
ENGROSSED SECOND SUBSTITUTE SENATE BILL 6027

State of Washington

69th Legislature

2026 Regular Session

By Senate Ways & Means (originally sponsored by Senators Alvarado, Robinson, Bateman, Conway, Frame, and Nobles)

READ FIRST TIME 02/09/26.

1 AN ACT Relating to modifying certain funding and exemptions
2 related to providing and maintaining affordable housing and related
3 services; amending RCW 82.14.530, 82.14.540, and 84.36.043; and
4 reenacting and amending RCW 36.22.250.

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

6 **Sec. 1.** RCW 82.14.530 and 2021 c 27 s 1 are each amended to read
7 as follows:

8 (1)(a)(i) A county legislative authority may submit an
9 authorizing proposition to the county voters at a special or general
10 election and, if the proposition is approved by a majority of persons
11 voting, impose a sales and use tax in accordance with the terms of
12 this chapter. The title of each ballot measure must clearly state the
13 purposes for which the proposed sales and use tax will be used. The
14 rate of tax under this section may not exceed (~~one-tenth of one~~)
15 0.1 percent of the selling price in the case of a sales tax, or value
16 of the article used, in the case of a use tax.

17 (ii) As an alternative to the authority provided in (a)(i) of
18 this subsection, a county legislative authority may impose, without a
19 proposition approved by a majority of persons voting, a sales and use
20 tax in accordance with the terms of this chapter. The rate of tax
21 under this section may not exceed (~~one-tenth of one~~) 0.1 percent of

1 the selling price in the case of a sales tax, or value of the article
2 used, in the case of a use tax.

3 (b) (i) If a county does not impose the full tax rate authorized
4 under (a) of this subsection by September 30, 2020, any city
5 legislative authority located in that county may:

6 (A) Submit an authorizing proposition to the city voters at a
7 special or general election and, if the proposition is approved by a
8 majority of persons voting, impose the whole or remainder of the
9 sales and use tax rate in accordance with the terms of this chapter.
10 The title of each ballot measure must clearly state the purposes for
11 which the proposed sales and use tax will be used; or

12 (B) Impose, without a proposition approved by a majority of
13 persons voting, the whole or remainder of the sales and use tax rate
14 in accordance with the terms of this chapter.

15 (ii) The rate of tax under this section may not exceed (~~one~~
16 ~~tenth of one~~) 0.1 percent of the selling price in the case of a
17 sales tax, or value of the article used, in the case of a use tax.

18 (iii) A county with a population of greater than (~~one million~~
19 ~~five hundred thousand~~) 1,500,000 may impose the tax authorized under
20 (a)(ii) of this subsection only if the county plans to spend at least
21 (~~thirty~~) 30 percent of the moneys collected under this section that
22 are attributable to taxable activities or events within any city with
23 a population greater than (~~sixty thousand~~) 60,000 located in that
24 county within that city's boundaries.

25 (c) If a county imposes a tax authorized under (a) of this
26 subsection after a city located in that county has imposed the tax
27 authorized under (b) of this subsection, the county must provide a
28 credit against its tax for the full amount of tax imposed by a city.

29 (d) The taxes authorized in this subsection are in addition to
30 any other taxes authorized by law and must be collected from persons
31 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
32 the occurrence of any taxable event within the county for a county's
33 tax and within a city for a city's tax.

34 (2) (a) Notwithstanding subsection (4) of this section, a minimum
35 of (~~sixty~~) 60 percent of the moneys collected under this section
36 must be used for the following purposes:

37 (i) Constructing or acquiring affordable housing, which may
38 include emergency, transitional, and supportive housing and new units
39 of affordable housing within an existing structure, and facilities

1 providing housing-related services, or acquiring land for these
2 purposes; or

3 (ii) Constructing or acquiring behavioral health-related
4 facilities, or acquiring land for these purposes; or

5 (iii) Funding the operations and maintenance costs of new and
6 existing units of affordable housing and facilities where housing-
7 related programs are provided, or newly constructed evaluation and
8 treatment centers; or

9 (iv) Rehabilitating existing affordable housing, which may
10 include emergency, transitional, and supportive housing.

11 (b) The affordable housing and facilities providing housing-
12 related programs in (a) (i) of this subsection may only be provided to
13 persons within any of the following population groups whose income is
14 at or below (~~sixty~~) 60 percent of the median income of the county
15 imposing the tax:

16 (i) Persons with behavioral health disabilities;

17 (ii) Veterans;

18 (iii) Senior citizens;

19 (iv) Persons who are homeless or at-risk of being homeless,
20 including families with children;

21 (v) Unaccompanied homeless youth or young adults;

22 (vi) Persons with disabilities; or

23 (vii) Domestic violence survivors.

24 (c) The remainder of the moneys collected under this section must
25 be used for (~~the~~):

26 (i) The operation, delivery, or evaluation of behavioral health
27 treatment programs and services, affordable and supportive housing
28 operation and maintenance, or housing-related services; or

29 (ii) For a county located west of the crest of the Cascade
30 mountains with a population greater than 850,000 but less than
31 900,000, rental assistance.

32 (3) (a) A county that imposes the tax under this section must
33 consult with a city before the county may construct or acquire any of
34 the facilities authorized under subsection (2) (a) of this section
35 within the city limits.

36 (b) Among other priorities, a county that acquires a facility
37 under subsection (2) (a) of this section must provide an opportunity
38 for 15 percent of the units provided at that facility to be provided
39 to individuals who are living in or near the city in which the
40 facility is located, or have ties to that community. The provisions

1 of this subsection (3)(b) do not apply if the county is unable to
2 identify sufficient individuals within the city in need of services
3 that meet the criteria provided in subsection (2)(b) of this section.
4 This prioritization must not jeopardize United States department of
5 housing and urban development funding for the continuum of care
6 program.

7 (4) A county that has not imposed the tax authorized under RCW
8 82.14.460 prior to October 9, 2015, but imposes the tax authorized
9 under this section after a city in that county has imposed the tax
10 authorized under RCW 82.14.460 prior to October 9, 2015, must (~~enter~~
11 ~~into an interlocal agreement~~) consult with that city to determine
12 how the services and provisions described in subsection (2) of this
13 section will be allocated and funded in the city.

14 (5) To carry out the purposes of subsection (2)(a) and (b) of
15 this section, the legislative authority of the county or city
16 imposing the tax has the authority to issue general obligation or
17 revenue bonds within the limitations now or hereafter prescribed by
18 the laws of this state, and may use, and is authorized to pledge, up
19 to (~~fifty~~) 50 percent of the moneys collected under this section
20 for repayment of such bonds, in order to finance the provision or
21 construction of affordable housing, facilities where housing-related
22 programs are provided, or evaluation and treatment centers described
23 in subsection (2)(a)(iii) of this section.

24 (6)(a) Moneys collected under this section may be used to offset
25 reductions in state or federal funds for the purposes described in
26 subsection (2) of this section.

27 (b) No more than (~~ten~~) 10 percent of the moneys collected under
28 this section may be used to supplant existing local funds.

29 (7) A county or city may enter into an interlocal agreement with
30 one or more counties, cities, or public housing authorities in
31 accordance with chapter 39.34 RCW. The agreement may include, but is
32 not limited to, pooling the tax receipts received under this section,
33 pledging those taxes to bonds issued by one or more parties to the
34 agreement, and allocating the proceeds of the taxes levied or the
35 bonds issued in accordance with such interlocal agreement and this
36 section.

37 **Sec. 2.** RCW 82.14.540 and 2024 c 136 s 1 are each amended to
38 read as follows:

1 (1) The definitions in this subsection apply throughout this
2 section unless the context clearly requires otherwise.

3 (a) "Nonparticipating city" is a city that does not impose a
4 sales and use tax in accordance with the terms of this section.

5 (b) "Nonparticipating county" is a county that does not impose a
6 sales and use tax in accordance with the terms of this section.

7 (c) "Participating city" is a city that imposes a sales and use
8 tax in accordance with the terms of this section.

9 (d) "Participating county" is a county that imposes a sales and
10 use tax in accordance with the terms of this section.

11 (e) "Qualifying local tax" means the following tax sources, if
12 the tax source is instated no later than (~~twelve~~) 12 months after
13 July 28, 2019:

14 (i) The affordable housing levy authorized under RCW 84.52.105;

15 (ii) The sales and use tax for housing and related services
16 authorized under RCW 82.14.530, provided the city has imposed the tax
17 at a minimum or of at least half of the authorized rate;

18 (iii) The sales tax for chemical dependency and mental health
19 treatment services or therapeutic courts authorized under RCW
20 82.14.460 imposed by a city; and

21 (iv) The levy authorized under RCW 84.55.050, if used solely for
22 affordable housing.

23 (2) (a) A county or city legislative authority may authorize, fix,
24 and impose a sales and use tax in accordance with the terms of this
25 section.

26 (b) The tax under this section is assessed on the selling price
27 in the case of a sales tax, or value of the article used, in the case
28 of a use tax.

29 (c) The rate of the tax under this section for an individual
30 participating city and an individual participating county may not
31 exceed:

32 (i) Beginning on July 28, 2019, until (~~twelve~~) 12 months after
33 July 28, 2019:

34 (A) 0.0073 percent for a:

35 (I) Participating city, unless the participating city levies a
36 qualifying local tax; and

37 (II) Participating county, within the limits of nonparticipating
38 cities within the county and within participating cities that do not
39 currently levy a qualifying tax;

40 (B) 0.0146 percent for a:

1 (I) Participating city that currently levies a qualifying local
2 tax;

3 (II) Participating city if the county in which it is located
4 declares they will not levy the sales and use tax authorized under
5 this section or does not adopt a resolution in accordance with this
6 section; and

7 (III) Participating county within the unincorporated areas of the
8 county and any city that declares they will not levy the sales and
9 use tax authorized under this section or does not adopt a resolution
10 in accordance with this section;

11 (ii) Beginning (~~twelve~~) 12 months after July 28, 2019:

12 (A) 0.0073 percent for a:

13 (I) Participating city that is located within a participating
14 county if the participating city is not levying a qualifying local
15 tax; and

16 (II) Participating county, within the limits of a participating
17 city if the participating city is not levying a qualifying local tax;

18 (B) 0.0146 percent within the limits of a:

19 (I) Participating city that is levying a qualifying local tax;
20 and

21 (II) Participating county within the unincorporated area of the
22 county and within the limits of any nonparticipating city that is
23 located within the county.

24 (d) A county may not levy the tax authorized under this section
25 within the limits of a participating city that levies a qualifying
26 local tax.

27 (e)(i) In order for a county or city legislative authority to
28 impose the tax under this section, the authority must adopt:

29 (A) A resolution of intent to adopt legislation to authorize the
30 maximum capacity of the tax in this section within six months of July
31 28, 2019; and

32 (B) Legislation to authorize the maximum capacity of the tax in
33 this section within one year of July 28, 2019.

34 (ii) Adoption of the resolution of intent and legislation
35 requires simple majority approval of the enacting legislative
36 authority.

37 (iii) If a county or city has not adopted a resolution of intent
38 in accordance with the terms of this section, the county or city may
39 not authorize, fix, and impose the tax.

1 (3) The tax imposed under this section must be deducted from the
2 amount of tax otherwise required to be collected or paid to the
3 department of revenue under chapter 82.08 or 82.12 RCW. The
4 department must perform the collection of such taxes on behalf of the
5 county or city at no cost to the county or city.

6 (4) By December 31, 2019, or within (~~thirty~~) 30 days of a
7 county or city authorizing the tax under this section, whichever is
8 later, the department must calculate the maximum amount of tax
9 distributions for each county and city authorizing the tax under this
10 section as follows:

11 (a) The maximum amount for a participating county equals the
12 taxable retail sales within the county in state fiscal year 2019
13 multiplied by the tax rate imposed under this section. If a county
14 imposes a tax authorized under this section after a city located in
15 that county has imposed the tax, the taxable retail sales within the
16 city in state fiscal year 2019 must be subtracted from the taxable
17 retail sales within the county for the calculation of the maximum
18 amount; and

19 (b) The maximum amount for a city equals the taxable retail sales
20 within the city in state fiscal year 2019 multiplied by the tax rate
21 imposed under subsection (1) of this section.

22 (5) The tax must cease to be distributed to a county or city for
23 the remainder of any fiscal year in which the amount of tax exceeds
24 the maximum amount in subsection (4) of this section. The department
25 must remit any annual tax revenues above the maximum to the state
26 treasurer for deposit in the general fund. Distributions to a county
27 or city meeting the maximum amount must resume at the beginning of
28 the next fiscal year.

29 (6)(a) The moneys collected or bonds issued under this section
30 may only be used for the following purposes:

31 (i) Acquiring, rehabilitating, or constructing affordable
32 housing, which may include new units of affordable housing within an
33 existing structure or facilities providing supportive housing
34 services under RCW 71.24.385;

35 (ii) Funding the operations and maintenance costs of new and
36 existing units of affordable or supportive housing; or

37 (iii) For providing rental assistance to tenants.

38 (b) Administrative costs of the county or city associated with
39 administering this section may not exceed 10 percent of the annual
40 tax distributed to the jurisdiction under this section.

1 (7) The housing and services provided pursuant to subsection (6)
2 of this section may only be provided to persons whose income is at or
3 below 60 percent of the median income of the county or city imposing
4 the tax, or at or below 80 percent of the median income of the county
5 or city imposing the tax if it is supporting the development of
6 affordable housing intended for owner occupancy, as defined in RCW
7 84.14.010.

8 (8) In determining the use of funds under subsection (6) of this
9 section, a county or city must consider the income of the individuals
10 and families to be served, the leveraging of the resources made
11 available under this section, and the housing needs within the
12 jurisdiction of the taxing authority.

13 (9) To carry out the purposes of this section including, but not
14 limited to, financing loans or grants to nonprofit organizations or
15 public housing authorities, the legislative authority of the county
16 or city imposing the tax has the authority to issue general
17 obligation or revenue bonds within the limitations now or hereafter
18 prescribed by the laws of this state, and may use, and is authorized
19 to pledge, the moneys collected under this section for repayment of
20 such bonds.

21 (10) A county or city may enter into an interlocal agreement with
22 one or more counties, cities, or public housing authorities in
23 accordance with chapter 39.34 RCW. The agreement may include, but is
24 not limited to, pooling the tax receipts received under this section,
25 pledging those taxes to bonds issued by one or more parties to the
26 agreement, and allocating the proceeds of the taxes levied or the
27 bonds issued in accordance with such interlocal agreement and this
28 section.

29 (11) Counties and cities imposing the tax under this section must
30 report annually to the department of commerce on the collection and
31 use of the revenue. The department of commerce must adopt rules
32 prescribing content of such reports. By December 1, 2019, and
33 annually thereafter, and in compliance with RCW 43.01.036, the
34 department of commerce must submit a report annually to the
35 appropriate legislative committees with regard to such uses.

36 (12) The tax imposed by a county or city under this section
37 expires (~~(twenty)~~) 20 years after the date on which the tax is first
38 imposed.

1 **Sec. 3.** RCW 36.22.250 and 2025 c 408 s 3, 2025 c 100 s 2, and
2 2025 c 74 s 1 are each reenacted and amended to read as follows:

3 (1) A surcharge of \$183 per instrument shall be charged by the
4 county auditor for each document recorded, which will be in addition
5 to any other charge authorized by law. The following are exempt from
6 this surcharge:

7 (a) Documents recording a birth, marriage, divorce, or death;

8 (b) Any recorded documents otherwise exempted from a recording
9 fee or additional surcharges under state law;

10 (c) Marriage licenses issued by the county auditor; and

11 (d) Documents recording a federal, state, county, city, or water-
12 sewer district, or wage lien or satisfaction of lien.

13 (2) Funds collected pursuant to this section must be distributed
14 and used as follows:

15 (a) One percent of the total funds collected shall be retained by
16 the county auditor for its fee collection activities;

17 (b) 30 percent of the total funds collected shall be retained by
18 the county and used by the county as provided in subsection (3) of
19 this section;

20 (c) 54.1 percent of the total funds collected shall be
21 transmitted to the state treasurer to be deposited in the home
22 security fund account created in RCW 43.185C.060 and shall be used by
23 the department of commerce as provided in subsection (4) of this
24 section;

25 (d) 13.1 percent of the total funds collected shall be
26 transmitted to the state treasurer to be deposited in the affordable
27 housing for all account created in RCW 43.185C.190 and shall be used
28 by the department of commerce as provided in subsection (5) of this
29 section;

30 (e) 1.8 percent of the total funds collected shall be transmitted
31 to the state treasurer to be deposited in the landlord mitigation
32 program account created in RCW 43.31.615 and shall be used by the
33 department of commerce as provided in subsection (6) of this section.

34 (3) The county shall use their portion of the collected funds as
35 follows:

36 (a) Except as provided in (b) of this subsection, up to 10
37 percent for the county's administration and local distribution of the
38 funds collected from the surcharge in this section, and
39 administrative costs related to the county's homeless housing plan;

1 (b) (i) At least 75 percent will be retained and used by the
2 county to accomplish the purposes of its local homeless housing plan
3 pursuant to chapter 484, Laws of 2005, unless a city in the county
4 elects, as authorized in RCW 43.185C.080, to operate its own local
5 homeless housing program.

6 (ii) If a city in the county elects, as authorized in RCW
7 43.185C.080, to operate its own local homeless housing program, the
8 10 percent for administrative costs retained under (a) of this
9 subsection and the 75 percent for local homeless housing plans
10 retained under (b) of this subsection must be combined and
11 distributed as follows: For each city in the county that elects as
12 authorized in RCW 43.185C.080 to operate its own local homeless
13 housing program, a percentage of the surcharge assessed under this
14 subsection equal to the percentage of the city's local portion of the
15 real estate excise tax collected by the county shall be transmitted
16 at least quarterly to the city treasurer, without any deduction for
17 county administrative costs, for use by the city for program costs
18 which directly contribute to the goals of the city's local homeless
19 housing plan. Each county or city receiving funds under this
20 subsection (3) may use up to 10 percent of their share of the total
21 funding retained or received under this subsection (3) after the
22 completion of the required city distributions for costs related to:

23 (A) The county's administration and local distribution of the
24 funds collected from the surcharge in this section;

25 (B) Administrative costs related to the county's homeless housing
26 plan; and

27 (C) Administrative costs related to the city's homeless housing
28 program;

29 (c) At least 15 percent will be retained and used by the county
30 for eligible housing activities, as described in this subsection,
31 that serve extremely low and very low-income households in the county
32 and the cities within a county according to an interlocal agreement
33 between the county and the cities within the county consistent with
34 countywide and local housing needs and policies. A priority must be
35 given to eligible housing activities that serve extremely low-income
36 households with incomes at or below 30 percent of the area median
37 income. Eligible housing activities to be funded are limited to:

38 (i) Acquisition, construction, or rehabilitation of housing
39 projects or units within housing projects that are affordable to very
40 low-income households with incomes at or below 50 percent of the area

1 median income, including units for homeownership, rental units,
2 seasonal and permanent farmworker housing units, units reserved for
3 victims of human trafficking and their families, and single room
4 occupancy units;

5 (ii) Supporting building operation and maintenance costs of
6 housing projects or units within housing projects eligible to receive
7 housing trust funds, that are affordable to very low-income
8 households with incomes at or below 50 percent of the area median
9 income, and that require a supplement to rent income to cover ongoing
10 operating expenses;

11 (iii) Rental assistance vouchers for housing units that are
12 affordable to very low-income households with incomes at or below 50
13 percent of the area median income, including rental housing vouchers
14 for victims of human trafficking and their families, to be
15 administered by a local public housing authority or other local
16 organization that has an existing rental assistance voucher program,
17 consistent with or similar to the United States department of housing
18 and urban development's section 8 rental assistance voucher program
19 standards; and

20 (iv) Operating costs for emergency shelters and licensed
21 overnight youth shelters.

22 (4) The department of commerce shall use the funds from the
23 document recording fee or other fund sources deposited in the home
24 security fund account as follows, except that the department of
25 commerce shall provide counties with the right of first refusal to
26 receive grant funds distributed under (b) of this subsection (4). If
27 a county refuses the funds or does not respond within a time frame
28 established by the department, the department shall make good faith
29 efforts to identify one or more suitable alternative grantees
30 operating within that county. The alternative grantee shall
31 distribute the funds in a manner that is in compliance with this
32 chapter. Funding provided through the office of homeless youth
33 prevention and protection programs created in RCW 43.330.705 is
34 exempt from the county first refusal requirement.

35 (a) Up to 10 percent for administration of the programs
36 established in chapter 43.185C RCW and in conformance with this
37 subsection (4), including the costs of creating and implementing
38 strategic plans, collecting and evaluating data, measuring and
39 reporting performance, providing technical assistance to local

1 governments, providing training to entities delivering services, and
2 developing and maintaining stakeholder relationships;

3 (b) At least 90 percent for homelessness assistance grant
4 programs administered by the department, including but not limited
5 to: Temporary rental assistance; eviction prevention rental
6 assistance per RCW 43.185C.185; emergency shelter and transitional
7 housing operations and maintenance; outreach; diversion; HOPE and
8 crisis residential centers; young adult housing; homeless services
9 and case management for adult, family, youth, and young adult
10 homeless populations and those at risk of homelessness; project-based
11 vouchers for nonprofit housing providers or public housing
12 authorities; tenant-based rent assistance; housing services; direct
13 cash assistance as provided for in RCW 43.185C.220(5)(a); rapid
14 rehousing; emergency housing; acquisition; operations; maintenance;
15 and service costs for permanent supportive housing as defined in RCW
16 36.70A.030 for individuals with disabilities. Grantees may also use
17 these funds in partnership with permanent supportive housing programs
18 administered by the office of apple health and homes created in RCW
19 43.330.181. Priority for use must be given to purposes intended to
20 house persons who are chronically homeless or to maintain housing for
21 individuals with disabilities and prior experiences of homelessness,
22 including families with children.

23 (5) The department of commerce shall use the funds from the
24 document recording fee or other fund sources deposited in the
25 affordable housing for all account as follows:

26 (a) Up to 10 percent for program administration and technical
27 assistance necessary for the delivery programs and activities under
28 this subsection (5);

29 (b) At least 90 percent for the following:

30 (i) Grants for building operation and maintenance costs of
31 housing projects, or units within housing projects, that are in the
32 state's housing trust fund portfolio(~~(7)~~) and are affordable to
33 extremely low-income households with incomes at or below 30 percent
34 of the area median income(~~(7, and require a supplement to rent income~~
35 ~~to cover ongoing operating expenses)) at the time of move-in;~~

36 (ii) Grants to support the building operations, maintenance, and
37 supportive service costs for permanent supportive housing projects,
38 or units within housing projects, that have received or will receive
39 funding from the housing trust fund or other public capital funding
40 programs. The supported projects or units must be dedicated as

1 permanent supportive housing as defined in RCW 36.70A.030((7)) and be
2 occupied by extremely low-income households with incomes at or below
3 30 percent of the area median income(~~(, and require a supplement to~~
4 ~~rent income to cover ongoing property operations, maintenance, and~~
5 ~~supportive services expenses)) at the time of move-in. Eligible uses
6 of grant funds under this subsection (5)(b)(ii) include, but are not
7 limited to:~~

8 (A) Resident services, such as programming, community events, and
9 building activities, including meals and supplies;

10 (B) Essential ancillary services necessary to assist program
11 participants who are not covered or are partially covered by medicaid
12 or other health insurance obtain and maintain housing. These services
13 may include, but are not limited to, annual assessments of services,
14 case management, education services, employment assistance and job
15 training, counseling, life skills training, mental health services,
16 outpatient health services, outreach, substance use treatment,
17 transportation, and other support services;

18 (C) Resident needs for basic living and well-being, such as
19 hygiene products, housewares, and food; essential household goods;
20 and transportation support for health care, treatment, and case
21 management;

22 (D) Essential maintenance and upkeep, including repair and
23 replacement of fixtures needed for basic building functionality and
24 occupational safety, such as lighting, security systems, locks and
25 key systems, and window and door hardware; and required operational
26 replacement reserves; and

27 (E) Essential case management and other resources with
28 demonstrable connection to resident well-being and housing stability,
29 such as communal information technology hardware and software for
30 resource navigation and telehealth appointments, 24/7 security and
31 safety staff, and on-call resident emergency response.

32 (6) The department of commerce shall use the funds from the
33 document recording fee or other fund sources deposited in the
34 landlord mitigation program account to administer the landlord
35 mitigation program as established in RCW 43.31.605. The department of
36 commerce may use up to 10 percent of these funds for program
37 administration and the development and maintenance of a database
38 necessary to administer the program.

39 (7) When awarding grants under subsection (5)(b)(i) and (ii) of
40 this section, the department of commerce:

1 (a) May not impose a cap on administrative or overhead costs for
2 grantees of less than 15 percent of the grant award; and

3 (b) Shall seek to promote continuity of operations and stability
4 for existing projects including by maintaining renewal grant amounts
5 at levels sufficient to support ongoing operations.

6 (8) The department of commerce shall require grantees to maintain
7 supporting documentation for all expenses over \$50. The department
8 may not require submission of supporting documentation before
9 approving reimbursement requests except for cause or auditing
10 purposes.

11 **Sec. 4.** RCW 84.36.043 and 2023 sp.s. c 1 s 18 are each amended
12 to read as follows:

13 (1) The real and personal property used by a nonprofit
14 organization in providing emergency or transitional housing for low-
15 income homeless persons as defined in RCW 35.21.685 or 36.32.415 or
16 victims of domestic violence who are homeless for personal safety
17 reasons is exempt from taxation if:

18 (a) The charge, if any, for the housing does not exceed the
19 actual cost of operating and maintaining the housing; and

20 (b) (i) The property is owned by the nonprofit organization; or
21 (ii) The property is rented or leased by the nonprofit
22 organization and the benefit of the exemption inures to the nonprofit
23 organization.

24 (2) The real and personal property used by a nonprofit
25 organization in maintaining an approved recovery residence registered
26 under RCW 41.05.760 is exempt from taxation if:

27 (a) The charge for the housing does not exceed the actual cost of
28 operating and maintaining the housing; and

29 (b) (i) The property is owned by the nonprofit organization; or
30 (ii) The property is rented or leased by the nonprofit
31 organization and the benefit of the exemption inures to the nonprofit
32 organization.

33 (3) As used in this section:

34 (a) "Homeless" means persons, including families, who, on one
35 particular day or night, do not have decent and safe shelter nor
36 sufficient funds to purchase or rent a place to stay.

37 (b) "Emergency housing" (~~means a project that provides housing~~
38 ~~and supportive services to homeless persons or families for up to~~
39 ~~sixty days~~) has the same meaning as in RCW 36.70A.030.

1 (c) "Transitional housing" means a project that provides housing
2 and supportive services to homeless persons or families for up to two
3 years and that has as its purpose facilitating the movement of
4 homeless persons and families into independent living.

5 (d) "Recovery residence" has the same meaning as under RCW
6 41.05.760.

7 (4) The exemption in subsection (2) of this section applies to
8 taxes levied for collection in calendar years 2024 through 2033.

9 (5) This exemption is subject to the administrative provisions
10 contained in RCW 84.36.800 through 84.36.865.

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