

# HOUSE BILL REPORT

## SSB 6018

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As Reported By House Committee On:  
Local Government

**Title:** An act relating to clarifying the authorized uses of the excise tax on the sale of real property.

**Brief Description:** Expanding the uses of the excise tax on the sale of real property.

**Sponsors:** Senate Committee on Government Operations  
(originally sponsored by Senators Winsley and Haugen).

**Brief History:**

Reported by House Committee on:  
Local Government, February 25, 1994, DPA.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 11 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; Rayburn; Van Luven and Zellinsky.

**Staff:** Bill Lynch (786-7092).

**Background:** In 1982, all counties, cities, and towns were authorized to impose an excise tax on each sale of real property at a rate not exceeding one-quarter of 1 percent of the selling price. For counties, cities, and towns under 5,000 population that are required or choose to plan under the Growth Management Act or any county, city or town that does not plan under the Growth Management Act, the revenues from this excise tax must be used for local capital improvements. A question has been raised as to whether or not revenues from this tax may be used for the acquisition of real and personal property associated with the local capital improvement.

A question has also been raised as to whether or not revenues from this tax may be used by these entities for capital projects other than those listed in the city local improvement district statute.

**Summary of Amended Bill:** It is clarified that counties, cities, and towns under 5,000 population planning under the Growth Management Act and any county, city, or town not planning under the Growth Management Act may use the revenues from the 1982 one-quarter of 1 percent real estate excise tax for the acquisition of real property and personal property associated with a local capital improvement. It is further clarified that these entities may expend this revenue on any capital purpose identified in a capital improvement plan.

**Amended Bill Compared to Substitute Bill:** Technical language is added to clarify that only small jurisdictions are impacted by the bill.

**Fiscal Note:** Not requested.

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

**Testimony For:** This clarifies the intent of the Legislature for the use of these revenues.

**Testimony Against:** None.

**Witnesses:** Senator Winsley, prime sponsor; Stan Finkelstein, Association of Washington Cities; Maureen Kostyack, King County; Mariah Ybarra, YWCA King County; David Daniels, South King County Multi-Service Center; Mike Ryherd, Washington Low Income Housing Congress; Glen Hudson, Washington Association of Realtors; and Dick Ducharme, Building Industry of Washington.