

SENATE BILL REPORT

SB 5975

As Reported By Senate Committee On:
Financial Institutions & Housing, February 28, 1995

Title: An act relating to creating an exemption from the real estate excise tax for affordable housing.

Brief Description: Creating a real estate tax exemption.

Sponsors: Senators Prentice, Hale and Kohl; by request of Department of Community, Trade, and Economic Development.

Brief History:

Committee Activity: Financial Institutions & Housing: 2/28/95 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Smith and Sutherland.

Staff: Traci Ratzliff (786-7452)

Background: In 1982, legislation was enacted authorizing a governing body of any county, city, or town to impose a local real estate excise tax on each sale of real property at a rate not to exceed one-quarter of 1 percent of the selling price. Depending on the size of the city or county and whether a jurisdiction is planning under the Growth Management Act (GMA), the proceeds from this tax may be used for: any capital purpose identified in a capital improvement plan; capital projects specified in a comprehensive plan; and/or for housing relocation assistance.

Summary of Bill: The legislative authority of any county or city is authorized to exempt from the local real estate excise tax any transaction involving the sale of property that is going to be used as low-income housing.

Appropriation: None.

Fiscal Note: Requested on February 21, 1995.

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

Testimony For: This bill will provide local governments with an added tool for promoting the development of affordable housing.

Testimony Against: None.

Testified: PRO: Enid Buchanan, Assistant Director, Community, Trade, and Economic Development; Kurt Craeger, Chair, Legislative Committee, Affordable Housing Advisory Board; Bruce Freeland, City of Bellevue.