
HOUSE BILL 1694

State of Washington

69th Legislature

2025 Regular Session

By Representatives Thai, Zahn, Parshley, Street, Peterson, Duerr, Kloba, Hill, Macri, and Ryu

Read first time 01/29/25. Referred to Committee on Finance.

1 AN ACT Relating to revenues from the excise tax on real estate
2 transactions imposed by cities and counties under RCW 82.46.035; and
3 amending RCW 82.46.035.

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

5 **Sec. 1.** RCW 82.46.035 and 2021 c 296 s 12 are each amended to
6 read as follows:

7 (1) Except for revenues used after May 13, 2021, through December
8 31, 2023, as provided in subsection (3) of this section, the
9 legislative authority of any county or city must identify in the
10 adopted budget the capital projects funded in whole or in part from
11 the proceeds of the tax authorized in this section, and must indicate
12 that such tax is intended to be in addition to other funds that may
13 be reasonably available for such capital projects.

14 (2) The legislative authority of any county or any city that
15 plans under RCW 36.70A.040(1) may impose an additional excise tax on
16 each sale of real property in the unincorporated areas of the county
17 for the county tax and in the corporate limits of the city for the
18 city tax at a rate not exceeding (~~one-quarter of one~~) 0.25 percent
19 of the selling price. Any county choosing to plan under RCW
20 36.70A.040(2) and any city within such a county may only adopt an
21 ordinance imposing the excise tax authorized by this section if the

1 ordinance is first authorized by a proposition approved by a majority
2 of the voters of the taxing district voting on the proposition at a
3 general election held within the district or at a special election
4 within the taxing district called by the district for the purpose of
5 submitting such proposition to the voters.

6 (3) (~~Revenues~~) Except as provided for in subsection (6) of this
7 section, revenues generated from the tax imposed under subsection (2)
8 of this section must be used by such counties and cities solely for
9 financing capital projects specified in a capital facilities plan
10 element of a comprehensive plan, except that the greater of \$100,000
11 or 35 percent of revenues may additionally be used for the operation
12 of, maintenance of, and service support for, existing capital
13 projects after May 13, 2021, through December 31, 2023. However,
14 revenues (a) pledged by such counties and cities to debt retirement
15 prior to March 1, 1992, may continue to be used for that purpose
16 until the original debt for which the revenues were pledged is
17 retired, or (b) committed prior to March 1, 1992, by such counties or
18 cities to a project may continue to be used for that purpose until
19 the project is completed.

20 (4) Revenues generated by the tax imposed by this section must be
21 deposited in a separate account after December 31, 2023.

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

25 (a) Planning, acquisition, construction, reconstruction, repair,
26 replacement, rehabilitation, or improvement of streets, roads,
27 highways, sidewalks, street and road lighting systems, traffic
28 signals, bridges, domestic water systems, storm and sanitary sewer
29 systems;

30 (b) Planning, construction, reconstruction, repair,
31 rehabilitation, or improvement of parks; and

32 (c) (~~Until January 1, 2026, planning~~) Planning, acquisition,
33 construction, reconstruction, repair, replacement, rehabilitation, or
34 improvement of facilities for those experiencing homelessness and
35 affordable housing projects.

36 (6) Revenues generated by the tax imposed under subsection (2) of
37 this section may be used towards planning, acquisition, construction,
38 reconstruction, repair, replacement, rehabilitation, or improvement
39 of facilities for those experiencing homelessness and affordable

1 housing projects that are supported through an interlocal housing
2 collaboration as established under chapter 39.34 RCW.

3 (7) A county or city may use the greater of \$100,000 or 25
4 percent of available funds, but not to exceed \$1,000,000, annually
5 for capital projects as defined in subsection (5)(c) of this section.
6 The limits in this subsection do not apply to any county or city that
7 used revenue under this section for the acquisition, construction,
8 improvement, or rehabilitation of facilities to provide housing for
9 the homeless prior to June 30, 2019.

10 ~~((7))~~ (8) A county or city using funds for uses in subsection
11 (5)(c) of this section must document in its plan under RCW
12 36.70A.070(3) that it has funds during the next two years for capital
13 projects in subsection (5)(a) of this section.

14 ~~((8))~~ (9) When the governor files a notice of noncompliance
15 under RCW 36.70A.340 with the secretary of state and the appropriate
16 county or city, the county or city's authority to impose the
17 additional excise tax under this section is temporarily rescinded
18 until the governor files a subsequent notice rescinding the notice of
19 noncompliance.

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