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ENGROSSED SUBSTITUTE HOUSE BILL 2919

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AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

**State of Washington**                      **66th Legislature**                      **2020 Regular Session**

**By** House Finance (originally sponsored by Representatives Chopp and Tharinger)

READ FIRST TIME 02/11/20.

1            AN ACT Relating to adjusting the amount and use of county fees on  
2 the real estate excise tax; and amending RCW 82.45.180.

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

4            **Sec. 1.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to  
5 read as follows:

6            (1)(a) For taxes collected by the county under this chapter, the  
7 county treasurer shall collect a five dollar fee on all transactions  
8 required by this chapter where the transaction does not require the  
9 payment of tax. A total of five dollars shall be collected in the  
10 form of a tax and fee, where the calculated tax payment is less than  
11 five dollars. (~~Through June 30, 2006, the county treasurer shall~~  
12 ~~place one percent of the taxes collected by the county under this~~  
13 ~~chapter and the treasurer's fee in the county current expense fund to~~  
14 ~~defray costs of collection. After June 30, 2006))~~

15            (b)(i) Except as otherwise provided in (b)(ii) and (c) of this  
16 subsection, the county treasurer shall place one and three-tenths  
17 percent of the taxes collected by the county under this chapter and  
18 the treasurer's fee in the county current expense fund to defray  
19 costs of collection. (~~For taxes collected by the county under this~~  
20 ~~chapter before July 1, 2006, the county treasurer shall pay over to~~  
21 ~~the state treasurer and account to the department of revenue for the~~

1 ~~proceeds at the same time the county treasurer remits funds to the~~  
2 ~~state under RCW 84.56.280.)~~)

3 (ii) In a county with a population greater than two million, the  
4 county treasurer shall retain one and three-tenths percent of the  
5 taxes collected by the county under this chapter. Seventy-five  
6 percent of the one and three-tenths percent of the taxes collected  
7 and retained and the treasurer's fee must be deposited in the county  
8 current expense fund to defray costs of collection. The remaining  
9 twenty-five percent of the one and three-tenths percent of the taxes  
10 collected and retained may be used for operations and maintenance of  
11 permanent supportive housing programs in the county.

12 (c) For counties with a population of less than four hundred  
13 thousand, the county treasurer shall retain one and forty-eight  
14 hundredths percent of the taxes collected by the county under this  
15 chapter and the treasurer's fee in the county current expense fund to  
16 defray costs of collection.

17 (d) For taxes collected by the county under this chapter ((after  
18 June 30, 2006)), on a monthly basis the county treasurer shall pay  
19 over to the state treasurer the month's transmittal. The month's  
20 transmittal must be received by the state treasurer by 12:00 p.m. on  
21 the last working day of each month. The county treasurer shall  
22 account to the department for the month's transmittal by the  
23 twentieth day of the month following the month in which the month's  
24 transmittal was paid over to the state treasurer. The state treasurer  
25 shall deposit the proceeds in the general fund.

26 ~~((b))~~ (e) For purposes of this subsection, the definitions in  
27 this subsection apply.

28 (i) "Close of business" means the time when the county treasurer  
29 makes his or her daily deposit of proceeds.

30 (ii) "Month's transmittal" means all proceeds deposited by the  
31 county through the close of business of the day that is two working  
32 days before the last working day of the month. This definition of  
33 "month's transmittal" shall not be construed as requiring any change  
34 in a county's practices regarding the timing of its daily deposits of  
35 proceeds.

36 (iii) "Proceeds" means moneys collected and receipted by the  
37 county from the taxes imposed by this chapter, less the county's  
38 share of the proceeds used to defray the county's costs of collection  
39 allowable in ~~((a))~~ (b) and (c) of this subsection.

1 (iv) "Working day" means a calendar day, except Saturdays,  
2 Sundays, and all legal holidays as provided in RCW 1.16.050.

3 (2) For taxes collected by the department of revenue under this  
4 chapter, the department shall remit the tax to the state treasurer  
5 who shall deposit the proceeds of any state tax in the general fund.  
6 The state treasurer shall deposit the proceeds of any local taxes  
7 imposed under chapter 82.46 RCW in the local real estate excise tax  
8 account hereby created in the state treasury. Moneys in the local  
9 real estate excise tax account may be spent only for distribution to  
10 counties, cities, and towns imposing a tax under chapter 82.46 RCW.  
11 Except as provided in RCW 43.08.190, all earnings of investments of  
12 balances in the local real estate excise tax account shall be  
13 credited to the local real estate excise tax account and distributed  
14 to the counties, cities, and towns monthly. Monthly the state  
15 treasurer shall make distribution from the local real estate excise  
16 tax account to the counties, cities, and towns the amount of tax  
17 collected on behalf of each taxing authority. The state treasurer  
18 shall make the distribution under this subsection without  
19 appropriation.

20 (3) (a) (~~Through June 30, 2010, the~~) The county treasurer shall  
21 collect an additional five dollar fee on all transactions required by  
22 this chapter, regardless of whether the transaction requires the  
23 payment of tax. The county treasurer shall remit this fee to the  
24 state treasurer at the same time the county treasurer remits funds to  
25 the state under subsection (1) of this section. The state treasurer  
26 shall place money from this fee in the general fund. By the twentieth  
27 day of the subsequent month, the state treasurer shall distribute to  
28 each county treasurer according to the following formula: Three-  
29 quarters of the funds available shall be equally distributed among  
30 the thirty-nine counties; and the balance shall be ratably  
31 distributed among the counties in direct proportion to their  
32 population as it relates to the total state's population based on  
33 most recent statistics by the office of financial management.

34 (b) When received by the county treasurer, the funds shall be  
35 placed in a special real estate excise tax electronic technology fund  
36 held by the county treasurer to be used exclusively for the  
37 development, implementation, and maintenance of an electronic  
38 processing and reporting system for real estate excise tax  
39 affidavits. Funds may be expended to make the system compatible with  
40 the automated real estate excise tax system developed by the

1 department and compatible with the processes used in the offices of  
2 the county assessor and county auditor. Any funds held in the account  
3 that are not expended by the earlier of: July 1, 2015, or at such  
4 time that the county treasurer is utilizing an electronic processing  
5 and reporting system for real estate excise tax affidavits compatible  
6 with the department and compatible with the processes used in the  
7 offices of the county assessor and county auditor, revert to the  
8 special real estate and property tax administration assistance  
9 account in accordance with subsection ~~((5))~~ (4)(c) of this section.

10 (4) ~~((Beginning July 1, 2010, through December 31, 2013, the~~  
11 ~~county treasurer shall continue to collect the additional five dollar~~  
12 ~~fee in subsection (3) of this section on all transactions required by~~  
13 ~~this chapter, regardless of whether the transaction requires the~~  
14 ~~payment of tax. During this period, the county treasurer shall remit~~  
15 ~~this fee to the state treasurer at the same time the county treasurer~~  
16 ~~remits funds to the state under subsection (1) of this section. The~~  
17 ~~state treasurer shall place money from this fee in the annual~~  
18 ~~property revaluation grant account created in RCW 84.41.170.~~

19 ~~(5))~~(a) The real estate and property tax administration  
20 assistance account is created in the custody of the state treasurer.  
21 An appropriation is not required for expenditures and the account is  
22 not subject to allotment procedures under chapter 43.88 RCW.

23 (b) Beginning January 1, 2014, the county treasurer must continue  
24 to collect the additional five dollar fee in subsection (3) of this  
25 section on all transactions required by this chapter, regardless of  
26 whether the transaction requires the payment of tax. The county  
27 treasurer shall deposit one-half of this fee in the special real  
28 estate and property tax administration assistance account in  
29 accordance with (c) of this subsection and remit the balance to the  
30 state treasurer at the same time the county treasurer remits funds to  
31 the state under subsection (1) of this section. The state treasurer  
32 must place money from this fee in the real estate and property tax  
33 administration assistance account. By the twentieth day of the  
34 subsequent month, the state treasurer must distribute the funds to  
35 each county treasurer according to the following formula: One-half of  
36 the funds available must be equally distributed among the thirty-nine  
37 counties; and the balance must be ratably distributed among the  
38 counties in direct proportion to their population as it relates to  
39 the total state's population based on most recent statistics by the  
40 office of financial management.

1           (c) When received by the county treasurer, the funds must be  
2 placed in a special real estate and property tax administration  
3 assistance account held by the county treasurer to be used for:

4           (i) Maintenance and operation of an annual revaluation system for  
5 property tax valuation; and

6           (ii) Maintenance and operation of an electronic processing and  
7 reporting system for real estate excise tax affidavits.

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