
HOUSE BILL 1650

State of Washington

69th Legislature

2025 Regular Session

By Representatives Dent, Fey, Barkis, Bronoske, Eslick, Zahn, and Graham

Read first time 01/28/25. Referred to Committee on Finance.

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) "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 with less than 10,000 annual enplanements as determined by the most

1 recent enplanement data published by the federal aviation
2 administration; river flood control projects; waterway flood control
3 projects by those jurisdictions that, prior to June 11, 1992, have
4 expended funds derived from the tax authorized by this section for
5 such purposes; until December 31, 1995, housing projects for those
6 jurisdictions that, prior to June 11, 1992, have expended or
7 committed to expend funds derived from the tax authorized by this
8 section or the tax authorized by RCW 82.46.035 for such purposes; and
9 technology infrastructure that is integral to the capital project.

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

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

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

23 (1) Except for revenues used after May 13, 2021, through December
24 31, 2023, as provided in subsection (3) of this section, the
25 legislative authority of any county or city must identify in the
26 adopted budget the capital projects funded in whole or in part from
27 the proceeds of the tax authorized in this section, and must indicate
28 that such tax is intended to be in addition to other funds that may
29 be reasonably available for such capital projects.

30 (2) The legislative authority of any county or any city that
31 plans under RCW 36.70A.040(1) may impose an additional excise tax on
32 each sale of real property in the unincorporated areas of the county
33 for the county tax and in the corporate limits of the city for the
34 city tax at a rate not exceeding (~~(one-quarter of one)~~) 0.25 percent
35 of the selling price. Any county choosing to plan under RCW
36 36.70A.040(2) and any city within such a county may only adopt an
37 ordinance imposing the excise tax authorized by this section if the
38 ordinance is first authorized by a proposition approved by a majority
39 of the voters of the taxing district voting on the proposition at a

1 general election held within the district or at a special election
2 within the taxing district called by the district for the purpose of
3 submitting such proposition to the voters.

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

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

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

22 (a) Planning, acquisition, construction, reconstruction, repair,
23 replacement, rehabilitation, or improvement of streets, roads,
24 highways, sidewalks, street and road lighting systems, traffic
25 signals, bridges, domestic water systems, storm and sanitary sewer
26 systems;

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

29 (c) Airports with less than 10,000 annual enplanements as
30 determined by the most recent enplanement data published by the
31 federal aviation administration; and

32 (d) Until January 1, 2026, planning, acquisition, construction,
33 reconstruction, repair, replacement, rehabilitation, or improvement
34 of facilities for those experiencing homelessness and affordable
35 housing projects.

36 (6) A county or city may use the greater of \$100,000 or 25
37 percent of available funds, but not to exceed \$1,000,000, for capital
38 projects as defined in subsection (5) (~~(e)~~) (d) of this section. The
39 limits in this subsection do not apply to any county or city that
40 used revenue under this section for the acquisition, construction,

1 improvement, or rehabilitation of facilities to provide housing for
2 the homeless prior to June 30, 2019.

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

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

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