
SENATE BILL 5357

State of Washington

66th Legislature

2019 Regular Session

By Senators Darneille and Kuderer

1 AN ACT Relating to authorizing cities and counties to impose
2 additional taxes for affordable housing; and amending RCW 82.46.075.

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

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

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

15 (2) Revenues generated from the tax imposed under this section
16 shall be placed in an affordable housing account administered by the
17 ((county)) authorizing jurisdiction. Disbursements from the account
18 ((shall)) must be made following a competitive grant and loan
19 process. The ((county)) authorizing legislative authority shall
20 determine a mechanism for receiving grant and loan applications, and
21 criteria by which the applications shall be approved and funded.

1 Eligible recipients of grants and loans from the account shall be
2 private nonprofit, affordable housing providers, the housing
3 authority for the county, or other housing programs conducted or
4 funded by a public agency, or by a public agency in partnership with
5 a private nonprofit entity.

6 (3) The taxes imposed under this section shall be imposed in the
7 same manner and on the same occurrences, and are subject to the same
8 conditions, as the taxes under chapter 82.45 RCW, except that the tax
9 shall be the obligation of both the purchaser and the seller, as
10 determined by the ~~((county))~~ authorizing legislative authority, with
11 at least one-half of the obligation being that of the purchaser. The
12 ~~((county))~~ jurisdiction may enforce the obligation through an action
13 of debt against the purchaser or seller or may foreclose the lien on
14 the property in the same manner prescribed for the foreclosure of
15 mortgages. The imposition of the tax is effective thirty days after
16 the election at which the tax is authorized.

17 (4) (a) ~~((No tax may))~~ The full tax rate of one-half of one
18 percent may not be imposed under this section unless approved by a
19 majority of the voters ~~((of the county voting, for a specified period~~
20 ~~and for a specified maximum rate. This))~~ in the jurisdiction voting.
21 A majority of the jurisdiction's legislative authority may impose a
22 tax rate less than the full amount authorized under this section
23 without voter approval. A vote must follow either:

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

26 (ii) The filing of a petition proposing this action with the
27 county auditor, signed by county or city voters at least equal in
28 number to ten percent of the total number of voters in the county or
29 city who voted in the preceding general election.

30 (b) The ballot proposition shall be submitted to the voters of
31 the county or city at the next general election occurring at least
32 sixty days after a petition is filed, or at any special election
33 prior to this general election called for this purpose by the county
34 legislative authority.

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

38 ~~(6))~~ A plan for the expenditure of the proceeds of the tax
39 imposed by this section shall be prepared by the ~~((county))~~
40 authorizing legislative authority at least sixty days before the

1 election or enactment if the proposal is initiated by resolution of
2 the county legislative authority, or within six months after the tax
3 has been authorized by the voters if the proposal is initiated by
4 petition. Prior to (~~the adoption of~~) a county adopting this plan,
5 the elected officials of cities located within the county shall be
6 consulted and at least one public hearing shall be held to obtain
7 public comment. The proceeds of the tax shall be expended in
8 conformance with this plan.

9 (6) If both a city and county exercise the authority provided in
10 this section, the city must collect the excise tax within its
11 incorporated boundaries, and the county must collect the excise tax
12 within the unincorporated areas.

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