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**HOUSE BILL 2027**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Berg and Macri

1 AN ACT Relating to increasing the supply of affordable and  
2 workforce housing by increasing state and local taxes on the transfer  
3 of real estate; amending RCW 82.45.060, 82.46.010, and 82.46.035;  
4 adding new sections to chapter 82.45 RCW; adding new sections to  
5 chapter 82.46 RCW; creating new sections; and providing an effective  
6 date.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that the lack of  
9 housing affordability and related instances of homelessness are  
10 issues that affect every community in Washington. The legislature  
11 also finds that increased homelessness is overwhelmingly caused by  
12 rising rents, which push people living at the margins into  
13 homelessness, erode public confidence, and undermine the shared  
14 values that have driven our state's prosperity. The legislature  
15 further finds that problems caused by rent increases are exacerbated  
16 by the associated issue of very low vacancy rates, which make it  
17 difficult for people to find a unit even when they have sufficient  
18 income or rental assistance to pay market rates. The legislature  
19 finds that low housing vacancy rates, the growth in population, and a  
20 limited housing supply have created a housing shortage in which  
21 existing inventory is priced at a premium. The legislature also finds

1 that although household incomes have grown along with the economy,  
2 increases in income for those with moderate and lower incomes have  
3 not kept pace with rent and purchase price increases. This problem is  
4 especially impacting lower and fixed income households, including  
5 people with disabilities, seniors, veterans, and farmworkers.

6 Indeed, these trends, in combination with other market factors,  
7 have created a deficit of housing that is affordable and available,  
8 particularly for Washingtonians within the low to middle income range  
9 who are increasingly more vulnerable to homelessness. Moreover, the  
10 legislature finds that these households have the fewest options  
11 available in the private housing market to find and retain a unit. In  
12 strong housing markets, builders seek the highest achievable price to  
13 offset higher development costs, which means new production does not  
14 create more housing that is affordable.

15 The legislature finds that to meet the housing needs of all  
16 Washingtonians over the next 20 years, we need to build more than  
17 500,000 new homes affordable to very and extremely low-income people,  
18 those making less than 50 percent of area median income. Furthermore,  
19 the legislature finds that having a home is a basic need and  
20 fundamental for Washington residents, and that all Washingtonians  
21 should be able to afford safe and dependable housing with access to  
22 opportunities such as education, employment, transit, and amenities.

23 The legislature finds that housing that is affordable is an  
24 essential part of every community's infrastructure, serving as a  
25 platform for individuals and families to stabilize, build their  
26 economic futures, and thrive. Housing serves as a platform for better  
27 health and creates jobs and attracts investment, making it a  
28 prerequisite to economic growth and stronger communities. In  
29 addition, the legislature finds that a variety of housing types is  
30 needed to provide affordable options for families of all sizes and  
31 stages of life. Furthermore, the legislature finds that increasing  
32 the supply of permanently affordable housing, getting residents back  
33 into housing, and reducing homelessness is a priority of the people  
34 of Washington state, and that reducing homelessness lessens the  
35 fiscal impact to the state and improves the economic vitality of our  
36 businesses.

37 Moreover, the legislature finds that the private real estate  
38 market does not provide adequate housing options affordable for all  
39 economic segments, and thus government assistance is needed to offer  
40 the full range of affordable housing options.

1           Therefore, it is the intent of the legislature to increase the  
2 supply of housing that is affordable and to stabilize and get people  
3 back into housing through permanent, dedicated investment in state  
4 housing programs for Washington residents in the low to middle income  
5 range.

6           **Sec. 2.** RCW 82.45.060 and 2019 c 424 s 1 are each amended to  
7 read as follows:

8           (1) There is imposed an excise tax upon each sale of real  
9 property.

10           (a) Through December 31, 2019, the rate of the tax imposed under  
11 this section is 1.28 percent of the selling price.

12           (b) Beginning January 1, 2020, except as provided in (c) of this  
13 subsection, the rate of the tax imposed under this section is as  
14 follows:

15           (i) 1.1 percent of the portion of the selling price that is less  
16 than or equal to (~~five hundred thousand dollars~~) \$500,000;

17           (ii) 1.28 percent of the portion of the selling price that is  
18 greater than (~~five hundred thousand dollars~~) \$500,000 and equal to  
19 or less than (~~one million five hundred thousand dollars~~)  
20 \$1,500,000;

21           (iii) 2.75 percent of the portion of the selling price that is  
22 greater than (~~one million five hundred thousand dollars~~) \$1,500,000  
23 and equal to or less than (~~three million dollars~~) \$3,000,000; and

24           (iv) Three percent of the portion of the selling price that is  
25 greater than (~~three million dollars~~) \$3,000,000.

26           (c) The sale of real property that is classified as timberland or  
27 agricultural land is subject to the tax imposed under this section at  
28 a rate of 1.28 percent of the selling price.

29           (2) Beginning July 1, 2022, and every fourth year thereafter:

30           (a) The department must adjust the applicable selling price  
31 threshold in subsection (1)(b)(i) of this section to reflect the  
32 lesser of the growth of the consumer price index for shelter or five  
33 percent. If the growth is equal to or less than zero percent, the  
34 current selling price threshold continues to apply.

35           (b) The department must adjust the applicable selling price  
36 thresholds in subsection (1)(b)(ii) through (iv) of this section and  
37 section 3(1) of this act by the dollar amount of any increase in the  
38 applicable selling price threshold in subsection (1)(b)(i) of this  
39 section.

1 (c) The department must publish updated selling price thresholds  
2 by September 1, 2022, and September 1st of every fourth year  
3 thereafter. Updated selling price thresholds (~~(will)~~) apply beginning  
4 January 1, 2023, and January 1st every fourth year thereafter.  
5 Adjusted selling price thresholds must be rounded to the nearest  
6 (~~(one thousand dollars)~~) \$1,000. No changes may be made to adjusted  
7 selling price thresholds once such adjustments take effect.

8 (d) The most recent selling price threshold becomes the base for  
9 subsequent adjustments.

10 (e) The department must report adjustments to the selling price  
11 thresholds to the fiscal committees of the legislature, beginning  
12 December 1, 2022, and December 1st every fourth year thereafter.

13 (3)(a) The department must publish guidance to assist sellers in  
14 properly classifying real property on the real estate excise tax  
15 affidavit for purposes of determining the proper amount of tax due  
16 under this section. Real property with multiple uses must be  
17 classified according to the property's predominant use. The  
18 department's guidance must include factors for use in determining the  
19 predominant use of real property.

20 (b) County treasurers are not responsible for verifying that the  
21 seller has properly classified real property reported on a real  
22 estate excise tax affidavit. The department is solely responsible for  
23 such verification as part of its audit responsibilities under RCW  
24 82.45.150.

25 (4)(a) Beginning July 1, 2013, and ending December 31, 2019, an  
26 amount equal to two percent of the proceeds of this tax must be  
27 deposited in the public works assistance account created in RCW  
28 43.155.050, an amount equal to (~~(four and one-tenth)~~) 4.1 percent  
29 must be deposited in the education legacy trust account created in  
30 RCW 83.100.230, an amount equal to (~~(one and six-tenths)~~) 1.6 percent  
31 must be deposited in the city-county assistance account created in  
32 RCW 43.08.290, and the remainder must be deposited in the general  
33 fund.

34 (b) Beginning January 1, 2020, amounts collected from the tax  
35 imposed under this section must be deposited as provided in RCW  
36 82.45.230.

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

1 (a) "Agricultural land" means farm and agricultural land and farm  
2 and agricultural conservation land, as those terms are defined in RCW  
3 84.34.020, including any structures on such land.

4 (b) "Consumer price index for shelter" means the most current  
5 seasonally adjusted index for the shelter expenditure category of the  
6 consumer price index for all urban consumers (CPI-U) as published by  
7 July 31st by the bureau of labor statistics of the United States  
8 department of labor.

9 (c) "Growth of the consumer price index for shelter" means the  
10 percentage increase in the consumer price index for shelter as  
11 measured from data published by the bureau of labor statistics of the  
12 United States department of labor by July 31st for the most recent  
13 three-year period for the selling price threshold adjustment in 2022,  
14 and the most recent four-year period for subsequent selling price  
15 threshold adjustments.

16 (d) "Timberland" means land classified under chapter 84.34 RCW or  
17 designated under chapter 84.33 RCW, including any structures and  
18 standing timber on such land, and standing timber sold apart from the  
19 land upon which it sits.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.45  
21 RCW to read as follows:

22 (1)(a) Beginning January 1, 2027, and in addition to the tax  
23 imposed in RCW 82.45.060, a real estate transfer tax is imposed on  
24 the sale of real property in which the seller is required to pay real  
25 estate excise tax under RCW 82.45.060(1)(b)(iv) for the sale of  
26 residential property. This tax must be paid by the seller and imposed  
27 and collected in the same manner as the real estate excise tax  
28 imposed under this chapter.

29 (b) The real estate transfer tax is imposed on the sale of  
30 residential property as follows:

31 (i) One percent of the portion of the selling price that is equal  
32 to or greater than \$3,051,000, but less than \$5,026,000;

33 (ii) Two percent of the portion of the selling price that is  
34 equal to or greater than \$5,026,000, but less than \$10,026,000; and

35 (iii) Three percent of the portion of the selling price that is  
36 equal to or greater than \$10,026,000.

37 (2) The selling price threshold in subsection (1) of this section  
38 must be adjusted by the department in accordance with RCW  
39 82.45.060(2).

1 (3) The amounts collected from the tax imposed under this section  
2 must be deposited as follows:

3 (a) 40 percent must be deposited into the developmental  
4 disabilities housing and services account created in section 4 of  
5 this act;

6 (b) 40 percent must be deposited into the affordable housing for  
7 all account created in RCW 43.185C.190 for operations, maintenance,  
8 and service costs for permanent supportive housing as defined in RCW  
9 36.70A.030;

10 (c) 10 percent must be deposited into the housing stability  
11 account created in section 5 of this act; and

12 (d) 10 percent must be deposited into the Washington housing  
13 trust fund created in RCW 43.185A.130 solely for farmworker housing.

14 (4) For the purposes of this section, "residential property"  
15 means a single-family dwelling unit whether such unit be separate or  
16 part of a multiunit dwelling.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.45  
18 RCW to read as follows:

19 (1) The developmental disabilities housing and services account  
20 is created in the state treasury. Receipts from the real estate  
21 transfer tax directed to this account pursuant to RCW 82.45.230 must  
22 be deposited into the account. Moneys in the account may only be  
23 spent after appropriation.

24 (2) Expenditures from the account may be used only for:

25 (a)(i) Housing to support people with developmental disabilities,  
26 including acquisition, development, or construction of permanent  
27 housing, housing developments, or units, including new units in  
28 existing structures;

29 (ii) Up to 15 percent of the total cost of a housing project that  
30 qualifies under (a) of this subsection may include acquisition,  
31 development, or construction of nonresident spaces that are integral  
32 to the overall design and support successful community living;

33 (b) Preservation, operations, and maintenance costs of housing  
34 for people with developmental disabilities;

35 (c) Housing-related services for individuals with developmental  
36 disabilities;

37 (d) Rental subsidies; and

38 (e) Technical assistance to support nonprofit organizations in  
39 applying for this funding through the account in order to expand the

1 pool of eligible developers for construction and long-term  
2 sustainable maintenance for housing that meets the needs of people  
3 with developmental disabilities.

4 (3) Expenditures from the account must be grants or forgivable  
5 loans. For applications under this section, the department of  
6 commerce must use an application form and evaluation criteria  
7 separate from the application form and criteria for the Washington  
8 housing trust fund created in RCW 43.185A.130. The department of  
9 commerce must coordinate with the department of social and health  
10 services regarding any needed supportive services and make efforts to  
11 enact the recommendations of the housing needs study for individuals  
12 with intellectual and developmental disabilities, as provided in  
13 section 1068(6), chapter 332, Laws of 2021.

14 (4) For the purposes of this section, the following definitions  
15 apply unless the context clearly requires otherwise.

16 (a) "Forgivable loans" means a noninterest-bearing financial  
17 award that is forgiven in its entirety provided the borrower project  
18 continues to serve the original target group as described in  
19 subsection (2)(a) of this section for a period of at least 25 years.

20 (b) "Grants" means a financial award that does not require  
21 payback, provided the grantee project continues to serve the original  
22 target group as described in subsection (2)(a) of this section for a  
23 period of at least 25 years.

24 (c) "Housing-related services" means services that are provided  
25 to eligible households as described in subsection (2)(c) of this  
26 section, which have the purpose of helping the household gain,  
27 maintain, or increase housing stability. Housing-related services may  
28 include, but are not limited to: Case management; tenant education  
29 and supports; financial assistance for essential costs of housing;  
30 services to identify, locate, and secure housing; landlord  
31 mitigation; landlord or tenant dispute mediation; services to prevent  
32 eviction or loss of housing; assistance securing financial housing  
33 assistance, such as a voucher or subsidy; or assistance with tenant  
34 applications.

35 (d) "Nonresidential spaces" means any space used to provide a  
36 service that benefits affordable housing development tenants as  
37 described in subsection (2)(a)(i) of this section, or the public  
38 including, but not limited to, health clinics, food banks, community  
39 centers, and early learning facilities.

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 82.45  
2    RCW to read as follows:

3        (1)    The housing stability account is created in the state  
4    treasury. Receipts from the real estate transfer tax directed to this  
5    account pursuant to RCW 82.45.230 must be deposited into the account.  
6    Moneys in the account may only be spent after appropriation.

7        (2)    Expenditures from the account may be used only for housing  
8    operations, maintenance, and service costs for low-income households  
9    or extremely low-income households where a supplement to rent income  
10   is required to cover ongoing operating expenses.

11       (3)    For the purposes of this section, "operations, maintenance,  
12   and service costs" means grants for building operations, maintenance,  
13   or supportive service costs for housing projects that have received  
14   or will receive funding from the state housing trust fund, or other  
15   public capital funding programs, are affordable to low-income  
16   households or extremely low-income households with incomes at or  
17   below 60 percent of the area median income, and require a supplement  
18   to rent income to cover ongoing operating expenses.

19       (4)(a)   Grants provided under this section must fund overall  
20   developments and may be used to fund new or existing housing  
21   projects. Priority for use must be given to projects intended to  
22   house seniors, individuals with disabilities, or populations with  
23   prior experience of homelessness, including families with children.

24       (b)    Grantees may use these funds in partnership with permanent  
25   supportive housing programs administered by the office of apple  
26   health and homes created in RCW 43.330.181.

27       **Sec. 6.**    RCW 82.46.010 and 2021 c 296 s 10 are each amended to  
28   read as follows:

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

34       (2)(a)   ~~((The))~~   Except where a county has imposed a tax pursuant  
35   to section 7 of this act, the legislative authority of any county or  
36   any city may impose an excise tax on each sale of real property in  
37   the unincorporated areas of the county for the county tax and in the  
38   corporate limits of the city for the city tax at a rate not exceeding  
39   one-quarter of one percent of the selling price. Except as provided



1 in subsection (8) of this section, the revenues from this tax must be  
2 used by any city or county with a population of 5,000 or less and any  
3 city or county that does not plan under RCW 36.70A.040 for any  
4 capital purpose identified in a capital improvements plan and local  
5 capital improvements, including those listed in RCW 35.43.040.

6 (b) Except as provided in subsection (8) of this section, after  
7 April 30, 1992, revenues generated from the tax imposed under this  
8 subsection (2) in counties over 5,000 population and cities over  
9 5,000 population that are required or choose to plan under RCW  
10 36.70A.040 must be used solely for financing capital projects  
11 specified in a capital facilities plan element of a comprehensive  
12 plan and housing relocation assistance under RCW 59.18.440 and  
13 59.18.450. However, revenues (i) pledged by such counties and cities  
14 to debt retirement prior to April 30, 1992, may continue to be used  
15 for that purpose until the original debt for which the revenues were  
16 pledged is retired, or (ii) committed prior to April 30, 1992, by  
17 such counties or cities to a project may continue to be used for that  
18 purpose until the project is completed.

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

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

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

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

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

37 (b) "Capital project" means those public works projects of a  
38 local government for planning, acquisition, construction,  
39 reconstruction, repair, replacement, rehabilitation, or improvement  
40 of streets; roads; highways; sidewalks; street and road lighting

1 systems; traffic signals; bridges; domestic water systems; storm and  
2 sanitary sewer systems; parks; recreational facilities; law  
3 enforcement facilities; fire protection facilities; trails;  
4 libraries; administrative facilities; judicial facilities; river  
5 flood control projects; waterway flood control projects by those  
6 jurisdictions that, prior to June 11, 1992, have expended funds  
7 derived from the tax authorized by this section for such purposes;  
8 until December 31, 1995, housing projects for those jurisdictions  
9 that, prior to June 11, 1992, have expended or committed to expend  
10 funds derived from the tax authorized by this section or the tax  
11 authorized by RCW 82.46.035 for such purposes; and technology  
12 infrastructure that is integral to the capital project.

13 (7) From July 22, 2011, until December 31, 2016, a city or county  
14 may use the greater of \$100,000 or 35 percent of available funds  
15 under this section, but not to exceed \$1,000,000 per year, for the  
16 operations and maintenance of existing capital projects as defined in  
17 subsection (6) of this section.

18 (8) After May 13, 2021, through December 31, 2023, a city or  
19 county may use the greater of \$100,000 or 35 percent of available  
20 funds under this section for the operation of, maintenance of, and  
21 service support for, existing capital projects, including the  
22 provision of services to residents of affordable housing or shelter  
23 units.

24 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.46  
25 RCW to read as follows:

26 (1)(a) Beginning July 1, 2025, instead of imposing the tax  
27 authorized in RCW 82.45.010(2), the legislative authority of any  
28 county may impose an excise tax on each sale of real property in the  
29 unincorporated areas of the county as follows:

30 (i) Up to 0.20 percent of the portion of the selling price that  
31 is less than or equal to \$500,000, except that a rural county may  
32 impose an excise tax of up to 0.25 percent of the portion of the  
33 selling price that is less than or equal to \$500,000;

34 (ii) Up to 0.25 percent of the portion of the selling price that  
35 is greater than \$500,000 and equal to or less than \$1,500,000;

36 (iii) Up to 0.55 percent of the portion of the selling price that  
37 is greater than \$1,500,000 and equal to or less than \$3,000,000;

38 (iv) Up to 0.60 percent of the portion of the selling price that  
39 is greater than \$3,000,000.

1 (b) The sale of real property that is classified as timberland or  
2 agricultural land is subject to the tax imposed under this section at  
3 a rate of 0.25 percent of the selling price.

4 (2) Revenues generated from the tax imposed under this section  
5 must be used solely for:

6 (a) Financing capital projects;

7 (b) Housing relocation assistance under RCW 59.18.440 and  
8 59.18.450; and

9 (c) The operation of, maintenance of, and service support for,  
10 existing capital projects, including the provision of services to  
11 residents of affordable housing or shelter units.

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

17 (4) County treasurers are not responsible for verifying that the  
18 seller has properly classified real property reported on a real  
19 estate excise tax affidavit. The department is solely responsible for  
20 such verification as part of its audit responsibilities under RCW  
21 82.45.150.

22 (5) If a county has already implemented the tax authorized in RCW  
23 82.45.010(2), the legislative authority may replace that excise tax  
24 with the excise tax set forth in this section.

25 (6) The following definitions apply throughout this section  
26 unless the context clearly requires otherwise.

27 (a) "Agricultural land" means farm and agricultural land and farm  
28 and agricultural conservation land, as those terms are defined in RCW  
29 84.34.020, including any structures on such land.

30 (b) "Capital project" means those public works projects of a  
31 local government for planning, acquisition, construction,  
32 reconstruction, repair, replacement, rehabilitation, or improvement  
33 of streets; roads; highways; sidewalks; street and road lighting  
34 systems; traffic signals; bridges; domestic water systems; storm and  
35 sanitary sewer systems; parks; recreational facilities; law  
36 enforcement facilities; fire protection facilities; trails;  
37 libraries; administrative facilities; judicial facilities; river  
38 flood control projects; waterway flood control projects; and  
39 technology infrastructure that is integral to the capital project.

1 (c) "Rural county" means a county with a population density of  
2 less than 100 persons per square mile or a county smaller than 225  
3 square miles as determined by the office of financial management  
4 pursuant to RCW 43.62.035.

5 (d) "Timberland" means land classified under chapter 84.34 RCW or  
6 designated under chapter 84.33 RCW, including any structures and  
7 standing timber on such land, and standing timber sold apart from the  
8 land upon which it sits.

9 **Sec. 8.** RCW 82.46.035 and 2021 c 296 s 12 are each amended to  
10 read as follows:

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

18 (2) (~~The~~) Except where a county has imposed a tax pursuant to  
19 section 9 of this act, the legislative authority of any county or any  
20 city that plans under RCW 36.70A.040(1) may impose an additional  
21 excise tax on each sale of real property in the unincorporated areas  
22 of the county for the county tax and in the corporate limits of the  
23 city for the city tax at a rate not exceeding one-quarter of one  
24 percent of the selling price. Any county choosing to plan under RCW  
25 36.70A.040(2) and any city within such a county may only adopt an  
26 ordinance imposing the excise tax authorized by this section if the  
27 ordinance is first authorized by a proposition approved by a majority  
28 of the voters of the taxing district voting on the proposition at a  
29 general election held within the district or at a special election  
30 within the taxing district called by the district for the purpose of  
31 submitting such proposition to the voters.

32 (3) Revenues generated from the tax imposed under subsection (2)  
33 of this section must be used by such counties and cities solely for  
34 financing capital projects specified in a capital facilities plan  
35 element of a comprehensive plan, except that the greater of \$100,000  
36 or 35 percent of revenues may additionally be used for the operation  
37 of, maintenance of, and service support for, existing capital  
38 projects after May 13, 2021, through December 31, 2023. However,  
39 revenues (a) pledged by such counties and cities to debt retirement

1 prior to March 1, 1992, may continue to be used for that purpose  
2 until the original debt for which the revenues were pledged is  
3 retired, or (b) committed prior to March 1, 1992, by such counties or  
4 cities to a project may continue to be used for that purpose until  
5 the project is completed.

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

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

11 (a) Planning, acquisition, construction, reconstruction, repair,  
12 replacement, rehabilitation, or improvement of streets, roads,  
13 highways, sidewalks, street and road lighting systems, traffic  
14 signals, bridges, domestic water systems, storm and sanitary sewer  
15 systems;

16 (b) Planning, construction, reconstruction, repair,  
17 rehabilitation, or improvement of parks; and

18 (c) Until January 1, 2026, planning, acquisition, construction,  
19 reconstruction, repair, replacement, rehabilitation, or improvement  
20 of facilities for those experiencing homelessness and affordable  
21 housing projects.

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

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

33 (8) When the governor files a notice of noncompliance under RCW  
34 36.70A.340 with the secretary of state and the appropriate county or  
35 city, the county or city's authority to impose the additional excise  
36 tax under this section is temporarily rescinded until the governor  
37 files a subsequent notice rescinding the notice of noncompliance.

38 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.46  
39 RCW to read as follows:

1 (1)(a) Beginning July 1, 2025, instead of imposing the tax  
2 authorized in RCW 82.46.035(2), the legislative authority of any  
3 county may impose an excise tax on each sale of real property in the  
4 unincorporated areas of the county as follows:

5 (i) Up to 0.20 percent of the portion of the selling price that  
6 is less than or equal to \$500,000, except that a rural county may  
7 impose an excise tax of up to 0.25 percent of the portion of the  
8 selling price that is less than or equal to \$500,000;

9 (ii) Up to 0.25 percent of the portion of the selling price that  
10 is greater than \$500,000 and equal to or less than \$1,500,000;

11 (iii) Up to 0.55 percent of the portion of the selling price that  
12 is greater than \$1,500,000 and equal to or less than \$3,000,000;

13 (iv) Up to 0.60 percent of the portion of the selling price that  
14 is greater than \$3,000,000.

15 (b) The sale of real property that is classified as timberland or  
16 agricultural land is subject to the tax imposed under this section at  
17 a rate of 0.25 percent of the selling price.

18 (2) Revenues generated from the tax imposed under this section  
19 must be used solely for:

20 (a) Financing capital projects;

21 (b) Housing relocation assistance under RCW 59.18.440 and  
22 59.18.450; and

23 (c) The operation of, maintenance of, and service support for,  
24 existing capital projects, including the provision of services to  
25 residents of affordable housing or shelter units.

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

31 (4) County treasurers are not responsible for verifying that the  
32 seller has properly classified real property reported on a real  
33 estate excise tax affidavit. The department is solely responsible for  
34 such verification as part of its audit responsibilities under RCW  
35 82.45.150.

36 (5) If a county has already implemented the tax authorized in RCW  
37 82.46.035(2), the legislative authority may replace that excise tax  
38 with the excise tax set forth in this section.

39 (6) The following definitions apply throughout this section  
40 unless the context clearly requires otherwise.

1 (a) "Agricultural land" means farm and agricultural land and farm  
2 and agricultural conservation land, as those terms are defined in RCW  
3 84.34.020, including any structures on such land.

4 (b) "Capital project" means those public works projects of a  
5 local government for planning, acquisition, construction,  
6 reconstruction, repair, replacement, rehabilitation, or improvement  
7 of streets; roads; highways; sidewalks; street and road lighting  
8 systems; traffic signals; bridges; domestic water systems; storm and  
9 sanitary sewer systems; parks; recreational facilities; law  
10 enforcement facilities; fire protection facilities; trails;  
11 libraries; administrative facilities; judicial facilities; river  
12 flood control projects; waterway flood control projects; and  
13 technology infrastructure that is integral to the capital project.

14 (c) "Rural county" means a county with a population density of  
15 less than 100 persons per square mile or a county smaller than 225  
16 square miles as determined by the office of financial management  
17 pursuant to RCW 43.62.035.

18 (d) "Timberland" means land classified under chapter 84.34 RCW or  
19 designated under chapter 84.33 RCW, including any structures and  
20 standing timber on such land, and standing timber sold apart from the  
21 land upon which it sits.

22 NEW SECTION. **Sec. 10.** This act may be known and cited as the  
23 affordable homes act.

24 NEW SECTION. **Sec. 11.** This act takes effect January 1, 2026.

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