
SUBSTITUTE SENATE BILL 5609

State of Washington

68th Legislature

2023 Regular Session

By Senate Housing (originally sponsored by Senators Braun, Kuderer, Gildon, Dozier, Fortunato, Lias, Lovick, and L. Wilson)

READ FIRST TIME 02/14/23.

1 AN ACT Relating to establishing housing approval requirements
2 that will eliminate Washington's housing shortage; amending RCW
3 82.45.180; and adding a new title to the Revised Code of Washington.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington
6 has a severe homelessness crisis and housing shortage. By some
7 estimates, our state has a shortage of more than 200,000 homes. While
8 many policy proposals have been offered in good faith as solutions to
9 the housing shortage, the stubborn truth is that Washington simply
10 needs more housing.

11 (2) Local governments will have to play a key role in eliminating
12 Washington's housing shortage because local governments often
13 exercise approval authority over new home construction. Additionally,
14 the legislature recognizes that state laws may constrain local
15 governments' ability to approve construction of new housing. Both
16 levels of government should work together to create public policies
17 that help the residents of Washington have a residence in Washington.

18 (3) The legislature intends to prompt local and state government
19 to promote the construction of new homes and end the housing shortage
20 over the next 10 years.

1 NEW SECTION. **Sec. 2.** (1) Every county, city, and town that has
2 authority to approve or deny permits or other similar approvals
3 necessary for the construction of new homes shall approve the
4 construction of enough new homes to eliminate the county, city, or
5 town's proportional share of Washington's total housing shortage, as
6 calculated under subsection (2) of this section, through 2033.

7 (2) The department of commerce is responsible for establishing
8 each county, city, and town's proportional share of Washington's
9 total housing shortage using the best available data. Best available
10 data must include analyses and projections produced by private sector
11 sources with expertise in housing supply trends, and may include data
12 collected under other programs including, but not limited to, data
13 collected under chapter 36.70A RCW. The department shall complete its
14 calculation no later than April 1, 2024, and shall report the number
15 of new homes that must be created in each county, city, and town
16 through 2033 in order to eliminate Washington's total housing
17 shortage. The department shall also post the same information to the
18 department's public website no later than May 1, 2024.

19 (3) Beginning May 1, 2024, a county, city, or town that is
20 subject to the requirements of this section shall regularly evaluate
21 its locally enacted codes, ordinances, plans, and regulations to
22 determine whether its locally enacted requirements related to the
23 construction of new homes will impede the county, city, or town's
24 ability to eliminate its proportional share of Washington's total
25 housing shortage by 2033. Where a county, city, or town determines
26 that its locally enacted requirements will stand as an impediment,
27 the county, city, or town is encouraged to amend its locally enacted
28 requirements to remove the impediments.

29 (4) Nothing in this section shall be construed to abrogate or
30 supersede any other provision of the Revised Code of Washington.
31 However, when a county, city, or town identifies a state-enacted
32 requirement that will impede the county, city, or town's ability to
33 approve the construction of a sufficient number of new homes to
34 eliminate the county, city, or town's proportional share of
35 Washington's total housing shortage by 2033, the county, city, or
36 town shall report its findings to the department of commerce. The
37 department shall regularly forward such reports to the governor,
38 lieutenant governor, chief clerk of the house of representatives, and
39 secretary of the senate.

1 (5) The legislature intends to review the reports received under
2 subsection (4) of this section and take appropriate action to amend
3 state-enacted requirements for the purpose of ensuring that counties,
4 cities, and towns subject to this section will be able to eliminate
5 their proportional share of Washington's total housing shortage by
6 2033.

7 **Sec. 3.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to
8 read as follows:

9 (1)(a) For taxes collected by the county under this chapter, the
10 county treasurer shall collect a (~~five-dollar~~) \$5 fee on all
11 transactions required by this chapter where the transaction does not
12 require the payment of tax. A total of five dollars shall be
13 collected in the form of a tax and fee, where the calculated tax
14 payment is less than (~~five-dollars~~) \$5. Through June 30, 2006, the
15 county treasurer shall place one percent of the taxes collected by
16 the county under this chapter and the treasurer's fee in the county
17 current expense fund to defray costs of collection. After June 30,
18 2006, the county treasurer shall place one and three-tenths percent
19 of the taxes collected by the county under this chapter and the
20 treasurer's fee in the county current expense fund to defray costs of
21 collection. For taxes collected by the county under this chapter
22 before July 1, 2006, the county treasurer shall pay over to the state
23 treasurer and account to the department of revenue for the proceeds
24 at the same time the county treasurer remits funds to the state under
25 RCW 84.56.280. For taxes collected by the county under this chapter
26 after June 30, 2006, on a monthly basis the county treasurer shall
27 pay over to the state treasurer the month's transmittal. The month's
28 transmittal must be received by the state treasurer by 12:00 p.m. on
29 the last working day of each month. The county treasurer shall
30 account to the department for the month's transmittal by the
31 (~~twentieth~~) 20th day of the month following the month in which the
32 month's transmittal was paid over to the state treasurer. The state
33 treasurer shall deposit the proceeds in the general fund.

34 (b) For purposes of this subsection, the definitions in this
35 subsection apply.

36 (i) "Close of business" means the time when the county treasurer
37 makes his or her daily deposit of proceeds.

38 (ii) "Month's transmittal" means all proceeds deposited by the
39 county through the close of business of the day that is two working

1 days before the last working day of the month. This definition of
2 "month's transmittal" shall not be construed as requiring any change
3 in a county's practices regarding the timing of its daily deposits of
4 proceeds.

5 (iii) "Proceeds" means moneys collected and receipted by the
6 county from the taxes imposed by this chapter, less the county's
7 share of the proceeds used to defray the county's costs of collection
8 allowable in (a) of this subsection.

9 (iv) "Working day" means a calendar day, except Saturdays,
10 Sundays, and all legal holidays as provided in RCW 1.16.050.

11 (2) (a) For taxes collected by the department of revenue under
12 this chapter, the department shall remit the tax to the state
13 treasurer who shall deposit the proceeds of any state tax in the
14 general fund. The state treasurer shall deposit the proceeds of any
15 local taxes imposed under chapter 82.46 RCW in the local real estate
16 excise tax account hereby created in the state treasury. Moneys in
17 the local real estate excise tax account may be spent only for
18 distribution to counties, cities, and towns imposing a tax under
19 chapter 82.46 RCW. Except as provided in RCW 43.08.190 and (b) of
20 this subsection, all earnings of investments of balances in the local
21 real estate excise tax account shall be credited to the local real
22 estate excise tax account and distributed to the counties, cities,
23 and towns monthly. Monthly the state treasurer shall make
24 distribution from the local real estate excise tax account to the
25 counties, cities, and towns the amount of tax collected on behalf of
26 each taxing authority. The state treasurer shall make the
27 distribution under this subsection without appropriation.

28 (b) No earnings of investments of balances in the local real
29 estate excise tax account may be distributed to a county, city, or
30 town that does not comply with the conditions and requirements under
31 section 2 of this act.

32 (3) (a) Through June 30, 2010, the county treasurer shall collect
33 an additional five dollar fee on all transactions required by this
34 chapter, regardless of whether the transaction requires the payment
35 of tax. The county treasurer shall remit this fee to the state
36 treasurer at the same time the county treasurer remits funds to the
37 state under subsection (1) of this section. The state treasurer shall
38 place money from this fee in the general fund. By the (~~twentieth~~)
39 20th day of the subsequent month, the state treasurer shall
40 distribute to each county treasurer according to the following

1 formula: Three-quarters of the funds available shall be equally
2 distributed among the (~~thirty-nine~~) 39 counties; and the balance
3 shall be ratably distributed among the counties in direct proportion
4 to their population as it relates to the total state's population
5 based on most recent statistics by the office of financial
6 management.

7 (b) When received by the county treasurer, the funds shall be
8 placed in a special real estate excise tax electronic technology fund
9 held by the county treasurer to be used exclusively for the
10 development, implementation, and maintenance of an electronic
11 processing and reporting system for real estate excise tax
12 affidavits. Funds may be expended to make the system compatible with
13 the automated real estate excise tax system developed by the
14 department and compatible with the processes used in the offices of
15 the county assessor and county auditor. Any funds held in the account
16 that are not expended by the earlier of: July 1, 2015, or at such
17 time that the county treasurer is utilizing an electronic processing
18 and reporting system for real estate excise tax affidavits compatible
19 with the department and compatible with the processes used in the
20 offices of the county assessor and county auditor, revert to the
21 special real estate and property tax administration assistance
22 account in accordance with subsection (5)(c) of this section.

23 (4) Beginning July 1, 2010, through December 31, 2013, the county
24 treasurer shall continue to collect the additional (~~five-dollar~~) \$5
25 fee in subsection (3) of this section on all transactions required by
26 this chapter, regardless of whether the transaction requires the
27 payment of tax. During this period, the county treasurer shall remit
28 this fee to the state treasurer at the same time the county treasurer
29 remits funds to the state under subsection (1) of this section. The
30 state treasurer shall place money from this fee in the annual
31 property revaluation grant account created in RCW 84.41.170.

32 (5)(a) The real estate and property tax administration assistance
33 account is created in the custody of the state treasurer. An
34 appropriation is not required for expenditures and the account is not
35 subject to allotment procedures under chapter 43.88 RCW.

36 (b) Beginning January 1, 2014, the county treasurer must continue
37 to collect the additional (~~five-dollar~~) \$5 fee in subsection (3) of
38 this section on all transactions required by this chapter, regardless
39 of whether the transaction requires the payment of tax. The county
40 treasurer shall deposit one-half of this fee in the special real

1 estate and property tax administration assistance account in
2 accordance with (c) of this subsection and remit the balance to the
3 state treasurer at the same time the county treasurer remits funds to
4 the state under subsection (1) of this section. The state treasurer
5 must place money from this fee in the real estate and property tax
6 administration assistance account. By the twentieth day of the
7 subsequent month, the state treasurer must distribute the funds to
8 each county treasurer according to the following formula: One-half of
9 the funds available must be equally distributed among the (~~thirty-~~
10 ~~nine~~) 39 counties; and the balance must be ratably distributed among
11 the counties in direct proportion to their population as it relates
12 to the total state's population based on most recent statistics by
13 the office of financial management.

14 (c) When received by the county treasurer, the funds must be
15 placed in a special real estate and property tax administration
16 assistance account held by the county treasurer to be used for:

17 (i) Maintenance and operation of an annual revaluation system for
18 property tax valuation; and

19 (ii) Maintenance and operation of an electronic processing and
20 reporting system for real estate excise tax affidavits.

21 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act constitute a
22 new chapter in a new title in the Revised Code of Washington.

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