expend funds derived from the tax authorized by this
34 section or the tax authorized by RCW 82.46.035 for such purposes; and
35 technology infrastructure that is integral to the capital project.

36 (7) From July 22, 2011, until December 31, 2016, a city or county
37 may use the greater of one hundred thousand dollars or thirty-five
38 percent of available funds under this section, but not to exceed one
39 million dollars per year, for the operations and maintenance of

1 existing capital projects as defined in subsection (6) of this
2 section.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.46
4 RCW to read as follows:

5 (1) A city or county that meets the requirements of subsection
6 (2) of this section may use the greater of one hundred thousand
7 dollars or twenty-five percent of available funds, but not to exceed
8 one million dollars per year, from revenues collected under RCW
9 82.46.010 for the maintenance of capital projects, as defined in RCW
10 82.46.010(6)(b).

11 (2) A city or county may use revenues pursuant to subsection (1)
12 of this section if:

13 (a) The city or county prepares a written report demonstrating
14 that it has or will have adequate funding from all sources of public
15 funding to pay for all capital projects, as defined in RCW 82.46.010,
16 identified in its capital facilities plan for the succeeding two-year
17 period. Cities or counties not required to prepare a capital
18 facilities plan may satisfy this provision by using a document that,
19 at a minimum, identifies capital project needs and available public
20 funding sources for the succeeding two-year period; and

21 (b) The city or county has not enacted, after the effective date
22 of this section, any requirement on the listing, leasing, or sale of
23 real property, unless the requirement is either specifically
24 authorized by state or federal law or is a seller or landlord
25 disclosure requirement pursuant to section 4 of this act.

26 (3) The report prepared under subsection (2)(a) of this section
27 must: (a) Include information necessary to determine compliance with
28 the requirements of subsection (2)(a) of this section; (b) identify
29 how revenues collected under RCW 82.46.010 were used by the city or
30 county during the prior two-year period; (c) identify how funds
31 authorized under subsection (1) of this section will be used during
32 the succeeding two-year period; and (d) identify what percentage of
33 funding for capital projects within the city or county is
34 attributable to revenues under RCW 82.46.010 compared to all other
35 sources of capital project funding. The city or county must prepare
36 and adopt the report as part of its regular, public budget process.

37 (4) The authority to use funds as authorized in this section is
38 in addition to the authority to use funds pursuant to RCW
39 82.46.010(7), which remains in effect through December 31, 2016.

1 (5) For purposes of this section, "maintenance" means the use of
2 funds for labor and materials that will preserve, prevent the decline
3 of, or extend the useful life of a capital project. "Maintenance"
4 does not include labor or material costs for routine operations of a
5 capital project.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.46
7 RCW to read as follows:

8 (1) A city or county that meets the requirements of subsection
9 (2) of this section may use the greater of one hundred thousand
10 dollars or twenty-five percent of available funds, but not to exceed
11 one million dollars per year, from revenues collected under RCW
12 82.46.035 for:

13 (a) The maintenance of capital projects, as defined in RCW
14 82.46.035(5); or

15 (b) The planning, acquisition, construction, reconstruction,
16 repair, replacement, rehabilitation, improvement, or maintenance of
17 capital projects as defined in RCW 82.46.010(6)(b) that are not also
18 included within the definition of capital projects in RCW
19 82.46.035(5).

20 (2) A city or county may use revenues pursuant to subsection (1)
21 of this section if:

22 (a) The city or county prepares a written report demonstrating
23 that it has or will have adequate funding from all sources of public
24 funding to pay for all capital projects, as defined in RCW
25 82.46.035(5), identified in its capital facilities plan for the
26 succeeding two-year period; and

27 (b) The city or county has not enacted, after the effective date
28 of this section, any requirement on the listing, leasing, or sale of
29 real property, unless the requirement is either specifically
30 authorized by state or federal law or is a seller or landlord
31 disclosure requirement pursuant to section 4 of this act.

32 (3) The report prepared under subsection (2)(a) of this section
33 must: (a) Include information necessary to determine compliance with
34 the requirements of subsection (2)(a) of this section; (b) identify
35 how revenues collected under RCW 82.46.035 were used by the city or
36 county during the prior two-year period; (c) identify how funds
37 authorized under subsection (1) of this section will be used during
38 the succeeding two-year period; and (d) identify what percentage of
39 funding for capital projects within the city or county is

1 attributable to revenues under RCW 82.46.035 compared to all other
2 sources of capital project funding. The city or county must prepare
3 and adopt the report as part of its regular, public budget process.

4 (4) The authority to use funds as authorized in this section is
5 in addition to the authority to use funds pursuant to RCW
6 82.46.035(7), which remains in effect through December 31, 2016.

7 (5) For purposes of this section, "maintenance" means the use of
8 funds for labor and materials that will preserve, prevent the decline
9 of, or extend the useful life of a capital project. "Maintenance"
10 does not include labor or material costs for routine operations of a
11 capital project.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 64.06
13 RCW to read as follows:

14 (1) Any ordinance, resolution, or policy adopted by a city or
15 county that imposes a requirement on landlords or sellers of real
16 property, or their agents, to provide information to a buyer or
17 tenant pertaining to the subject property or the surrounding area is
18 effective only after the ordinance, resolution, or policy is posted
19 electronically in accordance with RCW 43.110.030(2)(e).

20 (2) If, prior to the effective date of this section, a city or
21 county adopted an ordinance, resolution, or policy that imposes a
22 requirement on landlords or sellers of real property, or their
23 agents, to provide information to a buyer or tenant pertaining to the
24 subject property or the surrounding area, the city or county must
25 cause the ordinance, resolution, or policy to be posted
26 electronically in accordance with RCW 43.110.030(2)(e) within ninety
27 days of the effective date of this section, or the requirement shall
28 thereafter cease to be in effect.

29 **Sec. 5.** RCW 43.110.030 and 2012 2nd sp.s. c 5 s 5 are each
30 amended to read as follows:

31 (1) The department of commerce must contract for the provision of
32 municipal research and services to cities, towns, and counties.
33 Contracts for municipal research and services must be made with state
34 agencies, educational institutions, or private consulting firms, that
35 in the judgment of the department are qualified to provide such
36 research and services. Contracts for staff support may be made with
37 state agencies, educational institutions, or private consulting firms

1 that in the judgment of the department are qualified to provide such
2 support.

3 (2) Municipal research and services consists of:

4 (a) Studying and researching city, town, and county government
5 and issues relating to city, town, and county government;

6 (b) Acquiring, preparing, and distributing publications related
7 to city, town, and county government and issues relating to city,
8 town, and county government;

9 (c) Providing educational conferences relating to city, town, and
10 county government and issues relating to city, town, and county
11 government; (~~and~~)

12 (d) Furnishing legal, technical, consultative, and field services
13 to cities, towns, and counties concerning planning, public health,
14 utility services, fire protection, law enforcement, public works, and
15 other issues relating to city, town, and county government; and

16 (e) Providing a list of all requirements imposed by all cities,
17 towns, and counties on landlords or sellers of real property to
18 provide information to a buyer or tenant pertaining to the subject
19 property or the surrounding area. The list must be posted in a
20 specific section on a web site maintained by the entity with which
21 the department of commerce contracts for the provision of municipal
22 research and services under this section, and must list by
23 jurisdiction all applicable requirements. Cities, towns, and counties
24 must provide information for posting on the web site in accordance
25 with section 4 of this act.

26 (3) Requests for legal services by county officials must be sent
27 to the office of the county prosecuting attorney. Responses by the
28 department of commerce to county requests for legal services must be
29 provided to the requesting official and the county prosecuting
30 attorney.

31 (4) The department of commerce must coordinate with the
32 association of Washington cities and the Washington state association
33 of counties in carrying out the activities in this section."

34 Correct the title.

EFFECT: (1) Modifies the criteria that cities and counties must meet in order to use a portion (i.e., the greater of \$100,000 or 25 percent of available funds, not to exceed \$1,000,000 per year) of revenue collected from real estate excise taxes (REET I) for the maintenance of "capital projects," as that term is defined in the statute authorizing REET I. Rather than requiring cities and counties

to have adequate funds for capital projects during a six-year period, as proposed in the underlying bill, cities and counties are required: (a) To prepare a report demonstrating adequate funding for all capital projects for the succeeding two-year period; and (b) to refrain from enacting any requirement on the listing, leasing, or sale of real property, unless the requirement is authorized by state or federal law.

(2) Creates definitions of "maintenance" as the term is used under sections authorizing cities and counties to use portions of revenue collected from REET I and additional real estate excise taxes (REET II) for specified purposes.

(3) Modifies provisions authorizing cities and counties to use a portion (i.e., the greater of \$100,000 or 25 percent of available funds, not to exceed \$1,000,000 per year) of revenue collected from REET II for "capital projects," as that term is defined in the statute authorizing REET I.

(a) Retains authority granted in the underlying bill allowing cities and counties to use REET II funds for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, improvement, or maintenance of "capital projects," as that term is defined in the REET I statute, as well as authorizes cities and counties to use REET II funds for the maintenance of "capital projects," as that term is defined under the REET II statute.

(b) Rather than requiring cities and counties to have adequate funds for capital projects during a six-year period, as proposed in the underlying bill, cities and counties are required: (i) To prepare a report demonstrating adequate funding for all capital projects for the succeeding two-year period; and (ii) to refrain from enacting any requirement on the listing, leasing, or sale of real property, unless the requirement is authorized by state or federal law.

(4) Establishes criteria for the report that a city or county must prepare in order to use REET I or REET II funds as authorized in the bill. For example, the report: (a) Must contain certain information regarding how REET I or REET II funds are used; and (b) must be adopted as part of the city or county's regular, public budget process.

(5) Restores a statutory provision repealed in the underlying bill that authorizes a city or county to use the greater of \$100,000 or 35 percent of available funds, not to exceed \$1,000,000 per year, collected from REET I revenue for the operations and maintenance of existing capital projects (REET I definition), between July 22, 2011, and December 31, 2016.

(6) Restores a statutory provision repealed in the underlying bill that authorizes a city or county to use the greater of \$100,000 or 35 percent of available funds, not to exceed \$1,000,000 per year, collected from REET II revenue for the operations and maintenance of existing capital projects (REET II definition) or for the payment of existing debt service, between June 30, 2012, and December 31, 2016.

(7) Eliminates a provision prohibiting any city, town, or county, or certain other governmental entities, from regulating the terms or conditions, or otherwise imposing requirements on, the listing or sale of real property, unless the requirements are consistent with state or federal law.

(8) Requires a city or county to post electronically any ordinance, resolution, or policy adopted by the city or county that imposes a requirement on landlords or sellers of real property to provide information to a buyer or tenant pertaining to subject property or the surrounding area, rather than requiring local governments to post electronically any adopted real estate seller

disclosure requirements, as proposed in the underlying bill. Requires that adopted local ordinances, resolutions, or policies be posted electronically by the entity with which Commerce contracts for the provision of municipal research and services, rather than by the Municipal Research Center.

(9) Makes numerous technical changes.

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