
SUBSTITUTE HOUSE BILL 1867

State of Washington

69th Legislature

2025 Regular Session

By House Finance (originally sponsored by Representatives Ramel, Lekanoff, Doglio, Duerr, Parshley, Reed, Scott, Simmons, Macri, Fosse, Pollet, and Zahn)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to allowing counties or cities to impose a real
2 estate excise tax for the purpose of developing affordable housing,
3 subject to the will of the voters; and amending RCW 82.46.075.

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

5 **Sec. 1.** RCW 82.46.075 and 2002 c 343 s 1 are each amended to
6 read as follows:

7 (1) (a) Subject to subsection ~~((s—(4)—and))~~ (5) of this section,
8 the legislative authority of any county may impose an additional
9 excise tax on the purchase and sale of real property in the county at
10 the rate of ~~((one-half of one))~~ up to 0.5 percent of the selling
11 price. The proceeds of the tax shall be used exclusively for the
12 development of affordable housing including acquisition, building,
13 rehabilitation, and maintenance and operation of housing for very
14 low, low, and moderate-income persons and those with special needs.

15 (b) If a county imposes a tax authorized under (a) of this
16 subsection after a city located in that county has imposed the tax
17 authorized under subsection (2) of this section, the county must
18 provide a credit against its tax for the full amount of tax imposed
19 by the city.

20 (2) (a) Subject to subsection (5) of this section, the legislative
21 authority of a city may impose an excise tax on the purchase and sale

1 of real property in the city at the rate of up to 0.5 percent of the
2 selling price if:

3 (i) The county in which the city is located has adopted a
4 resolution of intent stating that they do not intend to impose the
5 excise tax under this section; or

6 (ii) The county in which the city is located has not imposed the
7 excise tax under this section by January 1, 2027.

8 (b) The proceeds of the tax must be used exclusively for the
9 development of affordable housing, including acquisition, building,
10 rehabilitation, and maintenance and operation of housing, for very
11 low, low, and moderate-income persons and those with special needs.

12 (3) Revenues generated from the tax imposed under this section
13 shall be placed in an affordable housing account administered by the
14 county or city. Disbursements from the account shall be made
15 following a competitive grant and loan process. The county or city
16 legislative authority shall determine a mechanism for receiving grant
17 and loan applications, and criteria by which the applications shall
18 be approved and funded. Eligible recipients of grants and loans from
19 the account shall be private nonprofit, affordable housing providers,
20 the housing authority for the county or city, or other housing
21 programs conducted or funded by a public agency, or by a public
22 agency in partnership with a private nonprofit entity.

23 ~~((+3))~~ (4) The taxes imposed under this section shall be imposed
24 in the same manner and on the same occurrences, and are subject to
25 the same conditions, as the taxes under chapter 82.45 RCW, except
26 that the tax shall be the obligation of both the purchaser and the
27 seller, as determined by the county or city legislative authority,
28 with at least ~~((one-half))~~ 0.5 of the obligation being that of the
29 purchaser. The county or city may enforce the obligation through an
30 action of debt against the purchaser or seller or may foreclose the
31 lien on the property in the same manner prescribed for the
32 foreclosure of mortgages. The imposition of the tax is effective
33 ~~((thirty)) 30 days after the election at which the tax is authorized.~~

34 ~~((+4))~~ (5)(a) No tax may be imposed under this section unless
35 approved by a majority of the voters of the county or city voting,
36 for a specified period and for a specified maximum rate. This vote
37 must follow either:

38 (i) The adoption of a resolution by the county or city
39 legislative authority proposing this action; or

1 (ii) The filing of a petition proposing this action with the
2 county or city auditor, signed by county or city voters at least
3 equal in number to (~~ten~~) 10 percent of the total number of voters
4 in the county or city who voted in the preceding general election.

5 (b) The ballot proposition shall be submitted to the voters of
6 the county or city at the next general election occurring at least
7 (~~sixty~~) 60 days after a petition is filed, or at any special
8 election prior to this general election called for this purpose by
9 the county or city legislative authority.

10 (~~(5) No tax may be imposed under this section unless the county~~
11 ~~imposes a tax under RCW 82.46.070 at the maximum rate and the tax was~~
12 ~~imposed by January 1, 2003.~~)

13 (6) A plan for the expenditure of the proceeds of the tax imposed
14 by this section shall be prepared by the county or city legislative
15 authority at least (~~sixty~~) 60 days before the election if the
16 proposal is initiated by resolution of the county or city legislative
17 authority, or within six months after the tax has been authorized by
18 the voters if the proposal is initiated by petition. Prior to the
19 adoption of this plan, the elected officials of cities located within
20 the county shall be consulted and at least one public hearing shall
21 be held to obtain public comment. The proceeds of the tax shall be
22 expended in conformance with this plan.

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