
SUBSTITUTE HOUSE BILL 1650

State of Washington

69th Legislature

2025 Regular Session

By House Finance (originally sponsored by Representatives Dent, Fey, Barkis, Bronoske, Eslick, Zahn, and Graham)

READ FIRST TIME 02/26/25.

1 AN ACT Relating to the addition of airport capital projects as an
2 allowable use of local real estate excise tax revenues; and amending
3 RCW 82.46.010 and 82.46.035.

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

5 **Sec. 1.** RCW 82.46.010 and 2021 c 296 s 10 are each amended to
6 read as follows:

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

12 (2)(a) The legislative authority of any county or any city may
13 impose an excise tax on each sale of real property in the
14 unincorporated areas of the county for the county tax and in the
15 corporate limits of the city for the city tax at a rate not exceeding
16 (~~one-quarter of one~~) 0.25 percent of the selling price. Except as
17 provided in subsection (8) of this section, the revenues from this
18 tax must be used by any city or county with a population of 5,000 or
19 less and any city or county that does not plan under RCW 36.70A.040
20 for any capital purpose identified in a capital improvements plan and
21 local capital improvements, including those listed in RCW 35.43.040.

1 (b) Except as provided in subsection (8) of this section, after
2 April 30, 1992, revenues generated from the tax imposed under this
3 subsection (2) in counties over 5,000 population and cities over
4 5,000 population that are required or choose to plan under RCW
5 36.70A.040 must be used solely for financing capital projects
6 specified in a capital facilities plan element of a comprehensive
7 plan and housing relocation assistance under RCW 59.18.440 and
8 59.18.450. However, revenues (i) pledged by such counties and cities
9 to debt retirement prior to April 30, 1992, may continue to be used
10 for that purpose until the original debt for which the revenues were
11 pledged is retired, or (ii) committed prior to April 30, 1992, by
12 such counties or cities to a project may continue to be used for that
13 purpose until the project is completed.

14 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2),
15 the legislative authority of any county or any city may impose an
16 additional excise tax on each sale of real property in the
17 unincorporated areas of the county for the county tax and in the
18 corporate limits of the city for the city tax at a rate not exceeding
19 (~~one-half of one~~) 0.5 percent of the selling price.

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

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

29 (6) The definitions in this subsection (6) apply throughout this
30 section unless the context clearly requires otherwise.

31 (a) "City" means any city or town.

32 (b) (i) "Capital project" means those public works projects of a
33 local government for planning, acquisition, construction,
34 reconstruction, repair, replacement, rehabilitation, or improvement
35 of streets; roads; highways; sidewalks; street and road lighting
36 systems; traffic signals; bridges; domestic water systems; storm and
37 sanitary sewer systems; parks; recreational facilities; law
38 enforcement facilities; fire protection facilities; trails;
39 libraries; administrative facilities; judicial facilities; airports
40 included in the most recent Washington aviation system plan published

1 by the Washington department of transportation aviation division;
2 airports included in the national plan of integrated airport systems
3 with less than 10,000 annual enplanements as determined by the most
4 recent enplanement data published by the federal aviation
5 administration; river flood control projects; waterway flood control
6 projects by those jurisdictions that, prior to June 11, 1992, have
7 expended funds derived from the tax authorized by this section for
8 such purposes; until December 31, 1995, housing projects for those
9 jurisdictions that, prior to June 11, 1992, have expended or
10 committed to expend funds derived from the tax authorized by this
11 section or the tax authorized by RCW 82.46.035 for such purposes; and
12 technology infrastructure that is integral to the capital project.

13 (ii) "Capital project" does not include the installation or
14 improvement of fuel systems for the distribution of leaded fuel at an
15 airport as described in this subsection (6)(b).

16 (7) From July 22, 2011, until December 31, 2016, a city or county
17 may use the greater of \$100,000 or 35 percent of available funds
18 under this section, but not to exceed \$1,000,000 per year, for the
19 operations and maintenance of existing capital projects as defined in
20 subsection (6) of this section.

21 (8) After May 13, 2021, through December 31, 2023, a city or
22 county may use the greater of \$100,000 or 35 percent of available
23 funds under this section for the operation of, maintenance of, and
24 service support for, existing capital projects, including the
25 provision of services to residents of affordable housing or shelter
26 units.

27 **Sec. 2.** RCW 82.46.035 and 2021 c 296 s 12 are each amended to
28 read as follows:

29 (1) Except for revenues used after May 13, 2021, through December
30 31, 2023, as provided in subsection (3) of this section, the
31 legislative authority of any county or city must identify in the
32 adopted budget the capital projects funded in whole or in part from
33 the proceeds of the tax authorized in this section, and must indicate
34 that such tax is intended to be in addition to other funds that may
35 be reasonably available for such capital projects.

36 (2) The legislative authority of any county or any city that
37 plans under RCW 36.70A.040(1) may impose an additional excise tax on
38 each sale of real property in the unincorporated areas of the county
39 for the county tax and in the corporate limits of the city for the

1 city tax at a rate not exceeding (~~one-quarter of one~~) 0.25 percent
2 of the selling price. Any county choosing to plan under RCW
3 36.70A.040(2) and any city within such a county may only adopt an
4 ordinance imposing the excise tax authorized by this section if the
5 ordinance is first authorized by a proposition approved by a majority
6 of the voters of the taxing district voting on the proposition at a
7 general election held within the district or at a special election
8 within the taxing district called by the district for the purpose of
9 submitting such proposition to the voters.

10 (3) Revenues generated from the tax imposed under subsection (2)
11 of this section must be used by such counties and cities solely for
12 financing capital projects specified in a capital facilities plan
13 element of a comprehensive plan, except that the greater of \$100,000
14 or 35 percent of revenues may additionally be used for the operation
15 of, maintenance of, and service support for, existing capital
16 projects after May 13, 2021, through December 31, 2023. However,
17 revenues (a) pledged by such counties and cities to debt retirement
18 prior to March 1, 1992, may continue to be used for that purpose
19 until the original debt for which the revenues were pledged is
20 retired, or (b) committed prior to March 1, 1992, by such counties or
21 cities to a project may continue to be used for that purpose until
22 the project is completed.

23 (4) Revenues generated by the tax imposed by this section must be
24 deposited in a separate account after December 31, 2023.

25 (5) As used in this section, "city" means any city or town and
26 "capital project" means those public works projects of a local
27 government for:

28 (a) Planning, acquisition, construction, reconstruction, repair,
29 replacement, rehabilitation, or improvement of streets, roads,
30 highways, sidewalks, street and road lighting systems, traffic
31 signals, bridges, domestic water systems, storm and sanitary sewer
32 systems;

33 (b) Planning, construction, reconstruction, repair,
34 rehabilitation, or improvement of parks; (~~and~~)

35 (c) (i) Planning, construction, reconstruction, repair,
36 rehabilitation, or improvement of either of the following categories
37 of airports:

38 (A) Airports included in the most recent Washington aviation
39 system plan published by the Washington department of transportation
40 aviation division; and

1 (B) Airports included in the national plan of integrated airport
2 systems with less than 10,000 annual enplanements as determined by
3 the most recent enplanement data published by the federal aviation
4 administration.

5 (ii) "Capital project" does not include the installation or
6 improvement of fuel systems for the distribution of leaded fuel at an
7 airport as described in this subsection (5)(c); and

8 (d) Until January 1, 2026, planning, acquisition, construction,
9 reconstruction, repair, replacement, rehabilitation, or improvement
10 of facilities for those experiencing homelessness and affordable
11 housing projects.

12 (6) A county or city may use the greater of \$100,000 or 25
13 percent of available funds, but not to exceed \$1,000,000, for capital
14 projects as defined in subsection (5) ~~((e))~~ (d) of this section. The
15 limits in this subsection do not apply to any county or city that
16 used revenue under this section for the acquisition, construction,
17 improvement, or rehabilitation of facilities to provide housing for
18 the homeless prior to June 30, 2019.

19 (7) A county or city using funds for uses in subsection (5)
20 ~~((e))~~ (d) of this section must document in its plan under RCW
21 36.70A.070(3) that it has funds during the next two years for capital
22 projects in subsection (5)(a) and (b) of this section.

23 (8) When the governor files a notice of noncompliance under RCW
24 36.70A.340 with the secretary of state and the appropriate county or
25 city, the county or city's authority to impose the additional excise
26 tax under this section is temporarily rescinded until the governor
27 files a subsequent notice rescinding the notice of noncompliance.

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