
HOUSE BILL 1867

State of Washington

69th Legislature

2025 Regular Session

By Representatives Ramel, Lekanoff, Doglio, Duerr, Parshley, Reed, Scott, Simmons, Macri, Fosse, Pollet, and Zahn

Read first time 02/06/25. Referred to Committee on Finance.

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

15 (2) If a county has not imposed the excise tax under this section
16 by January 1, 2027, subject to subsection (5) of this section, the
17 legislative authority of a city within that county may impose an
18 excise tax on the purchase and sale of real property in the city at
19 the rate of 0.5 percent of the selling price. The proceeds of the tax
20 must be used exclusively for the development of affordable housing,
21 including acquisition, building, rehabilitation, and maintenance and

1 operation of housing, for very low, low, and moderate-income persons
2 and those with special needs.

3 (3) Revenues generated from the tax imposed under this section
4 shall be placed in an affordable housing account administered by the
5 county or city. Disbursements from the account shall be made
6 following a competitive grant and loan process. The county or city
7 legislative authority shall determine a mechanism for receiving grant
8 and loan applications, and criteria by which the applications shall
9 be approved and funded. Eligible recipients of grants and loans from
10 the account shall be private nonprofit, affordable housing providers,
11 the housing authority for the county or city, or other housing
12 programs conducted or funded by a public agency, or by a public
13 agency in partnership with a private nonprofit entity.

14 ~~((+3))~~ (4) The taxes imposed under this section shall be imposed
15 in the same manner and on the same occurrences, and are subject to
16 the same conditions, as the taxes under chapter 82.45 RCW, except
17 that the tax shall be the obligation of both the purchaser and the
18 seller, as determined by the county or city legislative authority,
19 with at least ~~((one-half))~~ 0.5 of the obligation being that of the
20 purchaser. The county or city may enforce the obligation through an
21 action of debt against the purchaser or seller or may foreclose the
22 lien on the property in the same manner prescribed for the
23 foreclosure of mortgages. The imposition of the tax is effective
24 ~~((thirty))~~ 30 days after the election at which the tax is authorized.

25 ~~((+4))~~ (5)(a) No tax may be imposed under this section unless
26 approved by a majority of the voters of the county or city voting,
27 for a specified period and for a specified maximum rate. This vote
28 must follow either:

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

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

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

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

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

--- END ---