

SENATE BILL REPORT

SB 5609

As of January 31, 2023

Title: An act relating to establishing housing approval requirements that will eliminate Washington's housing shortage.

Brief Description: Establishing housing approval requirements that will eliminate Washington's housing shortage.

Sponsors: Senators Braun, Kuderer, Gildon, Dozier, Fortunato, Lias, Lovick and Wilson, L..

Brief History:

Committee Activity: Housing: 2/01/23.

Brief Summary of Bill

- Requires counties, cities, and towns to approve the construction of enough new homes to eliminate each local government's proportional share of the state's total housing shortage through 2033, and review their requirements to determine whether they impede these efforts.
- Requires the Department of Commerce to calculate each local government's share of the state's total housing shortage and forward reports from local governments of state laws that are preventing the local government from eliminating its share of the housing shortage.
- Prohibits distribution of the earnings of investments of balances in the Local Real Estate Excise Tax Account to any county, city, or town that does not comply with the conditions and requirements.

SENATE COMMITTEE ON HOUSING

Staff: Melissa Van Gorkom (786-7491)

Background: Housing Planning Goal. The Growth Management Act (GMA) includes

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

various planning goals to guide the development of comprehensive plans and development regulations for counties and cities that plan under the GMA. Under the housing goal, GMA jurisdictions must plan for and accommodate housing affordable to all economic segments of the population of the state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

The Department of Commerce (Commerce) must provide an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth as required in the housing element of the comprehensive plan, including units for moderate-, low-, very low-, and extremely low-income households as well as emergency housing, emergency shelters, and permanent supportive housing.

Project Permit Process. Before developing land, a developer must obtain permits from the county, city, or town allowing the development. These permits can include land use permits, environmental permits, building permits, and others, and are referred to as project permits. When a county or city planning under the growth management act is reviewing a project, decisions on permit applications are based on adopted development regulations, or the comprehensive plan in the absence of development regulations.

Real Estate Excise Tax. Most real estate sales are subject to state and local real estate excise taxes (REET). The tax is usually collected by the treasurer of the county within which the property is located, or in some circumstances by the Department of Revenue. The county treasurer remits collections of state REET moneys to the state treasurer. For real estate transactions where the state collects REET directly, the local portion of the tax is deposited with the state treasurer in a local REET account. On a monthly basis, the state treasurer distributes from the local REET account to the counties, cities, and towns, the amount of tax collected on behalf of each taxing authority as well as all earnings of investments of balances in the local REET account.

Summary of Bill: Commerce must establish the proportional share of Washington's total housing shortage for each county, city, and town using the best available data no later than December 1, 2023, and report the number of new homes that must be created in each county, city, and town through 2033, to eliminate Washington's housing shortage.

Every county, city, and town that has authority to approve or deny permits or similar approvals necessary for the construction of new homes must:

- approve the construction of enough new homes through 2033, as calculated by Commerce;
- beginning January 1, 2024, regularly evaluate its locally enacted codes, ordinances, plans, and regulations to determine whether its requirements impede the ability to eliminate its proportional share of Washington's total housing shortage by 2033; and
- report to Commerce any state-enacted requirements that impede the county, city, or town's ability to approve the construction of a sufficient number of new homes to eliminate its proportional share of Washington's total housing shortage by 2033.

The state treasurer may not distribute the earnings of investments of balances in the local real estate excise tax account to any county, city, or town that does not comply with the conditions and requirements.

Commerce must regularly forward any reports made by counties, cities, or towns to the Governor, Lieutenant Governor, Chief Clerk of the House of Representatives, and Secretary of the Senate.

Appropriation: None.

Fiscal Note: Requested on January 27, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.