

CHAPTER 19.

[S. B. 16.]

EXCISE TAXES UPON THE SALE OF REAL ESTATE.

AN ACT relating to revenue and taxation; amending and adding to chapter 28.45, R.C.W.; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Amendment.

SECTION 1. Section 28.45.010, R.C.W., as derived from section 7, chapter 11, Laws of 1951, First Extraordinary Session, is amended to read as follows:

"Sale," defined.

As used in this chapter, the term "sale" shall have its ordinary meaning and shall include any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person by his direction, while title is retained by the vendor as security for the payment of the purchase price.

Transactions not included.

The term shall not include a transfer by gift, devise, or inheritance, a transfer of any leasehold interest other than of the type mentioned above, the assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved (but in any case where such contract is forfeited, foreclosed, or otherwise not performed, and the assignee thereby obtains the interest of the purchaser therein, a sale of real property shall then be deemed to have occurred), transfers by appropriation or decree in condemnation proceedings brought by the United States,

the state, or a municipal corporation, a mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof, nor a transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed, nor the sale of any grave or lot in an established cemetery, nor a sale by the United States or this state.

SEC. 2. Section 28.45.030, R.C.W., as derived from section 8, chapter 11, Laws of 1951, First Extraordinary Session, is amended to read as follows: Amendment.

As used in this chapter, the term "selling price" means the consideration, including money or anything of value, paid or delivered or contracted to be paid or delivered in return for the transfer of the real property or estate or interest in real property, and shall include the amount of any lien, mortgage, contract indebtedness, or other incumbrance, either given to secure the purchase price, or any part thereof, or remaining unpaid on such property at the time of sale. "Selling price," defined.

The term shall not include the amount of any outstanding lien or incumbrance in favor of the United States, the state, or a municipal corporation for the taxes, special benefits, or improvements. Exceptions.

SEC. 3. A new section is added to chapter 28.45, R.C.W., as derived from chapter 11, Laws of 1951, First Extraordinary Session, to read as follows: Amendment.

The board of county commissioners shall provide by ordinance for the determination of the selling price in the case of leases with option to purchase, and shall further provide that the tax shall not be payable, where inequity will otherwise result, until and unless the option is exercised and accepted. The board shall further provide by ordinance for cases Leases with option to purchase.

where the selling price is not separately stated or is not ascertainable at the time of sale, for the payment of the tax at a time when the selling price is ascertained, in which case suitable security may be required for payment of the tax, and may further provide for the determination of the selling price by an appraisal by the county assessor, based on the full and true market value, which appraisal shall be *prima facie* evidence of the selling price of the real property.

SEC. 4. Section 28.45.090, R.C.W., as derived from section 11, chapter 11, Laws of 1951, First Extraordinary Session, is amended to read as follows:

Collection.

The tax hereby imposed shall be paid to and collected by the county treasurer who shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording. A receipt issued by the county treasurer for the payment of the tax imposed under this chapter shall be evidence of the satisfaction of the lien imposed hereunder and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax shall be accepted by the county auditor for filing or recording until the tax shall have been paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be so accepted until suitable notation of such fact has been made on the instrument by the treasurer.

Receipt.

Recording.

SEC. 5. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate September 1, 1951.

Passed the House September 1, 1951.

Approved by the Governor September 6, 1951.