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**SUBSTITUTE SENATE BILL 5357**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Housing Stability & Affordability (originally sponsored by Senators Darneille, Kuderer, Nguyen, Saldaña, and Hunt)

READ FIRST TIME 02/14/19.

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))~~) (6) and (7) of this  
7 section, the legislative authority of any county may impose an  
8 additional excise tax on the purchase and sale of real property in  
9 (~~(the county)~~) its jurisdiction at the rate of one-half of one  
10 percent of the selling price. (~~(The proceeds of the tax shall 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) Subject to subsection (8) of this section, the legislative  
16 authority of any city, or of any county that has not imposed the tax  
17 authorized in subsection (1) of this section, may impose an  
18 additional excise tax on the purchase and sale of real property in  
19 its jurisdiction at the rate of one-quarter of one percent of the  
20 selling price.

1       (3) The proceeds of the taxes imposed under this section must be  
2 used exclusively for the development of affordable housing including  
3 acquisition, building, rehabilitation, and maintenance and operation  
4 of housing for very low, low, and moderate-income persons and those  
5 with special needs.

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

19       ((+3)) (5) The taxes imposed under this section ((shall)) must  
20 be imposed in the same manner and on the same occurrences, and are  
21 subject to the same conditions, as the taxes under chapter 82.45 RCW,  
22 except that the tax ((shall-be)) is the obligation of both the  
23 purchaser and the seller, as determined by the ((county)) authorizing  
24 legislative authority, with at least one-half of the obligation being  
25 that of the purchaser. The ((county)) jurisdiction may enforce the  
26 obligation through an action of debt against the purchaser or seller  
27 or may foreclose the lien on the property in the same manner  
28 prescribed for the foreclosure of mortgages. The imposition of the  
29 ((tax)) taxes is effective thirty days after the election at which  
30 the tax is authorized.

31       ((+4)) (6)(a) No tax may be imposed under ((this-section))  
32 subsection (1) of this section unless approved by a majority of the  
33 voters of the county voting, for a specified period and for a  
34 specified maximum rate. ((This)) A vote must follow either:

35       (i) The adoption of a resolution by the county legislative  
36 authority proposing this action; or

37       (ii) The filing of a petition proposing this action with the  
38 county auditor, signed by county voters at least equal in number to  
39 ten percent of the total number of voters in the county who voted in  
40 the preceding general election.

1 (b) The ballot proposition (~~shall~~) must be submitted to the  
2 voters of the county at the next general election occurring at least  
3 sixty days after a petition is filed, or at any special election  
4 prior to this general election called for this purpose by the county  
5 legislative authority.

6 (~~(5)~~) (7) No tax may be imposed under (~~this section~~)  
7 subsection (1) of this section unless the county imposes a tax under  
8 RCW 82.46.070 at the maximum rate and the tax was imposed by January  
9 1, 2003.

10 (~~(6)~~) (8) No tax may be imposed under subsection (2) of this  
11 section unless it is approved by a majority of the jurisdiction's  
12 legislative authority.

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

24 (10) If both a city and county exercise the authority provided in  
25 subsection (2) of this section, the city must collect the excise tax  
26 within its incorporated boundaries, and the county must collect the  
27 excise tax within the unincorporated areas.

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