
HOUSE BILL 1335

State of Washington

67th Legislature

2021 Regular Session

By Representatives Valdez, Rude, Berry, Fitzgibbon, Morgan, Santos, Shewmake, Davis, Berg, Gilday, Bergquist, Fey, Bateman, Lekanoff, Lovick, Callan, Riccelli, Rule, Pollet, Senn, and Harris-Talley

Read first time 01/21/21. Referred to Committee on Local Government.

1 AN ACT Relating to review and property owner notification of
2 recorded documents with unlawful racial restrictions; amending RCW
3 82.46.010 and 82.46.035; and adding a new section to chapter 49.60
4 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 49.60
7 RCW to read as follows:

8 Prior to the date by which a city or county is required to update
9 its growth management comprehensive plan under RCW 36.70A.130, cities
10 and counties shall work cooperatively to review existing recorded
11 covenants and deed restrictions to identify those recorded documents
12 that include racial or other restrictions on property ownership or
13 use against protected classes that are unlawful under RCW 49.60.224.
14 After identifying such recorded documents, cities and counties shall
15 provide notice to the current owner of the real property with
16 information on how the property owner may record a document under RCW
17 49.60.227 striking from the referenced original instrument all
18 provisions that are void and unenforceable under law. Costs shall be
19 apportioned among the county and cities within each county based on
20 population.

1 **Sec. 2.** RCW 82.46.010 and 2015 2nd sp.s. c 10 s 1 are each
2 amended to read as follows:

3 (1) The legislative authority of any county or city must identify
4 in the adopted budget the capital projects funded in whole or in part
5 from the proceeds of the tax authorized in this section, and must
6 indicate that such tax is intended to be in addition to other funds
7 that may be reasonably available for such capital projects.

8 (2)(a) The legislative authority of any county or any city may
9 impose an excise tax on each sale of real property in the
10 unincorporated areas of the county for the county tax and in the
11 corporate limits of the city for the city tax at a rate not exceeding
12 one-quarter of one percent of the selling price. The revenues from
13 this tax must be used by any city or county with a population of five
14 thousand or less and any city or county that does not plan under RCW
15 36.70A.040 for any capital purpose identified in a capital
16 improvements plan and local capital improvements, including those
17 listed in RCW 35.43.040.

18 (b) After April 30, 1992, revenues generated from the tax imposed
19 under this subsection (2) in counties over five thousand population
20 and cities over five thousand population that are required or choose
21 to plan under RCW 36.70A.040 must be used solely for financing
22 capital projects specified in a capital facilities plan element of a
23 comprehensive plan and housing relocation assistance under RCW
24 59.18.440 and 59.18.450. However, revenues (i) pledged by such
25 counties and cities to debt retirement prior to April 30, 1992, may
26 continue to be used for that purpose until the original debt for
27 which the revenues were pledged is retired, or (ii) committed prior
28 to April 30, 1992, by such counties or cities to a project may
29 continue to be used for that purpose until the project is completed.

30 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2),
31 the legislative authority of any county or any city may impose an
32 additional excise tax on each sale of real property in the
33 unincorporated areas of the county for the county tax and in the
34 corporate limits of the city for the city tax at a rate not exceeding
35 one-half of one percent of the selling price.

36 (4) Taxes imposed under this section must be collected from
37 persons who are taxable by the state under chapter 82.45 RCW upon the
38 occurrence of any taxable event within the unincorporated areas of
39 the county or within the corporate limits of the city, as the case
40 may be.

1 (5) Taxes imposed under this section must comply with all
2 applicable rules, regulations, laws, and court decisions regarding
3 real estate excise taxes as imposed by the state under chapter 82.45
4 RCW.

5 (6) The definitions in this subsection (6) apply throughout this
6 section unless the context clearly requires otherwise.

7 (a) "City" means any city or town.

8 (b) "Capital project" means those public works projects of a
9 local government for planning, acquisition, construction,
10 reconstruction, repair, replacement, rehabilitation, or improvement
11 of streets; roads; highways; sidewalks; street and road lighting
12 systems; traffic signals; bridges; domestic water systems; storm and
13 sanitary sewer systems; parks; recreational facilities; law
14 enforcement facilities; fire protection facilities; trails;
15 libraries; administrative facilities; judicial facilities; river
16 flood control projects; waterway flood control projects by those
17 jurisdictions that, prior to June 11, 1992, have expended funds
18 derived from the tax authorized by this section for such purposes;
19 until December 31, 1995, housing projects for those jurisdictions
20 that, prior to June 11, 1992, have expended or committed to expend
21 funds derived from the tax authorized by this section or the tax
22 authorized by RCW 82.46.035 for such purposes; and technology
23 infrastructure that is integral to the capital project.

24 ~~(7) ((From July 22, 2011, until December 31, 2016, a city or~~
25 ~~county may use the greater of one hundred thousand dollars or thirty-~~
26 ~~five percent of available funds under this section, but not to exceed~~
27 ~~one million dollars per year, for the operations and maintenance of~~
28 ~~existing capital projects as defined in subsection (6) of this~~
29 ~~section)) From July 1, 2021, until the date by which a city or county~~
30 ~~is required to update its growth management comprehensive plan under~~
31 ~~RCW 36.70A.130, a city or county may use funds under this section for~~
32 ~~the review and property owner notification requirements in section 1~~
33 ~~of this act.~~

34 **Sec. 3.** RCW 82.46.035 and 2019 c 73 s 2 are each amended to read
35 as follows:

36 (1) The legislative authority of any county or city must identify
37 in the adopted budget the capital projects funded in whole or in part
38 from the proceeds of the tax authorized in this section, and must

1 indicate that such tax is intended to be in addition to other funds
2 that may be reasonably available for such capital projects.

3 (2) The legislative authority of any county or any city that
4 plans under RCW 36.70A.040(1) may impose an additional excise tax on
5 each sale of real property in the unincorporated areas of the county
6 for the county tax and in the corporate limits of the city for the
7 city tax at a rate not exceeding one-quarter of one percent of the
8 selling price. Any county choosing to plan under RCW 36.70A.040(2)
9 and any city within such a county may only adopt an ordinance
10 imposing the excise tax authorized by this section if the ordinance
11 is first authorized by a proposition approved by a majority of the
12 voters of the taxing district voting on the proposition at a general
13 election held within the district or at a special election within the
14 taxing district called by the district for the purpose of submitting
15 such proposition to the voters.

16 (3) Revenues generated from the tax imposed under subsection (2)
17 of this section must be used by such counties and cities solely for
18 financing capital projects specified in a capital facilities plan
19 element of a comprehensive plan. However, revenues (a) pledged by
20 such counties and cities to debt retirement prior to March 1, 1992,
21 may continue to be used for that purpose until the original debt for
22 which the revenues were pledged is retired, or (b) committed prior to
23 March 1, 1992, by such counties or cities to a project may continue
24 to be used for that purpose until the project is completed.

25 (4) Revenues generated by the tax imposed by this section must be
26 deposited in a separate account.

27 (5) As used in this section, "city" means any city or town and
28 "capital project" means those public works projects of a local
29 government for:

30 (a) Planning, acquisition, construction, reconstruction, repair,
31 replacement, rehabilitation, or improvement of streets, roads,
32 highways, sidewalks, street and road lighting systems, traffic
33 signals, bridges, domestic water systems, storm and sanitary sewer
34 systems;

35 (b) Planning, construction, reconstruction, repair,
36 rehabilitation, or improvement of parks; and

37 (c) Until January 1, 2026, planning, acquisition, construction,
38 reconstruction, repair, replacement, rehabilitation, or improvement
39 of facilities for those experiencing homelessness and affordable
40 housing projects.

1 (6) A county or city may use the greater of one hundred thousand
2 dollars or twenty-five percent of available funds, but not to exceed
3 one million dollars, for capital projects as defined in subsection
4 (5)(c) of this section. The limits in this subsection do not apply to
5 any county or city that used revenue under this section for the
6 acquisition, construction, improvement, or rehabilitation of
7 facilities to provide housing for the homeless prior to June 30,
8 2019.

9 (7) A county or city using funds for uses in subsection (5)(c) of
10 this section must document in its plan under RCW 36.70A.070(3) that
11 it has funds during the next two years for capital projects in
12 subsection (5)(a) of this section.

13 (8) When the governor files a notice of noncompliance under RCW
14 36.70A.340 with the secretary of state and the appropriate county or
15 city, the county or city's authority to impose the additional excise
16 tax under this section is temporarily rescinded until the governor
17 files a subsequent notice rescinding the notice of noncompliance.

18 (9) From July 1, 2021, until the date by which a city or county
19 is required to update its growth management comprehensive plan under
20 RCW 36.70A.130, a city or county may use funds under this section for
21 the review and property owner notification requirements in section 1
22 of this act.

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