

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2122

Chapter 10, Laws of 2015

64th Legislature
2015 2nd Special Session

REAL ESTATE EXCISE TAX REVENUES--TRANSACTIONS--LOCAL GOVERNMENT
AUTHORITY

EFFECTIVE DATE: 9/26/2015

Passed by the House June 11, 2015
Yeas 86 Nays 3

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate June 25, 2015
Yeas 40 Nays 4

BRAD OWEN

President of the Senate

Approved July 9, 2015 3:39 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2122** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

July 9, 2015

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 2122

Passed Legislature - 2015 2nd Special Session

State of Washington

64th Legislature

2015 Regular Session

By Representatives McBride, Nealey, Peterson, Fey, Muri, Ryu, Walsh,
and Springer

Read first time 02/16/15. Referred to Committee on Local Government.

1 AN ACT Relating to real estate as it concerns the local
2 government authority in the use of real estate excise tax revenues
3 and regulating real estate transactions; amending RCW 82.46.010 and
4 43.110.030; adding new sections to chapter 82.46 RCW; and adding a
5 new section to chapter 64.06 RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 82.46.010 and 2014 c 44 s 1 are each amended to read
8 as follows:

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

14 (2)(a) The legislative authority of any county or any city may
15 impose an excise tax on each sale of real property in the
16 unincorporated areas of the county for the county tax and in the
17 corporate limits of the city for the city tax at a rate not exceeding
18 one-quarter of one percent of the selling price. The revenues from
19 this tax must be used by any city or county with a population of five
20 thousand or less and any city or county that does not plan under RCW
21 36.70A.040 for any capital purpose identified in a capital

1 improvements plan and local capital improvements, including those
2 listed in RCW 35.43.040.

3 (b) After April 30, 1992, revenues generated from the tax imposed
4 under this subsection (2) in counties over five thousand population
5 and cities over five thousand population that are required or choose
6 to plan under RCW 36.70A.040 must be used solely for financing
7 capital projects specified in a capital facilities plan element of a
8 comprehensive plan and housing relocation assistance under RCW
9 59.18.440 and 59.18.450. However, revenues (i) pledged by such
10 counties and cities to debt retirement prior to April 30, 1992, may
11 continue to be used for that purpose until the original debt for
12 which the revenues were pledged is retired, or (ii) committed prior
13 to April 30, 1992, by such counties or cities to a project may
14 continue to be used for that purpose until the project is completed.

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

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

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

30 (6) (~~As used in this section,~~) The definitions in this
31 subsection (6) apply throughout this section unless the context
32 clearly requires otherwise.

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

34 (b) "Capital project" means those public works projects of a
35 local government for planning, acquisition, construction,
36 reconstruction, repair, replacement, rehabilitation, or improvement
37 of streets; roads; highways; sidewalks; street and road lighting
38 systems; traffic signals; bridges; domestic water systems; storm and
39 sanitary sewer systems; parks; recreational facilities; law
40 enforcement facilities; fire protection facilities; trails;

1 libraries; administrative ((and/or)) facilities; judicial facilities;
2 river ((and/or)) flood control projects; waterway flood control
3 projects by those jurisdictions that, prior to June 11, 1992, have
4 expended funds derived from the tax authorized by this section for
5 such purposes; ((and,)) until December 31, 1995, housing projects for
6 those jurisdictions that, prior to June 11, 1992, have expended or
7 committed to expend funds derived from the tax authorized by this
8 section or the tax authorized by RCW 82.46.035 for such purposes; and
9 technology infrastructure that is integral to the capital project.

10 (7) From July 22, 2011, until December 31, 2016, a city or county
11 may use the greater of one hundred thousand dollars or thirty-five
12 percent of available funds under this section, but not to exceed one
13 million dollars per year, for the operations and maintenance of
14 existing capital projects as defined in subsection (6) of this
15 section.

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

18 (1) A city or county that meets the requirements of subsection
19 (2) of this section may use the greater of one hundred thousand
20 dollars or twenty-five percent of available funds, but not to exceed
21 one million dollars per year, from revenues collected under RCW
22 82.46.010 for the maintenance of capital projects, as defined in RCW
23 82.46.010(6)(b).

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

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

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

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

12 (4) The authority to use funds as authorized in this section is
13 in addition to the authority to use funds pursuant to RCW
14 82.46.010(7), which remains in effect through December 31, 2016.

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

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

22 (1) A city or county that meets the requirements of subsection
23 (2) of this section may use the greater of one hundred thousand
24 dollars or twenty-five percent of available funds, but not to exceed
25 one million dollars per year, from revenues collected under RCW
26 82.46.035 for:

27 (a) The maintenance of capital projects, as defined in RCW
28 82.46.035(5); or

29 (b) The planning, acquisition, construction, reconstruction,
30 repair, replacement, rehabilitation, improvement, or maintenance of
31 capital projects as defined in RCW 82.46.010(6)(b) that are not also
32 included within the definition of capital projects in RCW
33 82.46.035(5).

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

36 (a) The city or county prepares a written report demonstrating
37 that it has or will have adequate funding from all sources of public
38 funding to pay for all capital projects, as defined in RCW

1 82.46.035(5), identified in its capital facilities plan for the
2 succeeding two-year period; and

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

8 (3) The report prepared under subsection (2)(a) of this section
9 must: (a) Include information necessary to determine compliance with
10 the requirements of subsection (2)(a) of this section; (b) identify
11 how revenues collected under RCW 82.46.035 were used by the city or
12 county during the prior two-year period; (c) identify how funds
13 authorized under subsection (1) of this section will be used during
14 the succeeding two-year period; and (d) identify what percentage of
15 funding for capital projects within the city or county is
16 attributable to revenues under RCW 82.46.035 compared to all other
17 sources of capital project funding. The city or county must prepare
18 and adopt the report as part of its regular, public budget process.

19 (4) The authority to use funds as authorized in this section is
20 in addition to the authority to use funds pursuant to RCW
21 82.46.035(7), which remains in effect through December 31, 2016.

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

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

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

35 (2) If, prior to the effective date of this section, a city or
36 county adopted an ordinance, resolution, or policy that imposes a
37 requirement on landlords or sellers of real property, or their
38 agents, to provide information to a buyer or tenant pertaining to the
39 subject property or the surrounding area, the city or county must

1 cause the ordinance, resolution, or policy to be posted
2 electronically in accordance with RCW 43.110.030(2)(e) within ninety
3 days of the effective date of this section, or the requirement shall
4 thereafter cease to be in effect.

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

7 (1) The department of commerce must contract for the provision of
8 municipal research and services to cities, towns, and counties.
9 Contracts for municipal research and services must be made with state
10 agencies, educational institutions, or private consulting firms, that
11 in the judgment of the department are qualified to provide such
12 research and services. Contracts for staff support may be made with
13 state agencies, educational institutions, or private consulting firms
14 that in the judgment of the department are qualified to provide such
15 support.

16 (2) Municipal research and services consists of:

17 (a) Studying and researching city, town, and county government
18 and issues relating to city, town, and county government;

19 (b) Acquiring, preparing, and distributing publications related
20 to city, town, and county government and issues relating to city,
21 town, and county government;

22 (c) Providing educational conferences relating to city, town, and
23 county government and issues relating to city, town, and county
24 government; (~~and~~)

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

29 (e) Providing a list of all requirements imposed by all cities,
30 towns, and counties on landlords or sellers of real property to
31 provide information to a buyer or tenant pertaining to the subject
32 property or the surrounding area. The list must be posted in a
33 specific section on a web site maintained by the entity with which
34 the department of commerce contracts for the provision of municipal
35 research and services under this section, and must list by
36 jurisdiction all applicable requirements. Cities, towns, and counties
37 must provide information for posting on the web site in accordance
38 with section 4 of this act.

1 (3) Requests for legal services by county officials must be sent
2 to the office of the county prosecuting attorney. Responses by the
3 department of commerce to county requests for legal services must be
4 provided to the requesting official and the county prosecuting
5 attorney.

6 (4) The department of commerce must coordinate with the
7 association of Washington cities and the Washington state association
8 of counties in carrying out the activities in this section.

Passed by the House June 11, 2015.

Passed by the Senate June 25, 2015.

Approved by the Governor July 9, 2015.

Filed in Office of Secretary of State July 9, 2015.

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