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**SUBSTITUTE SENATE BILL 5301**

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**State of Washington****68th Legislature****2023 Regular Session**

**By** Senate Housing (originally sponsored by Senators Mullet, Kuderer, Nguyen, and C. Wilson; by request of Department of Commerce)

1 AN ACT Relating to housing programs administered by the  
2 department of commerce; amending RCW 43.185.010, 43.185.030,  
3 43.185.070, 43.185.074, 43.185.080, 43.185A.010, 43.185A.020,  
4 43.185A.060, 43.185A.070, 18.85.311, 31.04.025, 39.35D.080,  
5 43.63A.680, 43.79.201, 43.185C.200, 43.185C.210, 47.12.063,  
6 59.24.060, 82.14.400, and 82.45.100; reenacting and amending RCW  
7 43.185.050 and 43.185B.020; adding new sections to chapter 43.185A  
8 RCW; adding a new section to chapter 42.56 RCW; adding a new section  
9 to chapter 43.185B RCW; recodifying RCW 43.185.010, 43.185.030,  
10 43.185.050, 43.185.070, 43.185.074, 43.185.080, and 43.185.110; and  
11 repealing RCW 43.185.015, 43.185.020, 43.185.060, 43.185.076,  
12 43.185.090, 43.185.100, 43.185.120, 43.185.130, 43.185.140,  
13 43.185.910, 43.185A.030, 43.185A.050, 43.185A.080, 43.185A.090,  
14 43.185A.100, 43.185A.110, 43.185A.120, and 43.185A.900.

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

16 **Sec. 1.** RCW 43.185.010 and 1991 c 356 s 1 are each amended to  
17 read as follows:

18 The legislature finds that current economic conditions, federal  
19 housing policies and declining resources at the federal, state, and  
20 local level adversely affect the ability of low and very low-income  
21 persons to obtain safe, decent, and affordable housing.

1 The legislature further finds that members of over (~~one hundred~~  
2 ~~twenty thousand households live in housing units which are~~  
3 ~~overcrowded, lack plumbing, are otherwise threatening to health and~~  
4 ~~safety, and have rents and utility payments which exceed thirty~~  
5 ~~percent of their income~~) 150,000 households pay more than 50 percent  
6 of their income for rent and housing costs.

7 The legislature further finds that minorities, rural households,  
8 and migrant farmworkers require housing assistance at a rate which  
9 significantly exceeds their proportion of the general population.

10 The legislature further finds that one of the most dramatic  
11 housing needs is that of persons needing special housing-related  
12 services, such as (~~the mentally ill~~) individuals with mental  
13 illness, recovering alcoholics, frail elderly persons, families with  
14 members who have disabilities, and single parents. These services  
15 include medical assistance, counseling, chore services, and child  
16 care.

17 The legislature further finds that (~~housing assistance programs~~  
18 ~~in the past have often failed to help those in greatest need~~) state  
19 investments in affordable housing, as enabled by the legislature in  
20 1986, have exceeded \$1,800,000,000 to provide over 55,000 units of  
21 safe and affordable housing to low-income individuals.

22 (~~The legislature declares that it is in the public interest to~~  
23 ~~establish a continuously renewable resource known as the housing~~  
24 ~~trust fund and housing assistance program to assist low and very low-~~  
25 ~~income citizens in meeting their basic housing needs, and that the~~  
26 ~~needs of very low-income citizens should be given priority and that~~  
27 ~~whenever feasible, assistance should be in the form of loans.~~)

28 **Sec. 2.** RCW 43.185.030 and 2016 sp.s. c 36 s 936 are each  
29 amended to read as follows:

30 There is hereby created in the state treasury an account to be  
31 known as the Washington housing trust fund. The housing trust fund  
32 shall include revenue from the sources established by this chapter,  
33 appropriations by the legislature, private contributions, repayment  
34 of loans, and all other sources. (~~During the 2015-2017 fiscal~~  
35 ~~biennium, the legislature may transfer from the Washington housing~~  
36 ~~trust fund to the home security fund account and to the state general~~  
37 ~~fund such amounts as reflect the excess balance in the fund.~~)

1       **Sec. 3.** RCW 43.185.050 and 2021 c 332 s 7032 and 2021 c 130 s 5  
2 are each reenacted and amended to read as follows:

3       (1) The department must use moneys from the housing trust fund  
4 and other legislative appropriations to finance in whole or in part  
5 any loan((s)) or grant projects that will provide affordable housing  
6 for persons and families with special housing needs and ((with  
7 incomes at or below fifty percent of the median family income for the  
8 county or standard metropolitan statistical area where the project is  
9 located)) who are low-income households.

10       (2) At least thirty percent of these moneys used in any given  
11 funding cycle must be for the benefit of projects located in rural  
12 areas of the state as defined by the department. If the department  
13 determines that it has not received an adequate number of suitable  
14 applications for rural projects during any given funding cycle, the  
15 department may allocate unused moneys for projects in nonrural areas  
16 of the state.

17       ((+2)) (3) Activities eligible for assistance from the housing  
18 trust fund and other legislative appropriations include, but are not  
19 limited to:

20       (a) New construction, rehabilitation, or acquisition of low and  
21 very low-income housing units;

22       (b) ((Rent subsidies;

23       ~~(c) Matching funds for social services directly related to~~  
24 ~~providing housing for special-need tenants in assisted projects;~~

25       ~~(d) Technical~~) Preconstruction technical assistance, design and  
26 finance services and consultation, and administrative costs for  
27 eligible nonprofit community or neighborhood-based organizations;

28       ((+e)) (c) Administrative costs for housing assistance groups or  
29 organizations when such grant or loan will substantially increase the  
30 recipient's access to housing funds other than those available under  
31 this chapter;

32       ((+f)) (d) Shelters ((and related services)) for the homeless,  
33 including emergency shelters and overnight youth shelters;

34       ~~((g) Mortgage subsidies, including temporary rental and mortgage~~  
35 ~~payment subsidies to prevent homelessness;~~

36       ~~(h) Mortgage insurance guarantee or payments for eligible~~  
37 ~~projects;~~

38       ~~(i) Down payment or closing cost assistance for eligible first-~~  
39 ~~time home buyers;~~

1 ~~(j))~~ (e) Down payment or closing costs assistance for low-income  
2 first-time home buyers;

3 (f) Acquisition of housing units for the purpose of preservation  
4 as low-income (~~or very low-income~~) housing;

5 ~~((k))~~ (g) Projects making affordable housing projects more  
6 accessible to (~~families~~) low-income households with members who  
7 have disabilities; and

8 ~~((l))~~ (h) Remodeling and improvements as required to meet  
9 building code, licensing requirements, or legal operations to  
10 residential properties owned and operated by an entity eligible under  
11 RCW 43.185A.040, which were transferred as described in RCW  
12 82.45.010(3)(t) by the parent of a child with developmental  
13 disabilities.

14 ~~((3) Preference must be given for projects that include an early~~  
15 ~~learning facility, as defined in RCW 43.31.565.)~~

16 (4) (a) Legislative appropriations from capital bond proceeds may  
17 be used (~~only~~) for the costs of projects authorized under  
18 subsection (~~(2)(a), (i), and (j))~~ (3) of this section, (~~and not~~  
19 for the administrative costs of the department,) except (~~that~~  
20 during the 2021-2023 fiscal biennium, the) for costs of subsection  
21 (3)(c) of this section.

22 (b) The department may use up to three percent of the  
23 appropriations from capital bond proceeds or other new appropriations  
24 for affordable housing investments for administrative costs  
25 associated with application, distribution, and project development  
26 activities of the affordable housing (~~assistance~~) program.

27 (c) Reappropriations must not be included in the calculation of  
28 the annual funds available for determining the administrative costs.

29 (5) (a) Moneys received from repayment of housing trust fund loans  
30 (~~from appropriations from capital bond proceeds~~) or other  
31 affordable housing appropriations may be used for all activities  
32 necessary for the proper functioning of the affordable housing  
33 (~~assistance~~) program (~~except for activities authorized under~~  
34 subsection (2)(b) and (c) of this section), including, but not  
35 limited to, providing preservation funding, as provided in section 13  
36 of this act, and preconstruction technical assistance as provided in  
37 RCW 43.185.080 (as recodified by this act).

38 ~~((6) Administrative costs associated with application,~~  
39 ~~distribution, and project development activities of the department~~  
40 ~~may not exceed three percent of the annual funds available for the~~

1 ~~housing assistance program. Reappropriations must not be included in~~  
2 ~~the calculation of the annual funds available for determining the~~  
3 ~~administrative costs.~~

4 ~~(7))~~ (b) Administrative costs associated with compliance and  
5 monitoring activities of the department may not exceed ~~((one-~~  
6 ~~quarter))~~ four-tenths of one percent annually of the contracted  
7 amount of state investment in ~~((the housing assistance program))~~  
8 affordable housing programs.

9 **Sec. 4.** RCW 43.185.070 and 2019 c 325 s 5013 are each amended to  
10 read as follows:

11 (1) During each calendar year in which funds from the housing  
12 trust fund or other legislative appropriations are available for use  
13 by the department for the affordable housing ~~((assistance))~~ program,  
14 the department must announce to all known interested parties, and  
15 ~~((through major media throughout the state))~~ on its website, a grant  
16 and loan application period of at least ~~((ninety))~~ 60 days' duration.  
17 This announcement must be made as often as the director deems  
18 appropriate for proper utilization of resources. The department must  
19 then promptly grant as many applications as will utilize available  
20 funds less appropriate administrative costs of the department as  
21 provided in RCW 43.185.050 (as recodified by this act).

22 (2) In awarding funds under this chapter, the department must:

23 (a) Provide for a geographic distribution on a statewide basis;  
24 and

25 (b) ~~((Until June 30, 2013, consider))~~ Consider the total cost and  
26 per-unit cost of each project for which an application is submitted  
27 for funding ~~((under RCW 43.185.050(2) (a) and (j))~~), as compared to  
28 similar housing projects constructed or renovated within the same  
29 geographic area.

30 (3) ~~((The department, with advice and input from the affordable~~  
31 ~~housing advisory board established in RCW 43.185B.020, or a~~  
32 ~~subcommittee of the affordable housing advisory board, must report~~  
33 ~~recommendations for awarding funds in a cost-effective manner. The~~  
34 ~~report must include an implementation plan, timeline, and any other~~  
35 ~~items the department identifies as important to consider to the~~  
36 ~~legislature by December 1, 2012.~~

37 ~~(4))~~ The department must give first priority to applications for  
38 projects and activities ~~((which utilize existing privately owned~~  
39 ~~housing stock including privately owned housing stock purchased by~~

1 ~~nonprofit public development authorities and public housing~~  
2 ~~authorities as created in chapter 35.82 RCW. As used in this~~  
3 ~~subsection, privately owned housing stock includes housing that is~~  
4 ~~acquired by a federal agency through a default on the mortgage by the~~  
5 ~~private owner. Such projects and activities must be evaluated under~~  
6 ~~subsection (5) of this section. Second priority must be given to~~  
7 ~~activities and projects which utilize existing publicly owned housing~~  
8 ~~stock)) that increase the total number of units of affordable housing~~  
9 in the state. All projects and activities must be evaluated by some  
10 or all of the criteria under subsection (5) of this section, and  
11 similar projects and activities shall be evaluated under the same  
12 criteria.

13 (4) The department must use a separate application form for  
14 applications to provide homeownership opportunities and evaluate  
15 homeownership project applications as allowed under chapter 43.185A  
16 RCW.

17 (5) The department must give preference for applications based on  
18 some or all of the criteria under this subsection, and similar  
19 projects and activities must be evaluated under the same criteria:

20 (a) The degree of leveraging of other funds that will occur;

21 (b) The degree of commitment from programs to provide necessary  
22 habilitation and support services for projects focusing on special  
23 needs populations;

24 (c) Recipient contributions to total project costs, including  
25 allied contributions from other sources such as professional, craft  
26 and trade services, and lender interest rate subsidies;

27 (d) Local government project contributions in the form of  
28 infrastructure improvements, and others;

29 (e) Projects that encourage ownership, management, and other  
30 project-related responsibility opportunities;

31 (f) Projects that demonstrate a strong probability of serving the  
32 original target group or income level for a period of at least  
33 (~~twenty-five~~) 40 years;

34 (g) The applicant has the demonstrated ability, stability and  
35 resources to implement the project;

36 (h) Projects which demonstrate serving the greatest need;

37 (i) Projects that provide housing for persons and families with  
38 the lowest incomes;

39 (j) Projects serving special needs populations which (~~are~~  
40 ~~under~~) fulfill statutory mandates to develop community housing;

1 (k) Project location and access to employment centers in the  
2 region or area;

3 (l) Projects that provide employment and training opportunities  
4 for disadvantaged youth under a youthbuild or youthbuild-type program  
5 as defined in RCW 50.72.020;

6 (m) Project location and access to available public  
7 transportation services; ~~((and))~~

8 (n) Projects involving collaborative partnerships between local  
9 school districts and either public housing authorities or nonprofit  
10 housing providers, that help children of low-income families succeed  
11 in school. To receive this preference, the local school district must  
12 provide an opportunity for community members to offer input on the  
13 proposed project at the first scheduled school board meeting  
14 following submission of the grant application to the department;

15 (o) The degree of funding that has already been committed to the  
16 project by nonstate entities; and

17 (p) Projects that demonstrate a strong readiness to proceed to  
18 construction.

19 (6) Preference must be given for projects that include an early  
20 learning facility.

21 **Sec. 5.** RCW 43.185.074 and 1987 c 513 s 11 are each amended to  
22 read as follows:

23 The director shall designate grant and loan applications for  
24 approval and for funding under the revenue from remittances made  
25 pursuant to RCW ~~((18.85.310. These applications shall then be~~  
26 ~~reviewed for final approval by the broker's trust account board~~  
27 ~~created by RCW 18.85.500.~~

28 ~~The director shall submit to the broker's trust account board~~  
29 ~~within any fiscal year only such applications which in their~~  
30 ~~aggregate total funding requirements do not exceed the revenue to the~~  
31 ~~housing trust fund [fund] from remittances made pursuant to RCW~~  
32 ~~18.85.310 for the previous fiscal year)) 18.85.285.~~

33 **Sec. 6.** RCW 43.185.080 and 1991 c 356 s 6 are each amended to  
34 read as follows:

35 (1) The department may use moneys from the housing trust fund and  
36 other legislative appropriations, ~~((but not appropriations from~~  
37 ~~capital bond proceeds,)) to provide preconstruction technical  
38 assistance to eligible recipients seeking to construct, rehabilitate,~~

1 or finance housing-related services for very low and low-income  
2 persons. The department shall emphasize providing preconstruction  
3 technical assistance services to rural areas and small cities and  
4 towns, to nonprofits serving marginalized communities without a  
5 history of receiving housing trust fund or other affordable housing  
6 investments, and to other nonprofit community organizations led by  
7 and for black, indigenous, and persons of color. The department may  
8 contract with private and nonprofit organizations to provide this  
9 technical assistance. The department may contract for any of the  
10 following services:

11 (a) Financial planning and packaging for housing projects,  
12 including alternative ownership programs, such as limited equity  
13 partnerships and syndications;

14 (b) Project design, architectural planning, and siting;

15 (c) Compliance with planning requirements;

16 (d) Securing matching resources for project development;

17 (e) Maximizing local government contributions to project  
18 development in the form of land donations, infrastructure  
19 improvements, waivers of development fees, locally and state-managed  
20 funds, zoning variances, or creative local planning;

21 (f) Coordination with local planning, economic development, and  
22 environmental, social service, and recreational activities;

23 (g) Construction and materials management; and

24 (h) Project maintenance and management.

25 (2) The department shall publish requests for proposals which  
26 specify contract performance standards, award criteria, and  
27 contractor requirements. In evaluating proposals, the department  
28 shall consider the ability of the contractor to provide technical  
29 assistance to low and very low-income persons and to persons with  
30 special housing needs.

31 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.185A  
32 RCW to read as follows:

33 The legislature declares that it is in the public interest for  
34 the department to operate an affordable housing program and to  
35 establish a continuously renewable resource known as the housing  
36 trust fund to assist low and very low-income residents in meeting  
37 their basic housing needs, and that the needs of very low-income  
38 residents should be given priority. Whenever feasible, affordable



1 housing shall be permanent and sustainable and assistance should be  
2 in the form of loans.

3 **Sec. 8.** RCW 43.185A.010 and 2013 c 145 s 4 are each amended to  
4 read as follows:

5 Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout this chapter.

7 (1) "Affordable housing" means residential housing for rental  
8 occupancy which, as long as the same is occupied by low-income  
9 households, requires payment of monthly housing costs, including  
10 utilities other than telephone, of no more than thirty percent of the  
11 ~~((family's))~~ household's income. The department must adopt policies  
12 for residential homeownership housing, occupied by low-income  
13 households, which specify the percentage of family income that may be  
14 spent on monthly housing costs, including utilities other than  
15 telephone, to qualify as affordable housing.

16 (2) "Contracted amount" ~~((has the same meaning as provided in RCW~~  
17 ~~43.185.020))~~ means the aggregate amount of all state funding for  
18 which the department has monitoring and compliance responsibility.

19 (3) "Department" means the department of commerce.

20 (4) "Director" means the director of the department of commerce.

21 (5) "First-time home buyer" means ~~((an individual or his or her~~  
22 ~~spouse or domestic partner who have not owned a home during the~~  
23 ~~three-year period prior to purchase of a home))~~ :

24 (a) An individual or the individual's spouse who has had no  
25 ownership in a principal residence during the three-year period  
26 ending on the date of purchase of the property;

27 (b) A single parent who has only owned a home with a former  
28 spouse while married;

29 (c) An individual who is a displaced homemaker as defined in 24  
30 C.F.R. Sec. 93.2 as it exists on the effective date of this section,  
31 or such subsequent date as may be provided by the department by rule,  
32 consistent with the purposes of this section, and has only owned a  
33 home with a spouse;

34 (d) An individual who has only owned a principal residence not  
35 permanently affixed to a permanent foundation in accordance with  
36 applicable regulations; or

37 (e) An individual who has only owned a property that is  
38 determined by a licensed building inspector as being uninhabitable.

1 (6) "Low-income household" means a single person, family or  
2 unrelated persons living together whose adjusted income is less than  
3 eighty percent of the median family income, adjusted for household  
4 size, for the county where the project is located.

5 **Sec. 9.** RCW 43.185A.020 and 1995 c 399 s 103 are each amended to  
6 read as follows:

7 The affordable housing program is created in the department for  
8 the purpose of developing and preserving affordable housing and  
9 coordinating public and private resources targeted to meet the  
10 affordable housing needs of low-income households in the state of  
11 Washington. The program shall be developed and administered by the  
12 department with advice and input from the affordable housing advisory  
13 board established in RCW 43.185B.020.

14 **Sec. 10.** RCW 43.185A.060 and 1991 c 356 s 15 are each amended to  
15 read as follows:

16 The department shall adopt policies to ensure that the state's  
17 interest will be protected upon either the sale or change of use of  
18 projects financed in whole or in part under RCW (~~43.185A.030~~)  
19 43.185.050(2) (a), (b), (c), (d), and (e) (as recodified by this  
20 act). These policies may include, but are not limited to: (1)  
21 Requiring payment to the state of a share of the appreciation in the  
22 project in proportion to the state's contribution to the project; (2)  
23 requiring a lump-sum repayment of the loan or grant upon the sale or  
24 change of use of the project; or (3) requiring a deferred payment of  
25 principal or principal and interest on loans after a specified time  
26 period. The policies must require projects to remain as affordable  
27 housing for a minimum of 40 years except for projects that provide  
28 homes for low-income first-time home buyers, which must remain  
29 affordable for a minimum of 25 years.

30 **Sec. 11.** RCW 43.185A.070 and 1991 c 356 s 16 are each amended to  
31 read as follows:

32 ~~((The))~~ (1) To the extent funds are appropriated for this  
33 purpose, the director shall monitor the activities of recipients of  
34 grants and loans under this chapter to determine compliance with the  
35 terms and conditions set forth in its application or stated by the  
36 department in connection with the grant or loan.

1       (2) Personally identifiable information of occupants or  
2 prospective tenants of affordable housing or the street address of  
3 the residential real property occupied or applied for by tenants or  
4 prospective tenants of affordable housing, obtained by the department  
5 of commerce during monitoring activities or contract administration  
6 are exempt from inspection and copying under section 12 of this act.

7       NEW SECTION. Sec. 12. A new section is added to chapter 42.56  
8 RCW to read as follows:

9       Information obtained by the department of commerce under chapter  
10 43.185A RCW during monitoring activities or contract administration  
11 that reveals the name or other personal information of occupants or  
12 prospective tenants of affordable housing, or the street address of  
13 the residential real property occupied or applied for by tenants or  
14 prospective tenants of affordable housing, is exempt from disclosure  
15 under this chapter.

16       NEW SECTION. Sec. 13. A new section is added to chapter 43.185A  
17 RCW to read as follows:

18       (1) In order to maintain the long-term viability of affordable  
19 housing, using funding from the housing trust fund account  
20 established under RCW 43.185.030 (as recodified by this act) or from  
21 other legislative appropriations, the department may make competitive  
22 grant or loan awards to projects in need of major building  
23 improvements, preservation repairs, or system replacements.

24       (2) The department must solicit and review applications and  
25 evaluate projects based on the following criteria:

26       (a) The age of the property, with priority given to buildings  
27 that are more than 15 years old;

28       (b) The population served, with priority given to projects  
29 serving persons or families with the lowest incomes;

30       (c) The degree to which the applicant demonstrates that the  
31 improvements will result in a reduction of operating or utility  
32 costs, or both;

33       (d) The potential for additional years added to the affordability  
34 commitment period of the property; and

35       (e) Other criteria that the department considers necessary to  
36 achieve the purpose of the housing trust fund program.

1 (3) The department must require an award recipient to submit a  
2 property capital needs assessment, in a form acceptable to the  
3 department, prior to contract execution.

4 NEW SECTION. **Sec. 14.** A new section is added to chapter 43.185A  
5 RCW to read as follows:

6 (1) The department must report on its website on an annual basis,  
7 for each funding cycle:

8 (a) The number of homeownership and multifamily rental projects  
9 funded;

10 (b) The percentage of funding allocated to homeownership and  
11 multifamily rental projects; and

12 (c) For both homeownership and multifamily rental projects, the  
13 total number of households being served at up to 80 percent of the  
14 area median income, up to 50 percent of the area median income, and  
15 up to 30 percent of the area median income.

16 (2) All housing trust fund loan or grant recipients, except for  
17 those receiving preservation awards under section 13 of this act,  
18 must provide certified final development cost reports to the  
19 department in a form acceptable to the department. The department  
20 must use the certified final development cost reports data as part of  
21 its cost containment policy and to report to the legislature.  
22 Beginning December 1, 2023, and continuing every odd-numbered year,  
23 the department must provide the appropriate committees of the  
24 legislature with a report of its final cost data for each project  
25 funded through the housing trust fund. Such cost data must, at a  
26 minimum, include:

27 (a) Total development cost per unit for each project completed  
28 within the past two complete fiscal years; and

29 (b) Descriptive statistics such as average and median per unit  
30 costs, regional cost variation, and other costs that the department  
31 deems necessary to improve cost controls and enhance understanding of  
32 development costs.

33 (3) The department must coordinate with the housing finance  
34 commission to identify relevant development costs data and ensure  
35 that the measures are consistent across relevant agencies.

36 **Sec. 15.** RCW 18.85.311 and 2008 c 23 s 38 are each amended to  
37 read as follows:

1 Remittances received by the state treasurer pursuant to RCW  
2 18.85.285 shall be divided between the housing trust fund created by  
3 RCW 43.185.030 (as recodified by this act), which shall receive  
4 seventy-five percent and the real estate education program account  
5 created by RCW 18.85.321, which shall receive twenty-five percent.

6 **Sec. 16.** RCW 31.04.025 and 2015 c 229 s 20 are each amended to  
7 read as follows:

8 (1) Each loan made to a resident of this state by a licensee, or  
9 persons subject to this chapter, is subject to the authority and  
10 restrictions of this chapter.

11 (2) This chapter does not apply to the following:

12 (a) Any person doing business under, and as permitted by, any law  
13 of this state or of the United States relating to banks, savings  
14 banks, trust companies, savings and loan or building and loan  
15 associations, or credit unions;

16 (b) Entities making loans under chapter 19.60 RCW (pawnbroking);

17 (c) Entities conducting transactions under chapter 63.14 RCW  
18 (retail installment sales of goods and services), unless credit is  
19 extended to purchase merchandise certificates, coupons, open or  
20 closed loop stored value, or other similar items issued and  
21 redeemable by a retail seller other than the retail seller extending  
22 the credit;

23 (d) Entities making loans under chapter 31.45 RCW (check cashers  
24 and sellers);

25 (e) Any person making a loan primarily for business, commercial,  
26 or agricultural purposes unless the loan is secured by a lien on the  
27 borrower's primary dwelling;

28 (f) Any person selling property owned by that person who provides  
29 financing for the sale when the property does not contain a dwelling  
30 and when the property serves as security for the financing. This  
31 exemption is available for five or fewer transactions in a calendar  
32 year. This exemption is not available to individuals subject to the  
33 federal S.A.F.E. act or any person in the business of constructing or  
34 acting as a contractor for the construction of residential dwellings;

35 (g) Any person making loans made to government or government  
36 agencies or instrumentalities or making loans to organizations as  
37 defined in the federal truth in lending act;

38 (h) Entities making loans under chapter (~~43.185~~) 43.185A RCW  
39 (housing trust fund);

1 (i) Entities making loans under programs of the United States  
2 department of agriculture, department of housing and urban  
3 development, or other federal government program that provides  
4 funding or access to funding for single-family housing developments  
5 or grants to low-income individuals for the purchase or repair of  
6 single-family housing;

7 (j) Nonprofit housing organizations making loans, or loans made,  
8 under housing programs that are funded in whole or in part by federal  
9 or state programs if the primary purpose of the programs is to assist  
10 low-income borrowers with purchasing or repairing housing or the  
11 development of housing for low-income Washington state residents;

12 (k) Entities making loans which are not residential mortgage  
13 loans under a credit card plan;

14 (l) Individuals employed by a licensed residential mortgage loan  
15 servicing company engaging in activities related to servicing, unless  
16 licensing is required by federal law or regulation; and

17 (m) Entities licensed under chapter 18.44 RCW that process  
18 payments on seller-financed loans secured by liens on real or  
19 personal property.

20 (3) The director may, at his or her discretion, waive  
21 applicability of the consumer loan company licensing provisions of  
22 this chapter to other persons, not including individuals subject to  
23 the S.A.F.E. act, making or servicing loans when the director  
24 determines it necessary to facilitate commerce and protect consumers.

25 (4) The burden of proving the application for an exemption or  
26 exception from a definition, or a preemption of a provision of this  
27 chapter, is upon the person claiming the exemption, exception, or  
28 preemption.

29 (5) The director may adopt rules interpreting this section.

30 **Sec. 17.** RCW 39.35D.080 and 2005 c 12 s 12 are each amended to  
31 read as follows:

32 Except as provided in this section, affordable housing projects  
33 funded out of the state capital budget are exempt from the provisions  
34 of this chapter. On or before July 1, 2008, the department of  
35 (~~community, trade, and economic development~~) commerce shall  
36 identify, implement, and apply a sustainable building program for  
37 affordable housing projects that receive housing trust fund (under  
38 chapter (~~43.185~~) 43.185A RCW) funding in a state capital budget.  
39 The department of (~~community, trade, and economic development~~)

1 commerce shall not develop its own sustainable building standard, but  
2 shall work with stakeholders to adopt an existing sustainable  
3 building standard or criteria appropriate for affordable housing. Any  
4 application of the program to affordable housing, including any  
5 monitoring to track the performance of either sustainable features or  
6 energy standards or both, is the responsibility of the department of  
7 (~~community, trade, and economic development~~) commerce. Beginning in  
8 2009 and ending in 2016, the department of (~~community, trade, and  
9 economic development~~) commerce shall report to the department as  
10 required under RCW 39.35D.030(3)(b).

11 **Sec. 18.** RCW 43.63A.680 and 1993 c 478 s 19 are each amended to  
12 read as follows:

13 (1) The department may develop and administer a home-matching  
14 program for the purpose of providing grants and technical assistance  
15 to eligible organizations to operate local home-matching programs.  
16 For purposes of this section, "eligible organizations" are those  
17 organizations eligible to receive assistance through the Washington  
18 housing trust fund, chapter (~~43.185~~) 43.185A RCW.

19 (2) The department may select up to five eligible organizations  
20 for the purpose of implementing a local home-matching program. The  
21 local home-matching programs are designed to facilitate: (a)  
22 Intergenerational homesharing involving older homeowners sharing  
23 homes with younger persons; (b) homesharing arrangements that involve  
24 an exchange of services such as cooking, housework, gardening, or  
25 babysitting for room and board or some financial consideration such  
26 as rent; and (c) the more efficient use of available housing.

27 (3) In selecting local pilot programs under this section, the  
28 department shall consider:

29 (a) The eligible organization's ability, stability, and resources  
30 to implement the local home-matching program;

31 (b) The eligible organization's efforts to coordinate other  
32 support services needed by the individual or family participating in  
33 the local home-matching program; and

34 (c) Other factors the department deems appropriate.

35 (4) The eligible organizations shall establish criteria for  
36 participation in the local home-matching program. The eligible  
37 organization shall make a determination of eligibility regarding the  
38 individuals' or families' participation in the local home-matching  
39 program. The determination shall include, but is not limited to a

1 verification of the individual's or family's history of making rent  
2 payments in a consistent and timely manner.

3 **Sec. 19.** RCW 43.79.201 and 2016 sp.s. c 36 s 930 are each  
4 amended to read as follows:

5 (1) The charitable, educational, penal and reformatory  
6 institutions account is hereby created, in the state treasury, into  
7 which account there shall be deposited all moneys arising from the  
8 sale, lease or transfer of the land granted by the United States  
9 government to the state for charitable, educational, penal and  
10 reformatory institutions by section 17 of the enabling act, or  
11 otherwise set apart for such institutions, except all moneys arising  
12 from the sale, lease, or transfer of that certain one hundred  
13 thousand acres of such land assigned for the support of the  
14 University of Washington by chapter 91, Laws of 1903 and section 9,  
15 chapter 122, Laws of 1893.

16 (2) If feasible, not less than one-half of all income to the  
17 charitable, educational, penal, and reformatory institutions account  
18 shall be appropriated for the purpose of providing housing, including  
19 repair and renovation of state institutions, for persons with mental  
20 illness or developmental disabilities, or youth who are blind, deaf,  
21 or otherwise disabled. If moneys are appropriated for community-based  
22 housing, the moneys shall be appropriated to the department of  
23 commerce for the housing assistance program under chapter ((43.185))  
24 43.185A RCW. During the 2015-2017 fiscal biennium, the legislature  
25 may transfer from the charitable, educational, penal and reformatory  
26 institutions account to the state general fund such amounts as  
27 reflect excess fund balance of the account.

28 **Sec. 20.** RCW 43.185C.200 and 2007 c 483 s 604 are each amended  
29 to read as follows:

30 (1) The department of ((community, trade, and economic  
31 development)) commerce shall establish a pilot program to provide  
32 grants to eligible organizations, as described in RCW ((43.185.060))  
33 43.185A.040, to provide transitional housing assistance to offenders  
34 who are reentering the community and are in need of housing.

35 (2) There shall be a minimum of two pilot programs established in  
36 two counties. The pilot programs shall be selected through a request  
37 for proposal process and in consultation with the department of



1 corrections. The department shall select the pilot sites by January  
2 1, 2008.

3 (3) The pilot program shall:

4 (a) Be operated in collaboration with the community justice  
5 center existing in the location of the pilot site;

6 (b) Offer transitional supportive housing that includes  
7 individual support and mentoring available on an ongoing basis, life  
8 skills training, and close working relationships with community  
9 justice centers and community corrections officers. Supportive  
10 housing services can be provided directly by the housing operator, or  
11 in partnership with community-based organizations;

12 (c) In providing assistance, give priority to offenders who are  
13 designated as high risk or high needs as well as those determined not  
14 to have a viable release plan by the department of corrections;

15 (d) Optimize available funding by utilizing cost-effective  
16 community-based shared housing arrangements or other noninstitutional  
17 living arrangements; and

18 (e) Provide housing assistance for a period of time not to exceed  
19 twelve months for a participating offender.

20 (4) The department may also use up to twenty percent of the  
21 funding appropriated in the operating budget for this section to  
22 support the development of additional supportive housing resources  
23 for offenders who are reentering the community.

24 (5) The department shall:

25 (a) Collaborate with the department of corrections in developing  
26 criteria to determine who will qualify for housing assistance; and

27 (b) Gather data, and report to the legislature by November 1,  
28 2008, on the number of offenders seeking housing, the number of  
29 offenders eligible for housing, the number of offenders who receive  
30 the housing, and the number of offenders who commit new crimes while  
31 residing in the housing to the extent information is available.

32 (6) The department of corrections shall collaborate with  
33 organizations receiving grant funds to:

34 (a) Help identify appropriate housing solutions in the community  
35 for offenders;

36 (b) Where possible, facilitate an offender's application for  
37 housing prior to discharge;

38 (c) Identify enhancements to training provided to offenders prior  
39 to discharge that may assist an offender in effectively transitioning  
40 to the community;

1 (d) Maintain communication between the organization receiving  
2 grant funds, the housing provider, and corrections staff supervising  
3 the offender; and

4 (e) Assist the offender in accessing resources and services  
5 available through the department of corrections and a community  
6 justice center.

7 (7) The state, department of (~~community, trade, and economic~~  
8 ~~development~~) commerce, department of corrections, local governments,  
9 local housing authorities, eligible organizations as described in RCW  
10 (~~43.185.060~~) 43.185A.040, and their employees are not liable for  
11 civil damages arising from the criminal conduct of an offender solely  
12 due to the placement of an offender in housing provided under this  
13 section or the provision of housing assistance.

14 (8) Nothing in this section allows placement of an offender into  
15 housing without an analysis of the risk the offender may pose to that  
16 particular community or other residents.

17 **Sec. 21.** RCW 43.185C.210 and 2020 c 155 s 1 are each amended to  
18 read as follows:

19 (1) The transitional housing operating and rent program is  
20 created in the department to assist individuals and families who are  
21 homeless or who are at risk of becoming homeless to secure and retain  
22 safe, decent, and affordable housing. The department shall provide  
23 grants to eligible organizations, as described in RCW (~~43.185.060~~)  
24 43.185A.040, to provide assistance to program participants. The  
25 eligible organizations must use grant moneys for:

26 (a) Rental assistance, which includes security or utility  
27 deposits, first and last month's rent assistance, and eligible moving  
28 expenses to be determined by the department;

29 (b) Case management services designed to assist program  
30 participants to secure and retain immediate housing and to transition  
31 into permanent housing and greater levels of self-sufficiency;

32 (c) Operating expenses of transitional housing facilities that  
33 serve homeless families with children; and

34 (d) Administrative costs of the eligible organization, which must  
35 not exceed limits prescribed by the department.

36 (2) Eligible to receive assistance through the transitional  
37 housing operating and rent program are:

1 (a) Families with children who are homeless or who are at risk of  
2 becoming homeless and who have household incomes at or below fifty  
3 percent of the median household income for their county;

4 (b) Families with children who are homeless or who are at risk of  
5 becoming homeless and who are receiving services under chapter 13.34  
6 RCW;

7 (c) Individuals or families without children who are homeless or  
8 at risk of becoming homeless and who have household incomes at or  
9 below thirty percent of the median household income for their county;

10 (d) Individuals or families who are homeless or who are at risk  
11 of becoming homeless and who have a household with an adult member  
12 who has a mental health or chemical dependency disorder; and

13 (e) Individuals or families who are homeless or who are at risk  
14 of becoming homeless and who have a household with an adult member  
15 who is an offender released from confinement within the past eighteen  
16 months.

17 (3) All program participants must be willing to create and  
18 actively participate in a housing stability plan for achieving  
19 permanent housing and greater levels of self-sufficiency.

20 (4) Data on all program participants must be entered into and  
21 tracked through the Washington homeless client management information  
22 system as described in RCW 43.185C.180. For eligible organizations  
23 serving victims of domestic violence or sexual assault, compliance  
24 with this subsection must be accomplished in accordance with 42  
25 U.S.C. Sec. 11383(a)(8).

26 (5) The department may develop rules, requirements, procedures,  
27 and guidelines as necessary to implement and operate the transitional  
28 housing operating and rent program.

29 (6) The department shall produce an annual transitional housing  
30 operating and rent program report that must be included in the  
31 department's homeless housing strategic plan as described in RCW  
32 43.185C.040. The report must include performance measures to be  
33 determined by the department that address, at a minimum, the  
34 following issue areas:

35 (a) The success of the program in helping program participants  
36 transition into permanent affordable housing and achieve self-  
37 sufficiency or increase their levels of self-sufficiency, which shall  
38 be defined by the department based upon the costs of living,  
39 including housing costs, needed to support: (i) One adult individual;

1 and (ii) two adult individuals and one preschool-aged child and one  
2 school-aged child;

3 (b) The financial performance of the program related to efficient  
4 program administration by the department and program operation by  
5 selected eligible organizations, including an analysis of the costs  
6 per program participant served;

7 (c) The quality, completeness, and timeliness of the information  
8 on program participants provided to the Washington homeless client  
9 management information system database; and

10 (d) The satisfaction of program participants in the assistance  
11 provided through the program.

12 **Sec. 22.** RCW 47.12.063 and 2022 c 186 s 710 are each amended to  
13 read as follows:

14 (1) It is the intent of the legislature to continue the  
15 department's policy giving priority consideration to abutting  
16 property owners in agricultural areas when disposing of property  
17 through its surplus property program under this section.

18 (2) Whenever the department determines that any real property  
19 owned by the state of Washington and under the jurisdiction of the  
20 department is no longer required for transportation purposes and that  
21 it is in the public interest to do so, the department may sell the  
22 property or exchange it in full or part consideration for land or  
23 building improvements or for construction of highway improvements at  
24 fair market value to any person through the solicitation of written  
25 bids through public advertising in the manner prescribed under RCW  
26 47.28.050 or in the manner prescribed under RCW 47.12.283.

27 (3) The department may forego the processes prescribed by RCW  
28 47.28.050 and 47.12.283 and sell the real property to any of the  
29 following entities or persons at fair market value:

30 (a) Any other state agency;

31 (b) The city or county in which the property is situated;

32 (c) Any other municipal corporation;

33 (d) Regional transit authorities created under chapter 81.112  
34 RCW;

35 (e) The former owner of the property from whom the state acquired  
36 title;

37 (f) In the case of residentially improved property, a tenant of  
38 the department who has resided thereon for not less than six months  
39 and who is not delinquent in paying rent to the state;

1 (g) Any abutting private owner but only after each other abutting  
2 private owner (if any), as shown in the records of the county  
3 assessor, is notified in writing of the proposed sale. If more than  
4 one abutting private owner requests in writing the right to purchase  
5 the property within 15 days after receiving notice of the proposed  
6 sale, the property shall be sold at public auction in the manner  
7 provided in RCW 47.12.283;

8 (h) To any other owner of real property required for  
9 transportation purposes;

10 (i) In the case of property suitable for residential use, any  
11 nonprofit organization dedicated to providing affordable housing to  
12 very low-income, low-income, and moderate-income households as  
13 defined in RCW 43.63A.510 and is eligible to receive assistance  
14 through the Washington housing trust fund created in chapter  
15 (~~43.185~~) 43.185A RCW;

16 (j) During the 2021-2023 fiscal biennium, any nonprofit  
17 organization that identifies real property to be sold or conveyed as  
18 a substitute for real property owned by the nonprofit within the city  
19 of Seattle to be redeveloped for the purpose of affordable housing;  
20 or

21 (k) A federally recognized Indian tribe within whose reservation  
22 boundary the property is located.

23 (4) When selling real property pursuant to RCW 47.12.283, the  
24 department may withhold or withdraw the property from an auction when  
25 requested by one of the entities or persons listed in subsection (3)  
26 of this section and only after the receipt of a nonrefundable deposit  
27 equal to 10 percent of the fair market value of the real property or  
28 \$5,000, whichever is less. This subsection does not prohibit the  
29 department from exercising its discretion to withhold or withdraw the  
30 real property from an auction if the department determines that the  
31 property is no longer surplus or chooses to sell the property through  
32 one of the other means listed in subsection (2) of this section. If a  
33 transaction under this subsection is not completed within 60 days,  
34 the real property must be put back up for sale.

35 (5) Sales to purchasers may, at the department's option, be for  
36 cash, by real estate contract, or exchange of land or highway  
37 improvements. Transactions involving the construction of improvements  
38 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as  
39 applicable, and must comply with all other applicable laws and rules.

1 (6) Conveyances made pursuant to this section shall be by deed  
2 executed by the secretary of transportation and shall be duly  
3 acknowledged.

4 (7) Unless otherwise provided, all moneys received pursuant to  
5 the provisions of this section less any real estate broker  
6 commissions paid pursuant to RCW 47.12.320 shall be deposited in the  
7 motor vehicle fund.

8 (8) The department may not enter into equal value exchanges or  
9 property acquisitions for building improvements without first  
10 consulting with the office of financial management and the joint  
11 transportation committee.

12 **Sec. 23.** RCW 59.24.060 and 1995 c 399 s 159 are each amended to  
13 read as follows:

14 The department of (~~community, trade, and economic development~~)  
15 commerce may receive such gifts, grants, or endowments from public or  
16 private sources, as may be made from time to time, in trust or  
17 otherwise, to be used by the department of (~~community, trade, and~~  
18 ~~economic development~~) commerce for its programs, including the  
19 rental security deposit guarantee program. Funds from the housing  
20 trust fund, chapter (~~43.185~~) 43.185A RCW, up to one hundred  
21 thousand dollars, may be used for the rental security deposit  
22 guarantee program by the department of (~~community, trade, and~~  
23 ~~economic development~~) commerce, local governments, and nonprofit  
24 organizations, provided all the requirements of this chapter and  
25 chapter (~~43.185~~) 43.185A RCW are met.

26 **Sec. 24.** RCW 82.14.400 and 2020 c 139 s 24 are each amended to  
27 read as follows:

28 (1) Upon the joint request of a metropolitan park district, a  
29 city with a population of more than one hundred fifty thousand, and a  
30 county legislative authority in a county with a national park and a  
31 population of more than five hundred thousand and less than one  
32 million five hundred thousand, the county must submit an authorizing  
33 proposition to the county voters, fixing and imposing a sales and use  
34 tax in accordance with this chapter for the purposes designated in  
35 subsection (4) of this section and identified in the joint request.  
36 Such proposition must be placed on a ballot for a special or general  
37 election to be held no later than one year after the date of the  
38 joint request.

1 (2) The proposition is approved if it receives the votes of a  
2 majority of those voting on the proposition.

3 (3) The tax authorized in this section is in addition to any  
4 other taxes authorized by law and must be collected from those  
5 persons who are taxable by the state under chapters 82.08 and 82.12  
6 RCW upon the occurrence of any taxable event within the county. The  
7 rate of tax must equal no more than one-tenth of one percent of the  
8 selling price in the case of a sales tax, or value of the article  
9 used, in the case of a use tax.

10 (4) Moneys received from any tax imposed under this section must  
11 be used solely for the purpose of providing funds for:

12 (a) Costs associated with financing, design, acquisition,  
13 construction, equipping, operating, maintaining, remodeling,  
14 repairing, reequipping, or improvement of zoo, aquarium, and wildlife  
15 preservation and display facilities that are currently accredited by  
16 the American zoo and aquarium association; or

17 (b) Those costs associated with (a) of this subsection and costs  
18 related to parks located within a county described in subsection (1)  
19 of this section.

20 (5) The department must perform the collection of such taxes on  
21 behalf of the county at no cost to the county. In lieu of the charge  
22 for the administration and collection of local sales and use taxes  
23 under RCW 82.14.050 from which the county is exempt under this  
24 subsection (5), a percentage of the tax revenues authorized by this  
25 section equal to one-half of the maximum percentage provided in RCW  
26 82.14.050 must be transferred annually to the department of commerce,  
27 or its successor agency, from the funds allocated under subsection  
28 (6)(b) of this section for a period of twelve years from the first  
29 date of distribution of funds under subsection (6)(b) of this  
30 section. The department of commerce, or its successor agency, must  
31 use funds transferred to it pursuant to this subsection (5) to  
32 provide, operate, and maintain community-based housing under chapter  
33 (~~43.185~~) 43.185A RCW for individuals with mental illness.

34 (6) If the joint request and the authorizing proposition include  
35 provisions for funding those costs included within subsection (4)(b)  
36 of this section, the tax revenues authorized by this section must be  
37 allocated annually as follows:

38 (a) Fifty percent to the zoo and aquarium advisory authority; and

39 (b) Fifty percent to be distributed on a per capita basis as set  
40 out in the most recent population figures for unincorporated and

1 incorporated areas only within that county, as determined by the  
2 office of financial management, solely for parks, as follows: To any  
3 metropolitan park district, to cities and towns not contained within  
4 a metropolitan park district, and the remainder to the county. Moneys  
5 received under this subsection (6)(b) by a county may not be used to  
6 replace or supplant existing per capita funding.

7 (7) Funds must be distributed annually by the county treasurer to  
8 the county, and cities and towns located within the county, in the  
9 manner set out in subsection (6)(b) of this section.

10 (8) Prior to expenditure of any funds received by the county  
11 under subsection (6)(b) of this section, the county must establish a  
12 process which considers needs throughout the unincorporated areas of  
13 the county in consultation with community advisory councils  
14 established by ordinance.

15 (9) By December 31, 2005, and thereafter, the county or any city  
16 with a population greater than eighty thousand must provide at least  
17 one dollar match for every two dollars received under this section.

18 (10) Properties subject to a memorandum of agreement between the  
19 federal bureau of land management, the advisory council on historic  
20 preservation, and the Washington state historic preservation officer  
21 have priority for funding from money received under subsection (6)(b)  
22 of this section for implementation of the stipulations in the  
23 memorandum of agreement.

24 (a) At least one hundred thousand dollars of the first four years  
25 of allocations under subsection (6)(b) of this section, to be matched  
26 by the county or city with one dollar for every two dollars received,  
27 must be used to implement the stipulations of the memorandum of  
28 agreement and for other historical, archaeological, architectural,  
29 and cultural preservation and improvements related to the properties.

30 (b) The amount in (a) of this subsection must come equally from  
31 the allocations to the county and to the city in which the properties  
32 are located, unless otherwise agreed to by the county and the city.

33 (c) The amount in (a) of this subsection may not be construed to  
34 displace or be offered in lieu of any lease payment from a county or  
35 city to the state for the properties in question.

36 **Sec. 25.** RCW 82.45.100 and 2010 1st sp.s. c 23 s 211 are each  
37 amended to read as follows:

38 (1) Payment of the tax imposed under this chapter is due and  
39 payable immediately at the time of sale, and if not paid within one



1 month thereafter will bear interest from the time of sale until the  
2 date of payment.

3 (a) Interest imposed before January 1, 1999, is computed at the  
4 rate of one percent per month.

5 (b) Interest imposed after December 31, 1998, is computed on a  
6 monthly basis at the rate as computed under RCW 82.32.050(2). The  
7 rate so computed must be adjusted on the first day of January of each  
8 year for use in computing interest for that calendar year. The  
9 department must provide written notification to the county treasurers  
10 of the variable rate on or before December 1st of the year preceding  
11 the calendar year in which the rate applies.

12 (2) In addition to the interest described in subsection (1) of  
13 this section, if the payment of any tax is not received by the county  
14 treasurer or the department of revenue, as the case may be, within  
15 one month of the date due, there is assessed a penalty of five  
16 percent of the amount of the tax; if the tax is not received within  
17 two months of the date due, there will be assessed a total penalty of  
18 ten percent of the amount of the tax; and if the tax is not received  
19 within three months of the date due, there will be assessed a total  
20 penalty of twenty percent of the amount of the tax. The payment of  
21 the penalty described in this subsection is collectible from the  
22 seller only, and RCW 82.45.070 does not apply to the penalties  
23 described in this subsection.

24 (3) If the tax imposed under this chapter is not received by the  
25 due date, the transferee is personally liable for the tax, along with  
26 any interest as provided in subsection (1) of this section, unless an  
27 instrument evidencing the sale is recorded in the official real  
28 property records of the county in which the property conveyed is  
29 located.

30 (4) If upon examination of any affidavits or from other  
31 information obtained by the department or its agents it appears that  
32 all or a portion of the tax is unpaid, the department must assess  
33 against the taxpayer the additional amount found to be due plus  
34 interest and penalties as provided in subsections (1) and (2) of this  
35 section. The department must notify the taxpayer by mail, or  
36 electronically as provided in RCW 82.32.135, of the additional amount  
37 and the same becomes due and must be paid within thirty days from the  
38 date of the notice, or within such further time as the department may  
39 provide.

1 (5) No assessment or refund may be made by the department more  
2 than four years after the date of sale except upon a showing of:

3 (a) Fraud or misrepresentation of a material fact by the  
4 taxpayer;

5 (b) A failure by the taxpayer to record documentation of a sale  
6 or otherwise report the sale to the county treasurer; or

7 (c) A failure of the transferor or transferee to report the sale  
8 under RCW 82.45.090(2).

9 (6) Penalties collected on taxes due under this chapter under  
10 subsection (2) of this section and RCW 82.32.090 (2) through (8) must  
11 be deposited in the housing trust fund as described in chapter  
12 (~~43.185~~) 43.185A RCW.

13 **Sec. 26.** RCW 43.185B.020 and 2022 c 266 s 53 and 2022 c 165 s 8  
14 are each reenacted and amended to read as follows:

15 (1) The department shall establish the affordable housing  
16 advisory board to consist of (~~23~~) 25 members.

17 (a) The following (~~20~~) 22 members shall be appointed by the  
18 governor:

19 (i) Two representatives of the residential construction industry;

20 (ii) Two representatives of the home mortgage lending profession;

21 (iii) One representative of the real estate sales profession;

22 (iv) One representative of the apartment management and operation  
23 industry;

24 (v) One representative of the for-profit housing development  
25 industry;

26 (vi) One representative of for-profit rental housing owners;

27 (vii) One representative of the nonprofit housing development  
28 industry;

29 (viii) One representative of homeless shelter operators;

30 (ix) One representative of lower-income persons;

31 (x) One representative of special needs populations;

32 (xi) One representative of public housing authorities as created  
33 under chapter 35.82 RCW;

34 (xii) Two representatives of the Washington association of  
35 counties, one representative shall be from a county that is located  
36 east of the crest of the Cascade mountains;

37 (xiii) Two representatives of the association of Washington  
38 cities, one representative shall be from a city that is located east  
39 of the crest of the Cascade mountains;

1 (xiv) One representative to serve as chair of the affordable  
2 housing advisory board;

3 (xv) One representative of organizations that operate site-based  
4 permanent supportive housing and deliver onsite supportive housing  
5 services; (~~and~~)

6 (xvi) One representative at large; (~~and~~  
7 ~~(xvi)~~) (xvii) One representative from a unit owners' association  
8 as defined in RCW 64.34.020 or 64.90.010; and

9 (xviii) One representative from an interlocal housing  
10 collaboration as established under chapter 39.34 RCW.

11 (b) The following three members shall serve as ex officio,  
12 nonvoting members:

13 (i) The director or the director's designee;

14 (ii) The executive director of the Washington state housing  
15 finance commission or the executive director's designee; and

16 (iii) The secretary of social and health services or the  
17 secretary's designee.

18 (2) (a) The members of the affordable housing advisory board  
19 appointed by the governor shall be appointed for four-year terms,  
20 except that the chair shall be appointed to serve a two-year term.  
21 The terms of five of the initial appointees shall be for two years  
22 from the date of appointment and the terms of six of the initial  
23 appointees shall be for three years from the date of appointment. The  
24 governor shall designate the appointees who will serve the two-year  
25 and three-year terms. The members of the advisory board shall serve  
26 without compensation, but shall be reimbursed for travel expenses as  
27 provided in RCW 43.03.050 and 43.03.060.

28 (b) The governor, when making appointments to the affordable  
29 housing advisory board, shall make appointments that reflect the  
30 cultural diversity of the state of Washington.

31 (3) The affordable housing advisory board shall serve as the  
32 department's principal advisory body on housing and housing-related  
33 issues, and replaces the department's existing boards and task forces  
34 on housing and housing-related issues.

35 (4) The affordable housing advisory board shall meet regularly  
36 and may appoint technical advisory committees, which may include  
37 members of the affordable housing advisory board, as needed to  
38 address specific issues and concerns.

39 (5) The department, in conjunction with the Washington state  
40 housing finance commission and the department of social and health

1 services, shall supply such information and assistance as are deemed  
2 necessary for the advisory board to carry out its duties under this  
3 section.

4 (6) The department shall provide administrative and clerical  
5 assistance to the affordable housing advisory board.

6 NEW SECTION. **Sec. 27.** (1) RCW 43.185.010, 43.185.030,  
7 43.185.050, 43.185.070, 43.185.074, and 43.185.080 are each  
8 recodified as sections in chapter 43.185A RCW.

9 (2) RCW 43.185.110 is recodified as a section in chapter 43.185B  
10 RCW.

11 NEW SECTION. **Sec. 28.** The following acts or parts of acts are  
12 each repealed:

13 (1) RCW 43.185.015 (Housing assistance program) and 1995 c 399 s  
14 100 & 1991 c 356 s 2;

15 (2) RCW 43.185.020 (Definitions) and 2013 c 145 s 1, 2009 c 565 s  
16 37, 1995 c 399 s 101, & 1986 c 298 s 3;

17 (3) RCW 43.185.060 (Eligible organizations) and 2019 c 325 s  
18 5012, 2014 c 225 s 61, 1994 c 160 s 2, 1991 c 295 s 1, & 1986 c 298 s  
19 7;

20 (4) RCW 43.185.076 (Low-income housing grants and loans—Approval  
21 —License education programs) and 1988 c 286 s 3 & 1987 c 513 s 10;

22 (5) RCW 43.185.090 (Compliance monitoring) and 1986 c 298 s 10;

23 (6) RCW 43.185.100 (Rule-making authority) and 1987 c 513 s 2 &  
24 1986 c 298 s 11;

25 (7) RCW 43.185.120 (Protection of state's interest) and 1991 c  
26 356 s 7;

27 (8) RCW 43.185.130 (Application process—Distribution procedure)  
28 and 2006 c 349 s 3;

29 (9) RCW 43.185.140 (Findings—Review of all housing properties—  
30 Energy audits) and 2009 c 379 s 301;

31 (10) RCW 43.185.910 (Conflict with federal requirements—1991 c  
32 356) and 1991 c 356 s 8;

33 (11) RCW 43.185A.030 (Activities eligible for assistance) and  
34 2013 c 145 s 5 & 2011 1st sp.s. c 50 s 954;

35 (12) RCW 43.185A.050 (Grant and loan application process—Report)  
36 and 2013 c 145 s 6, 2012 c 235 s 2, & 1991 c 356 s 14;

37 (13) RCW 43.185A.080 (Rules) and 1991 c 356 s 17;

1           (14) RCW 43.185A.090 (Application process—Distribution procedure)  
2 and 2006 c 349 s 4;  
3           (15) RCW 43.185A.100 (Housing programs and services—Review of  
4 reporting requirements—Report to the legislature) and 2006 c 349 s  
5 11;  
6           (16) RCW 43.185A.110 (Affordable housing land acquisition  
7 revolving loan fund program) and 2017 c 274 s 1, 2008 c 112 s 1, &  
8 2007 c 428 s 2;  
9           (17) RCW 43.185A.120 (Affordable housing and community facilities  
10 rapid response loan program) and 2008 c 112 s 2; and  
11           (18) RCW 43.185A.900 (Short title) and 1991 c 356 s 9.

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