
SUBSTITUTE SENATE BILL 6457

State of Washington

66th Legislature

2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Fortunato, Zeiger, Warnick, and O'Ban)

READ FIRST TIME 02/04/20.

1 AN ACT Relating to promoting housing affordability by
2 incentivizing the construction of American dream homes; adding a new
3 section to chapter 36.70A RCW; adding a new section to chapter 82.08
4 RCW; and adding a new section to chapter 82.12 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 36.70A
7 RCW to read as follows:

8 (1) A city or county may permit American dream homes in order to
9 encourage the development of residential housing for low-income
10 households.

11 (2) A new American dream home may be approved in a city or county
12 if the following criteria are met:

13 (a) Each American dream home is exempt from impact fees under RCW
14 82.02.050;

15 (b) The city or county does not charge cumulative permitting fees
16 for each American dream home that equal more than one thousand two
17 hundred fifty dollars;

18 (c) Provisions, such as covenants or other restrictions, are
19 included to ensure that each American dream home remains reserved for
20 low-income households.

21 (3) For the purposes of this section:

1 (a) "American dream home" means an owner-occupied single-family
2 residential detached dwelling of one thousand seven hundred square
3 feet or less serving low-income households.

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

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08
9 RCW to read as follows:

10 (1) A city or county may receive a distribution equal to the
11 state portion of the tax levied by RCW 82.08.020 in respect to:

12 (a) Charges for labor and services rendered in respect to the
13 constructing of dwellings designated American dream homes, as
14 provided in section 1 of this act;

15 (b) Sales of tangible personal property that will be incorporated
16 as an ingredient or component of such dwellings during the course of
17 the constructing; or

18 (c) Charges made for labor and services rendered in respect to
19 installing, during the course of constructing such dwellings,
20 fixtures not otherwise eligible for the exemption under RCW
21 82.08.02565.

22 (2)(a) The department must at least once annually remit to the
23 city or county an estimated amount, as determined by the department,
24 of state taxes collected during the prior calendar year with respect
25 to section 1 of this act.

26 (b) The department must determine eligibility under this section
27 based on information provided by the city or county and through audit
28 and other administrative records.

29 (c) The city or county must, on an annual basis, submit an
30 application, in a form and manner as required by the department by
31 rule, containing any information the department deems necessary in
32 determining remittance amounts under this section.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12
34 RCW to read as follows:

35 (1) The provisions of this chapter do not apply with respect to
36 the use of:

1 (a) Tangible personal property that will be incorporated as an
2 ingredient or component in constructing of dwellings designated as
3 American dream homes, as provided in section 1 of this act; or
4 (b) Labor and services rendered in respect to installing, during
5 the course of constructing such dwellings, fixtures not otherwise
6 eligible for the exemption under RCW 82.08.02565.
7 (2) The eligibility requirements and conditions in section 2 of
8 this act apply to this section.
9 (3) This section is exempt from the provisions of RCW 82.32.805
10 and 82.32.808.

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