
SENATE BILL 5659

State of Washington

69th Legislature

2025 Regular Session

By Senators Goehner, Boehnke, and Dozier

Read first time 02/04/25. Referred to Committee on Housing.

1 AN ACT Relating to eliminating each local government's
2 proportional share of Washington's housing shortage; amending RCW
3 82.45.180; and adding a new title to the Revised Code of Washington.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington
6 has a severe homelessness crisis and housing shortage. By some
7 estimates, our state needs more than 1,000,000 new homes. While many
8 policy proposals have been offered in good faith as solutions to the
9 housing shortage, the stubborn truth is that Washington simply needs
10 to build more housing.

11 (2) Local governments will play a key role in eliminating
12 Washington's housing shortage because local governments usually
13 exercise approval authority over new home construction. Additionally,
14 the legislature recognizes that some state laws may constrain local
15 governments' ability to approve construction of new housing. Both
16 levels of government should work together to create public policies
17 that help build more homes in Washington.

18 (3) The legislature intends to encourage local and state
19 government to promote the construction of new homes and end the
20 housing shortage over the next 10 years.

1 NEW SECTION. **Sec. 2.** (1) Every county, city, and town, that has
2 authority to approve or deny permits or other similar approvals
3 necessary for the construction of new homes shall approve the
4 construction of enough new homes to eliminate the county, city, or
5 town's proportional share of Washington's total housing shortage, as
6 calculated under subsection (2) of this section, through 2035.

7 (2) The department of commerce shall establish each county, city,
8 and town's proportional share of Washington's total housing shortage
9 using the best available data. Best available data may include
10 analyses and projections produced by private sector sources with
11 expertise in housing supply trends, and may include data collected
12 under other programs, such as data collected under chapter 36.70A
13 RCW. The department shall complete its calculation no later than
14 April 1, 2026, and shall report the number of new homes that must be
15 created in each county, city, and town through 2035 in order to
16 eliminate Washington's total housing shortage. The department shall
17 also post the same information to the department's public website no
18 later than May 1, 2026.

19 (3) Beginning May 1, 2026, a county, city, or town, that is
20 subject to the requirements of this section shall regularly evaluate
21 its locally enacted codes, ordinances, plans, and regulations to
22 determine whether its locally enacted requirements are impeding the
23 county, city, or town's ability to approve enough construction to
24 eliminate its proportional share of Washington's total housing
25 shortage by 2035. Where a county, city, or town determines that its
26 locally enacted requirements impair the construction of more housing,
27 the county, city, or town is encouraged to amend its locally enacted
28 requirements.

29 (4) Beginning May 1, 2026, a county, city, or town, that is
30 subject to the requirements of this section must record the total
31 number of building permit applications it has received and the number
32 of building permit applications it has denied. If more than 33
33 percent of the applications are being denied, the county, city, or
34 town is encouraged to evaluate and address the factors that lead to
35 denial and increase the number of permit applications it approves.

36 (5) Nothing in this section shall be construed to abrogate or
37 supersede any other provision of the Revised Code of Washington;
38 however, when a county, city, or town identifies a state-enacted
39 requirement that will impede the county, city, or town's ability to
40 approve the construction of a sufficient number of new homes to

1 eliminate the county, city, or town's proportional share of
2 Washington's total housing shortage by 2035, the county, city, or
3 town shall report its findings to the department of commerce. The
4 department shall promptly forward such reports to the governor,
5 lieutenant governor, chief clerk of the house of representatives, and
6 secretary of the senate.

7 (6) The legislature intends to review the reports received under
8 subsection (5) of this section and take appropriate action to amend
9 state-enacted requirements for the purpose of ensuring that counties,
10 cities, and towns subject to this section will be able to eliminate
11 their proportional share of Washington's total housing shortage by
12 2035.

13 **Sec. 3.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to
14 read as follows:

15 (1)(a) For taxes collected by the county under this chapter, the
16 county treasurer shall collect a (~~five-dollar~~) \$5 fee on all
17 transactions required by this chapter where the transaction does not
18 require the payment of tax. A total of five dollars shall be
19 collected in the form of a tax and fee, where the calculated tax
20 payment is less than (~~five-dollars~~) \$5. Through June 30, 2006, the
21 county treasurer shall place one percent of the taxes collected by
22 the county under this chapter and the treasurer's fee in the county
23 current expense fund to defray costs of collection. After June 30,
24 2006, the county treasurer shall place one and three-tenths percent
25 of the taxes collected by the county under this chapter and the
26 treasurer's fee in the county current expense fund to defray costs of
27 collection. For taxes collected by the county under this chapter
28 before July 1, 2006, the county treasurer shall pay over to the state
29 treasurer and account to the department of revenue for the proceeds
30 at the same time the county treasurer remits funds to the state under
31 RCW 84.56.280. For taxes collected by the county under this chapter
32 after June 30, 2006, on a monthly basis the county treasurer shall
33 pay over to the state treasurer the month's transmittal. The month's
34 transmittal must be received by the state treasurer by 12:00 p.m. on
35 the last working day of each month. The county treasurer shall
36 account to the department for the month's transmittal by the
37 (~~twentieth~~) 20th day of the month following the month in which the
38 month's transmittal was paid over to the state treasurer. The state
39 treasurer shall deposit the proceeds in the general fund.

1 (b) For purposes of this subsection, the definitions in this
2 subsection apply.

3 (i) "Close of business" means the time when the county treasurer
4 makes his or her daily deposit of proceeds.

5 (ii) "Month's transmittal" means all proceeds deposited by the
6 county through the close of business of the day that is two working
7 days before the last working day of the month. This definition of
8 "month's transmittal" shall not be construed as requiring any change
9 in a county's practices regarding the timing of its daily deposits of
10 proceeds.

11 (iii) "Proceeds" means moneys collected and receipted by the
12 county from the taxes imposed by this chapter, less the county's
13 share of the proceeds used to defray the county's costs of collection
14 allowable in (a) of this subsection.

15 (iv) "Working day" means a calendar day, except Saturdays,
16 Sundays, and all legal holidays as provided in RCW 1.16.050.

17 (2) (a) For taxes collected by the department of revenue under
18 this chapter, the department shall remit the tax to the state
19 treasurer who shall deposit the proceeds of any state tax in the
20 general fund. The state treasurer shall deposit the proceeds of any
21 local taxes imposed under chapter 82.46 RCW in the local real estate
22 excise tax account hereby created in the state treasury. Moneys in
23 the local real estate excise tax account may be spent only for
24 distribution to counties, cities, and towns imposing a tax under
25 chapter 82.46 RCW. Except as provided in RCW 43.08.190 and (b) of
26 this subsection, all earnings of investments of balances in the local
27 real estate excise tax account shall be credited to the local real
28 estate excise tax account and distributed to the counties, cities,
29 and towns monthly. Monthly the state treasurer shall make
30 distribution from the local real estate excise tax account to the
31 counties, cities, and towns the amount of tax collected on behalf of
32 each taxing authority. The state treasurer shall make the
33 distribution under this subsection without appropriation.

34 (b) No earnings of investments of balances in the local real
35 estate excise tax account may be distributed to a county, city, or
36 town that does not comply with the conditions and requirements under
37 section 2 of this act.

38 (3) (a) Through June 30, 2010, the county treasurer shall collect
39 an additional five dollar fee on all transactions required by this
40 chapter, regardless of whether the transaction requires the payment

1 of tax. The county treasurer shall remit this fee to the state
2 treasurer at the same time the county treasurer remits funds to the
3 state under subsection (1) of this section. The state treasurer shall
4 place money from this fee in the general fund. By the (~~twentieth~~)
5 20th day of the subsequent month, the state treasurer shall
6 distribute to each county treasurer according to the following
7 formula: Three-quarters of the funds available shall be equally
8 distributed among the (~~thirty-nine~~) 39 counties; and the balance
9 shall be ratably distributed among the counties in direct proportion
10 to their population as it relates to the total state's population
11 based on most recent statistics by the office of financial
12 management.

13 (b) When received by the county treasurer, the funds shall be
14 placed in a special real estate excise tax electronic technology fund
15 held by the county treasurer to be used exclusively for the
16 development, implementation, and maintenance of an electronic
17 processing and reporting system for real estate excise tax
18 affidavits. Funds may be expended to make the system compatible with
19 the automated real estate excise tax system developed by the
20 department and compatible with the processes used in the offices of
21 the county assessor and county auditor. Any funds held in the account
22 that are not expended by the earlier of: July 1, 2015, or at such
23 time that the county treasurer is utilizing an electronic processing
24 and reporting system for real estate excise tax affidavits compatible
25 with the department and compatible with the processes used in the
26 offices of the county assessor and county auditor, revert to the
27 special real estate and property tax administration assistance
28 account in accordance with subsection (5)(c) of this section.

29 (4) Beginning July 1, 2010, through December 31, 2013, the county
30 treasurer shall continue to collect the additional (~~five-dollar~~) \$5
31 fee in subsection (3) of this section on all transactions required by
32 this chapter, regardless of whether the transaction requires the
33 payment of tax. During this period, the county treasurer shall remit
34 this fee to the state treasurer at the same time the county treasurer
35 remits funds to the state under subsection (1) of this section. The
36 state treasurer shall place money from this fee in the annual
37 property revaluation grant account created in RCW 84.41.170.

38 (5)(a) The real estate and property tax administration assistance
39 account is created in the custody of the state treasurer. An

1 appropriation is not required for expenditures and the account is not
2 subject to allotment procedures under chapter 43.88 RCW.

3 (b) Beginning January 1, 2014, the county treasurer must continue
4 to collect the additional (~~(five-dollar)~~) \$5 fee in subsection (3) of
5 this section on all transactions required by this chapter, regardless
6 of whether the transaction requires the payment of tax. The county
7 treasurer shall deposit one-half of this fee in the special real
8 estate and property tax administration assistance account in
9 accordance with (c) of this subsection and remit the balance to the
10 state treasurer at the same time the county treasurer remits funds to
11 the state under subsection (1) of this section. The state treasurer
12 must place money from this fee in the real estate and property tax
13 administration assistance account. By the twentieth day of the
14 subsequent month, the state treasurer must distribute the funds to
15 each county treasurer according to the following formula: One-half of
16 the funds available must be equally distributed among the (~~(thirty-~~
17 ~~nine)~~) 39 counties; and the balance must be ratably distributed among
18 the counties in direct proportion to their population as it relates
19 to the total state's population based on most recent statistics by
20 the office of financial management.

21 (c) When received by the county treasurer, the funds must be
22 placed in a special real estate and property tax administration
23 assistance account held by the county treasurer to be used for:

24 (i) Maintenance and operation of an annual revaluation system for
25 property tax valuation; and

26 (ii) Maintenance and operation of an electronic processing and
27 reporting system for real estate excise tax affidavits.

28 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act constitute a
29 new chapter in a new title in the Revised Code of Washington.

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