

SENATE BILL REPORT

SB 5058

As Reported By Senate Committee On:
Government Operations, March 1, 1995

Title: An act relating to the use of locally imposed real estate excise tax proceeds for financing capital projects.

Brief Description: Financing law enforcement and fire protection facilities.

Sponsors: Senators Haugen and Winsley.

Brief History:

Committee Activity: Government Operations: 2/28/95, 3/1/95 [DP, DNP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Drew and Winsley.

Minority Report: Do not pass.

Signed by Senators Hale, Heavey and McCaslin.

Staff: Eugene Green (786-7405)

Background: In 1990, the Growth Management Act (GMA) authorized the governing body of any county, city, or town that plans under the GMA to impose an excise tax on the sale of real property, at a rate not exceeding one-quarter of 1 percent of the selling price. Any county which opts under the GMA, and any city or town within that county only may impose this additional excise tax after voter approval. The revenue from this real estate excise tax is used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan. This tax is in addition to the 1982 one-quarter of 1 percent real estate tax.

The 1982 real estate excise tax may be used for more purposes than the GMA real estate excise tax. Two of these additional purposes are the construction of fire protection facilities and the construction of law enforcement facilities.

Summary of Bill: Counties and cities under 25,000 population are allowed to use the GMA real estate excise tax for the construction of fire protection facilities and the construction of law enforcement facilities.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Small cities and counties badly need the additional use of this revenue for capital facilities.

Testimony Against: This tax was never intended for this purpose.

Testified: Ian Munce, City of Anacortes (pro); Judith Frolich, Association of Counties (pro); Dick Ducharme, Building Industry Association of WA (con).