
**Housing, Community Development &
Veterans Committee**

HB 1219

Brief Description: Providing cities and counties authority to use real estate excise taxes to support affordable housing and homelessness projects.

Sponsors: Representatives Walen, Springer, Kloba, Goodman, Slatter, Stanford, Fey, Jinkins, Fitzgibbon, Ortiz-Self, Valdez, Lekanoff, Doglio, Frame, Wylie, Tharinger, Gregerson and Macri.

Brief Summary of Bill

- Authorizes counties and cities to use certain real estate excise tax (REET II) revenue for facilities serving the homeless and affordable housing projects.

Hearing Date: 2/1/19

Staff: Serena Dolly (786-7150).

Background:

Growth Management Act Participation.

The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments required or choosing to fully plan under the GMA and a reduced number of directives for all other counties and cities.

Jurisdictions that fully plan under the GMA must adopt comprehensive land-use plans to express the general land-use policies of the county or city, and development regulations to implement those plans. Comprehensive plans must address specified planning elements, such as a capital facilities element, a housing element, and an economic development element, each of which is a subset of a comprehensive plan.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Real Estate Excise Tax.

Counties and cities are authorized to impose excise taxes on real property sales.

REET I.

County legislative authorities may impose an excise tax (REET I) on each sale of real property in unincorporated areas of the county. Similarly, city legislative authorities may impose an excise tax on each sale of real property within their corporate limits. The rate of REET I may not exceed 0.25 percent of the selling price.

Proceeds from the REET I are dedicated for financing certain capital projects and improvements, that include public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of certain types of facilities and infrastructure. Such qualifying projects include:

- streets, roads, highways, and sidewalks;
- street and road lighting systems;
- storm and sanitary sewer systems;
- recreational facilities;
- parks;
- law enforcement and fire protection facilities;
- administrative and judicial facilities; and
- river and waterway flood control projects.

REET II.

The legislative authorities of counties and cities that are required to plan under the Growth Management Act may impose an additional real estate excise tax (REET II) not to exceed a rate of 0.25 percent of the selling price of property. Counties that choose to plan under the GMA, and the cities within those counties, may impose the REET II with voter approval. Counties and cities may use REET II revenue for financing capital projects specified in their comprehensive plan that include:

- streets, roads, highways, and sidewalks;
- street and road lighting systems; and
- storm and sanitary sewer systems.

Legislation enacted in 2017 authorized cities and counties to use the greater of \$100,000 or 25 percent of available REET II revenue, not exceed \$1 million per year, for homeless housing development through June 30, 2019, so long as certain conditions are met.

Summary of Bill:

Counties and cities may use REET II revenue for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities serving the homeless and affordable housing projects.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.