
SUBSTITUTE SENATE BILL 6214

State of Washington

69th Legislature

2026 Regular Session

By Senate Housing (originally sponsored by Senators Riccelli, Frame, Hasegawa, Nobles, Saldaña, and Trudeau)

READ FIRST TIME 02/04/26.

1 AN ACT Relating to establishing land banking authorities;
2 amending RCW 36.35.150, 35.21.755, 35.82.210, 82.45.010, and
3 82.45.010; adding a new chapter to Title 35 RCW; creating new
4 sections; providing an effective date; and providing an expiration
5 date.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that solving the
8 state's housing crisis requires a multipronged approach. Finding,
9 acquiring, and holding land in the predevelopment phase is a time-
10 consuming opportunity cost for all developers and is particularly
11 acute for developers of affordable housing. The legislature also
12 finds that the state needs more affordable housing, and land banks
13 play a crucial role in the housing ecosystem by finding, acquiring,
14 and holding land until a developer is ready to build on the parcel or
15 parcels.

16 (2) The legislature further finds that land banks provide a
17 benefit to neighbors and the community by managing abandoned or
18 underutilized properties, preventing blight and crime, and improving
19 public health and safety. The state intends to enable land banks to
20 operate regionally and provide incentives that result in reduced
21 costs to hold property. In turn, land banks can coordinate with

1 developers throughout their region to build mixed-income developments
2 and give more Washingtonians a place to call home.

3 (3) Therefore, the legislature intends to authorize land banking
4 authorities to:

5 (a) Operate as public land banks that hold property, tax-exempt,
6 while preparing it for affordable housing and public benefit uses
7 included with or attached to affordable housing;

8 (b) Prioritize equity, displacement prevention, and use of land
9 acquisition and disposition strategies to expand capacity and address
10 historical racial segregation, redlining, steering, and land
11 prospecting, that has led to disparities in access to education,
12 living wage employment, affordable housing, and transportation,
13 particularly for Black, indigenous, and other communities of color,
14 to ensure that future development remedies rather than reinforces
15 these patterns; and

16 (c) Provide for governance and decision making that is
17 representative, transparent, and inclusive so that land banking
18 activities reflect the affordable housing needs of the region and
19 help meet locally identified housing and infrastructure benchmarks.

20 NEW SECTION. **Sec. 2.** (1) The legislative authority of a city or
21 county may authorize the establishment of a land bank authority by a
22 public corporation established under RCW 35.21.730, a public housing
23 authority established under chapter 35.82 RCW, or a nonprofit
24 organization exempt from federal income taxation under 26 U.S.C. Sec.
25 501(c)(3) of the internal revenue code of 1986, as amended. A city or
26 county legislative authority must adopt an ordinance or resolution
27 authorizing such entity to establish and operate a land bank. At a
28 minimum, the ordinance or resolution must:

29 (a) State the public purpose of the land bank authority,
30 including acquiring, holding, managing, and transferring property for
31 affordable housing consistent with adopted local housing plans and
32 chapter 36.70A RCW;

33 (b) Describe the governance or oversight structure applicable to
34 the land bank authority; and

35 (c) Authorize the land bank authority to acquire, hold, lease,
36 and transfer real property, including transfers at less than fair
37 market value in exchange for affordability requirements authorized
38 under this chapter.

1 (2) The legislative authorities of two or more contiguous
2 counties may authorize the establishment of a land bank to be
3 administered in accordance with an interlocal agreement.

4 (3) "Land bank authority" means an entity authorized by ordinance
5 or resolution of a city or county legislative authority to establish
6 and operate a land bank.

7 (4) "Land bank" means the inventory of real property acquired,
8 held, leased, or transferred by a land bank authority for purposes
9 consistent under this chapter.

10 NEW SECTION. **Sec. 3.** (1) A land bank authority may acquire,
11 hold, manage, improve, lease, transfer, or dispose of real property
12 to be used as affordable housing. Real property held in the inventory
13 of a land bank must be legally owned by the land bank authority. A
14 land bank authority may also enter into contracts necessary to
15 prepare property for productive use, including clearing title,
16 addressing outstanding liens or taxes, and undertaking predevelopment
17 activities. However, an entity that is exempt from taxation under 26
18 U.S.C. Sec. 501(c)(3) of the internal revenue code of 1986, as
19 amended, and operating a land bank authority may not build or
20 construct housing.

21 (2) Land acquisitions and dispositions must:

22 (a) Be consistent with any existing local, regional, or state
23 housing plans and chapter 43.185B RCW, including the antidisplacement
24 policies in the comprehensive plans of the county or city where the
25 land is located; and

26 (b) Demonstrate alignment with adopted local housing targets
27 under chapter 36.70A RCW.

28 (3) A land bank authority may lease or sell land to a housing
29 developer at less than market rate in exchange for compliance with
30 affordability requirements. Such transfers are not required to be
31 made to the highest bidder.

32 (4) At least 50 percent of the land or property leased or sold by
33 a land bank authority must include a covenant or deed restriction
34 that the housing units developed or operated must maintain
35 affordability requirements for at least 30 years as follows:

36 (a) Rental housing units must be affordable to households with an
37 income at or below 80 percent of the area median income; and

38 (b) Owner-occupied housing units must be affordable to households
39 with an income at or below 120 percent of the area median income.

1 NEW SECTION. **Sec. 4.** (1) Each land bank authority must prepare
2 an annual report. The annual report must include:

3 (a) Real property parcels acquired, held, and transferred during
4 the year;

5 (b) The manner of disposition and alignment with local housing
6 and land use plans;

7 (c) How each action advanced a community benefit;

8 (d) The purchase price and assessed value of each parcel
9 acquired;

10 (e) The sales price and assessed value of each parcel
11 transferred;

12 (f) The number of housing units developed on each parcel
13 transferred;

14 (g) The affordability covenants recorded for each parcel sold;
15 and

16 (h) Progress toward advancing equity, preventing displacement,
17 and meeting locally identified housing needs.

18 (2) A land bank authority must make annual reports publicly
19 available and submit each report to any city or county in which it
20 has acquired or transferred land or property in the last 12 months.
21 Cities and counties receiving an annual report are encouraged to
22 provide feedback on the land bank's activities and alignment with
23 local housing and land use plans to help guide compliance with local
24 and regional housing plans.

25 **Sec. 5.** RCW 36.35.150 and 2016 c 63 s 1 are each amended to read
26 as follows:

27 (1) The county legislative authority may dispose of tax
28 foreclosed property by private negotiation, without a call for bids,
29 for not less than the principal amount of the unpaid taxes in any of
30 the following cases: (a) When the sale is to any governmental agency
31 and for public purposes; (b) when the county legislative authority
32 determines that it is not practical to build on the property due to
33 the physical characteristics of the property or legal restrictions on
34 construction activities on the property; (c) when the property has an
35 assessed value of less than (~~five hundred dollars~~) \$500 and the
36 property is sold to an adjoining landowner; (~~or~~) (d) when no
37 acceptable bids were received at the attempted public auction of the
38 property, if the sale is made within (~~twelve~~) 12 months from the

1 date of the attempted public auction; or (e) when the sale is to an
2 entity operating a land bank authority under section 2 of this act.

3 (2) A county legislative authority must prioritize the transfer
4 of tax foreclosed property to an entity operating a land bank
5 authority under section 2 of this act.

6 (3) Except when a county legislative authority purchases the tax
7 foreclosed property for public purposes or transfers the tax
8 foreclosed property to an entity operating a land bank authority
9 under section 2 of this act, the county legislative authority must
10 give notice to any city in which any tax foreclosed property is
11 located within at least (~~sixty~~) 60 days of acquiring such property,
12 and the county may not dispose of the property at public auction or
13 by private negotiation before giving such notice. The notice must
14 offer the city the opportunity to purchase the property for the
15 original minimum bid under RCW 84.64.080, together with any direct
16 costs incurred by the county in the sale. If the city chooses to
17 purchase the property, the following conditions apply:

18 (a) The city must accept the offer within (~~thirty~~) 30 days of
19 receiving notice, unless the county agrees to extend the offer;

20 (b) The city must provide that the property is suitable and will
21 be used for an affordable housing development as defined in RCW
22 36.130.010; and

23 (c) The city must agree to transfer the property to a local
24 housing authority, land bank authority, or (~~either~~) nonprofit entity
25 eligible to receive assistance from the affordable housing program
26 under chapter 43.185A RCW. The city must be reimbursed by the housing
27 authority, land bank authority, or (~~either~~) nonprofit entity for the
28 amount the city paid to purchase the property together with any
29 direct costs incurred by the city in the transfer to the housing
30 authority, land bank authority, or (~~either~~) nonprofit entity.

31 **Sec. 6.** RCW 35.21.755 and 2020 c 20 s 1011 are each amended to
32 read as follows:

33 (1) A public corporation, commission, or authority created
34 pursuant to RCW 35.21.730, 35.21.660, or 81.112.320, or a land bank
35 authority established under section 2 of this act that is operated by
36 a public corporation shall receive the same immunity or exemption
37 from taxation as that of the city, town, or county creating the same:
38 PROVIDED, That, except for (a) any property within a special review
39 district established by ordinance prior to January 1, 1976, or listed

1 on or which is within a district listed on any federal or state
2 register of historical sites, or (b) any property owned, operated, or
3 controlled by a public corporation that is used primarily for low-
4 income housing, or that is used as a convention center, performing
5 arts center, public assembly hall, public meeting place, public
6 esplanade, street, public way, public open space, park, public
7 utility corridor, or view corridor for the general public, or (c) any
8 blighted property owned, operated, or controlled by a public
9 corporation that was acquired for the purpose of remediation and
10 redevelopment of the property in accordance with an agreement or plan
11 approved by the city, town, or county in which the property is
12 located, or (d) any property owned, operated, or controlled by a
13 public corporation created under RCW 81.112.320, or (e) any property
14 owned, operated, or controlled by a public corporation operating a
15 land bank authority under section 2 of this act, any such public
16 corporation, commission, or authority shall pay to the county
17 treasurer an annual excise tax equal to the amounts which would be
18 paid upon real property and personal property devoted to the purposes
19 of such public corporation, commission, or authority were it in
20 private ownership, and such real property and personal property is
21 acquired and/or operated under RCW 35.21.730 through 35.21.755, and
22 the proceeds of such excise tax shall be allocated by the county
23 treasurer to the various taxing authorities in which such property is
24 situated, in the same manner as though the property were in private
25 ownership: PROVIDED FURTHER, That the provisions of chapter 82.29A
26 RCW shall not apply to property within a special review district
27 established by ordinance prior to January 1, 1976, or listed on or
28 which is within a district listed on any federal or state register of
29 historical sites and which is controlled by a public corporation,
30 commission, or authority created pursuant to RCW 35.21.730 or
31 35.21.660, which was in existence prior to January 1, 1987: AND
32 PROVIDED FURTHER, That property within a special review district
33 established by ordinance prior to January 1, 1976, or property which
34 is listed on any federal or state register of historical sites and
35 controlled by a public corporation, commission, or authority created
36 pursuant to RCW 35.21.730 or 35.21.660, which was in existence prior
37 to January 1, 1976, shall receive the same immunity or exemption from
38 taxation as if such property had been within a district listed on any
39 such federal or state register of historical sites as of January 1,
40 1976, and controlled by a public corporation, commission, or

1 authority created pursuant to RCW 35.21.730 or 35.21.660 which was in
2 existence prior to January 1, 1976.

3 (2) As used in this section:

4 (a) "Low-income" means a total annual income, adjusted for family
5 size, not exceeding (~~fifty~~) 50 percent of the area median income.

6 (b) "Area median income" means:

7 (i) For an area within a standard metropolitan statistical area,
8 the area median income reported by the United States department of
9 housing and urban development for that standard metropolitan
10 statistical area; or

11 (ii) For an area not within a standard metropolitan statistical
12 area, the county median income reported by the department of
13 commerce.

14 (c) "Blighted property" means property that is contaminated with
15 hazardous substances as defined under RCW 70A.305.020.

16 **Sec. 7.** RCW 35.82.210 and 2000 c 187 s 2 are each amended to
17 read as follows:

18 (1) The property of an authority is declared to be public
19 property used for essential public and governmental purposes and such
20 property and an authority shall be exempt from all taxes and special
21 assessments of the city, the county, the state or any political
22 subdivision thereof: PROVIDED, HOWEVER, That, except for any property
23 owned by a land bank authority operated by a public corporation under
24 section 2 of this act, in lieu of such taxes an authority may agree
25 to make payments to the city or the county or any such political
26 subdivision for improvements, services and facilities furnished by
27 such city, county or political subdivision for the benefit of a
28 housing project, but in no event shall such payments exceed the
29 amount last levied as the annual tax of such city, county or
30 political subdivision upon the property included in said project
31 prior to the time of its acquisition by the authority.

32 (2) For the sole purpose of the exemption from tax under this
33 section:

34 (a) "Authority," in addition to the meaning in RCW 35.82.020,
35 also means tribal housing authorities and intertribal housing
36 authorities. "Authority" also means a land bank authority owned,
37 operated, or controlled by a housing authority under section 2 of
38 this act.

1 (b) "Intertribal housing authority" means a housing authority
2 created by a consortium of tribal governments to operate and
3 administer housing programs for persons of low income or senior
4 citizens for and on behalf of such tribes.

5 (c) "Tribal government" means the governing body of a federally
6 recognized Indian tribe.

7 (d) "Tribal housing authority" means the tribal government or an
8 agency or branch of the tribal government that operates and
9 administers housing programs for persons of low income or senior
10 citizens.

11 NEW SECTION. **Sec. 8.** (1) All real and personal property owned
12 by a nonprofit organization operating a land bank authority under
13 section 2 of this act is exempt from property taxation.

14 (2) To qualify for this exemption, the nonprofit organization
15 must be qualified for federal income tax exemption under section
16 501(c)(3) of the internal revenue code of 1986 (26 U.S.C. Sec.
17 501(c)(3)).

18 **Sec. 9.** RCW 82.45.010 and 2025 c 159 s 1 are each amended to
19 read as follows:

20 (1) As used in this chapter, the term "sale" has its ordinary
21 meaning and includes any conveyance, grant, assignment, quitclaim, or
22 transfer of the ownership of or title to real property, including
23 standing timber, or any estate or interest therein for a valuable
24 consideration, and any contract for such conveyance, grant,
25 assignment, quitclaim, or transfer, and any lease with an option to
26 purchase real property, including standing timber, or any estate or
27 interest therein or other contract under which possession of the
28 property is given to the purchaser, or any other person at the
29 purchaser's direction, and title to the property is retained by the
30 vendor as security for the payment of the purchase price. The term
31 also includes the grant, assignment, quitclaim, sale, or transfer of
32 improvements constructed upon leased land.

33 (2)(a) The term "sale" also includes the transfer or acquisition
34 within any 36 month period of a controlling interest in any entity
35 with an interest in real property located in this state for a
36 valuable consideration.

37 (b) For the sole purpose of determining whether, pursuant to the
38 exercise of an option, a controlling interest was transferred or

1 acquired within a 36 month period, the date that the option agreement
2 was executed is the date on which the transfer or acquisition of the
3 controlling interest is deemed to occur. For all other purposes under
4 this chapter, the date upon which the option is exercised is the date
5 of the transfer or acquisition of the controlling interest.

6 (c) For purposes of this subsection, all acquisitions of persons
7 acting in concert must be aggregated for purposes of determining
8 whether a transfer or acquisition of a controlling interest has taken
9 place. The department must adopt standards by rule to determine when
10 persons are acting in concert. In adopting a rule for this purpose,
11 the department must consider the following:

12 (i) Persons must be treated as acting in concert when they have a
13 relationship with each other such that one person influences or
14 controls the actions of another through common ownership; and

15 (ii) When persons are not commonly owned or controlled, they must
16 be treated as acting in concert only when the unity with which the
17 purchasers have negotiated and will consummate the transfer of
18 ownership interests supports a finding that they are acting as a
19 single entity. If the acquisitions are completely independent, with
20 each purchaser buying without regard to the identity of the other
21 purchasers, then the acquisitions are considered separate
22 acquisitions.

23 (3) The term "sale" does not include:

24 (a) A transfer by gift, devise, or inheritance.

25 (b) A transfer by transfer on death deed, to the extent that it
26 is not in satisfaction of a contractual obligation of the decedent
27 owed to the recipient of the property.

28 (c) A transfer of any leasehold interest other than of the type
29 mentioned above.

30 (d) A cancellation or forfeiture of a vendee's interest in a
31 contract for the sale of real property, whether or not such contract
32 contains a forfeiture clause, or deed in lieu of foreclosure of a
33 mortgage.

34 (e) The partition of property by tenants in common by agreement
35 or as the result of a court decree.

36 (f) The assignment of property or interest in property from one
37 spouse or one domestic partner to the other spouse or other domestic
38 partner in accordance with the terms of a decree of dissolution of
39 marriage or state registered domestic partnership or in fulfillment
40 of a property settlement agreement.

1 (g) The assignment or other transfer of a vendor's interest in a
2 contract for the sale of real property, even though accompanied by a
3 conveyance of the vendor's interest in the real property involved.

4 (h) Transfers by appropriation or decree in condemnation
5 proceedings brought by the United States, the state or any political
6 subdivision thereof, or a municipal corporation.

7 (i) A mortgage or other transfer of an interest in real property
8 merely to secure a debt, or the assignment thereof.

9 (j) Any transfer or conveyance made pursuant to a deed of trust
10 or an order of sale by the court in any mortgage, deed of trust, or
11 lien foreclosure proceeding or upon execution of a judgment, or deed
12 in lieu of foreclosure to satisfy a mortgage or deed of trust.

13 (k) A conveyance to the federal housing administration or
14 veterans administration by an authorized mortgagee made pursuant to a
15 contract of insurance or guaranty with the federal housing
16 administration or veterans administration.

17 (l) A transfer in compliance with the terms of any lease or
18 contract upon which the tax as imposed by this chapter has been paid
19 or where the lease or contract was entered into prior to the date
20 this tax was first imposed.

21 (m) The sale of any grave or lot in an established cemetery.

22 (n) A sale by the United States, this state or any political
23 subdivision thereof, or a municipal corporation of this state.

24 (o) A sale to a regional transit authority or public corporation
25 under RCW 81.112.320 under a sale/leaseback agreement under RCW
26 81.112.300.

27 (p) A transfer of real property, however effected, if it consists
28 of a mere change in identity or form of ownership of an entity where
29 there is no change in the beneficial ownership. These include
30 transfers to a corporation or partnership which is wholly owned by
31 the transferor and/or the transferor's spouse or domestic partner or
32 children of the transferor or the transferor's spouse or domestic
33 partner. However, if thereafter such transferee corporation or
34 partnership voluntarily transfers such real property, or such
35 transferor, spouse or domestic partner, or children of the transferor
36 or the transferor's spouse or domestic partner voluntarily transfer
37 stock in the transferee corporation or interest in the transferee
38 partnership capital, as the case may be, to other than (i) the
39 transferor and/or the transferor's spouse or domestic partner or
40 children of the transferor or the transferor's spouse or domestic

1 partner, (ii) a trust having the transferor and/or the transferor's
2 spouse or domestic partner or children of the transferor or the
3 transferor's spouse or domestic partner as the only beneficiaries at
4 the time of the transfer to the trust, or (iii) a corporation or
5 partnership wholly owned by the original transferor and/or the
6 transferor's spouse or domestic partner or children of the transferor
7 or the transferor's spouse or domestic partner, within three years of
8 the original transfer to which this exemption applies, and the tax on
9 the subsequent transfer has not been paid within 60 days of becoming
10 due, excise taxes become due and payable on the original transfer as
11 otherwise provided by law.

12 (q)(i) A transfer that for federal income tax purposes does not
13 involve the recognition of gain or loss for entity formation,
14 liquidation or dissolution, and reorganization, including but not
15 limited to nonrecognition of gain or loss because of application of
16 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal
17 revenue code of 1986, as amended.

18 (ii) However, the transfer described in (q)(i) of this subsection
19 cannot be preceded or followed within a 36 month period by another
20 transfer or series of transfers, that, when combined with the
21 otherwise exempt transfer or transfers described in (q)(i) of this
22 subsection, results in the transfer of a controlling interest in the
23 entity for valuable consideration, and in which one or more persons
24 previously holding a controlling interest in the entity receive cash
25 or property in exchange for any interest the person or persons acting
26 in concert hold in the entity. This subsection (3)(q)(ii) does not
27 apply to that part of the transfer involving property received that
28 is the real property interest that the person or persons originally
29 contributed to the entity or when one or more persons who did not
30 contribute real property or belong to the entity at a time when real
31 property was purchased receive cash or personal property in exchange
32 for that person or persons' interest in the entity. The real estate
33 excise tax under this subsection (3)(q)(ii) is imposed upon the
34 person or persons who previously held a controlling interest in the
35 entity.

36 (r) A qualified sale of a manufactured/mobile home community, as
37 defined in RCW 59.20.030.

38 (s)(i) A transfer of a qualified low-income housing development
39 or controlling interest in a qualified low-income housing
40 development, unless, due to noncompliance with federal statutory

1 requirements, the seller is subject to recapture, in whole or in
2 part, of its allocated federal low-income housing tax credits within
3 the four years prior to the date of transfer.

4 (ii) For purposes of this subsection (3)(s), "qualified low-
5 income housing development" means real property and improvements in
6 respect to which the seller or, in the case of a transfer of a
7 controlling interest, the owner or beneficial owner, was allocated
8 federal low-income housing tax credits authorized under 26 U.S.C.
9 Sec. 42 or successor statute, by the Washington state housing finance
10 commission or successor state-authorized tax credit allocating
11 agency.

12 (iii) This subsection (3)(s) does not apply to transfers of a
13 qualified low-income housing development or controlling interest in a
14 qualified low-income housing development occurring on or after July
15 1, 2035.

16 (iv) The Washington state housing finance commission, in
17 consultation with the department, must gather data on: (A) The fiscal
18 savings, if any, accruing to transferees as a result of the exemption
19 provided in this subsection (3)(s); (B) the extent to which
20 transferors of qualified low-income housing developments receive
21 consideration, including any assumption of debt, as part of a
22 transfer subject to the exemption provided in this subsection (3)(s);
23 and (C) the continued use of the property for low-income housing. The
24 Washington state housing finance commission must provide this
25 information to the joint legislative audit and review committee. The
26 committee must conduct a review of the tax preference created under
27 this subsection (3)(s) in calendar year 2033, as required under
28 chapter 43.136 RCW.

29 (t)(i) A qualified transfer of residential property by a legal
30 representative of a person with developmental disabilities to a
31 qualified entity subject to the following conditions:

32 (A) The adult child with developmental disabilities of the
33 transferor of the residential property must be allowed to reside in
34 the residence or successor property so long as the placement is safe
35 and appropriate as determined by the department of social and health
36 services;

37 (B) The title to the residential property is conveyed without the
38 receipt of consideration by the legal representative of a person with
39 developmental disabilities to a qualified entity;

1 (C) The residential property must have no more than four living
2 units located on it; and

3 (D) The residential property transferred must remain in continued
4 use for 50 years by the qualified entity as supported living for
5 persons with developmental disabilities by the qualified entity or
6 successor entity. If the qualified entity sells or otherwise conveys
7 ownership of the residential property the proceeds of the sale or
8 conveyance must be used to acquire similar residential property and
9 such similar residential property must be considered the successor
10 for continued use. The property will not be considered in continued
11 use if the department of social and health services finds that the
12 property has failed, after a reasonable time to remedy, to meet any
13 health and safety statutory or regulatory requirements. If the
14 department of social and health services determines that the property
15 fails to meet the requirements for continued use, the department of
16 social and health services must notify the department and the real
17 estate excise tax based on the value of the property at the time of
18 the transfer into use as residential property for persons with
19 developmental disabilities becomes immediately due and payable by the
20 qualified entity. The tax due is not subject to penalties, fees, or
21 interest under this title.

22 (ii) For the purposes of this subsection (3)(t) the definitions
23 in RCW 71A.10.020 apply.

24 (iii) A "qualified entity" is:

25 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)
26 of the federal internal revenue code of 1986, as amended, as of June
27 7, 2018, or a subsidiary under the same taxpayer identification
28 number that provides residential supported living for persons with
29 developmental disabilities; or

30 (B) A nonprofit adult family home, as defined in RCW 70.128.010,
31 that exclusively serves persons with developmental disabilities.

32 (iv) In order to receive an exemption under this subsection
33 (3)(t) an affidavit must be submitted by the transferor of the
34 residential property and must include a copy of the transfer
35 agreement and any other documentation as required by the department.

36 (u)(i) The sale by an affordable homeownership facilitator of
37 self-help housing to a low-income household.

38 (ii) The definitions in this subsection (3)(u) apply to this
39 subsection (3)(u) unless the context clearly requires otherwise.

1 (A) "Affordable homeownership facilitator" means a nonprofit
2 community or neighborhood-based organization that is exempt from
3 income tax under Title 26 U.S.C. Sec. 501(c) of the internal revenue
4 code of 1986, as amended, as of October 1, 2019, and that is the
5 developer of self-help housing.

6 (B) "Low-income" means household income as defined by the
7 department, provided that the definition may not exceed 80 percent of
8 median household income, adjusted for household size, for the county
9 in which the dwelling is located.

10 (C) "Self-help housing" means dwelling residences provided for
11 ownership by low-income individuals and families whose ownership
12 requirement includes labor participation. "Self-help housing" does
13 not include residential rental housing provided on a commercial basis
14 to the general public.

15 (v)(i) A sale or transfer of real property to a qualifying
16 grantee that uses the property for housing for low-income persons and
17 receives or otherwise qualifies the property for an exemption from
18 real and personal property taxes under RCW 84.36.560, 84.36.049,
19 35.82.210, 35.21.755, or 84.36.010. For purposes of this subsection
20 (3)(v), "qualifying grantee" means a nonprofit entity as defined in
21 RCW 84.36.560, a nonprofit entity or qualified cooperative
22 association as defined in RCW 84.36.049, a housing authority created
23 under RCW 35.82.030 or 35.82.300, a public corporation established
24 under RCW 35.21.660 or 35.21.730, or a county or municipal
25 corporation. A qualifying grantee that is a county or municipal
26 corporation must record a covenant at the time of transfer that
27 prohibits using the property for any purpose other than for low-
28 income housing for a period of at least 10 years. At a minimum, the
29 covenant must address price restrictions and household income limits
30 for the low-income housing. A qualifying grantee must comply with the
31 requirements described in (v)(i)(A), (B), or (C) of this subsection
32 and must also certify, by affidavit at the time of sale or transfer,
33 that it intends to comply with those requirements.

34 (A) If the qualifying grantee intends to operate existing housing
35 on the property, within one year of the sale or transfer:

36 (I) The qualifying grantee must receive or qualify the property
37 for a tax exemption under RCW 84.36.560, 84.36.049,
38 35.82.210, 35.21.755, or 84.36.010; and

39 (II) The property must be used as housing for low-income persons.

1 (B) If the qualifying grantee intends to develop new housing on
2 the site, within five years of the sale or transfer:

3 (I) The qualifying grantee must receive or qualify the property
4 for a tax exemption under RCW 84.36.560, 84.36.049,
5 35.82.210, 35.21.755, or 84.36.010; and

6 (II) The property must be used as housing for low-income persons.

7 (C) If the qualifying grantee intends to substantially
8 rehabilitate the premises as defined in RCW 59.18.200, within three
9 years:

10 (I) The qualifying grantee must receive or qualify the property
11 for a tax exemption under RCW 84.36.560, 84.36.049,
12 35.82.210, 35.21.755, or 84.36.010; and

13 (II) The property must be used as housing for low-income persons.

14 (ii) If the qualifying grantee fails to satisfy the requirements
15 described in (v)(i)(A), (B), or (C) of this subsection, within the
16 timelines described in (v)(i)(A), (B), or (C) of this subsection, the
17 qualifying grantee must pay the tax that would have otherwise been
18 due at the time of initial transfer, plus interest calculated from
19 the date of initial transfer pursuant to RCW 82.32.050.

20 (iii) If a qualifying grantee transfers the property to a
21 different qualifying grantee within the original timelines described
22 in (v)(i)(A), (B), or (C) of this subsection, neither the original
23 qualifying grantee nor the new qualifying grantee is required to pay
24 the tax, so long as the new qualifying grantee satisfies the
25 requirements as described in (v)(i)(A), (B), or (C) of this
26 subsection within the exemption period of the initial transfer. If
27 the new qualifying grantee fails to satisfy the requirements
28 described in (v)(i)(A), (B), or (C) of this subsection, only the new
29 qualifying grantee is liable for the payment of taxes required by
30 (v)(ii) of this subsection. There is no limit on the number of
31 transfers between qualifying grantees within the original timelines.

32 (iv) Each affidavit must be filed with the department upon
33 completion of the sale or transfer of property, including transfers
34 from a qualifying grantee to a different qualifying grantee. The
35 qualifying grantee must provide proof to the department as required
36 by the department once the requirements as described in (v)(i)(A),
37 (B), or (C) of this subsection have been satisfied.

38 (v) For the purposes of this subsection (3)(v), "low-income" has
39 the same meaning as in (u) of this subsection.

1 (w)(i) Beginning January 1, 2026, the sale of qualified space in
2 a development that qualifies for a property tax exemption under RCW
3 84.36.560, 84.36.049, 35.82.210, 35.21.755, or 84.36.010 to a
4 nonprofit organization, a housing authority, or public corporation
5 for use for an exempt community purpose.

6 (ii) For the purposes of this subsection (3)(w), the following
7 definitions apply:

8 (A) "Affordable housing development" means a development with
9 housing provided to households with a household income that does not
10 exceed 80 percent of median household income at initial occupancy,
11 adjusted for household size, for the county in which the dwelling is
12 located.

13 (B) "Exempt community purpose" means any use to provide a service
14 that benefits affordable housing development tenants or the public
15 including, but not limited to, health clinics, senior day care, food
16 banks, community centers, and early learning facilities.

17 (C) "Nonprofit organization" means an organization exempt from
18 taxation under section 501(c)(3) of the internal revenue code of 1986
19 (26 U.S.C. Sec. 501(c)(3)), as amended.

20 (D) "Qualified space" means any portion of an affordable housing
21 development that is accessible to tenants or the public that
22 constitutes a separate legal parcel of property under chapter 64.32,
23 64.34, or 64.90 RCW.

24 (x)(i) A sale or transfer of real property to a land bank
25 authority under section 2 of this act.

26 (ii) For the purposes of this subsection (3)(x):

27 (A) "Land bank authority" means an entity authorized by ordinance
28 or resolution of a city or county legislative authority to establish
29 and operate a land bank under this act.

30 (B) "Land bank" means the inventory of real property acquired,
31 held, leased, or transferred by a land bank authority for purposes
32 consistent with this act.

33 (iii) To claim the exemption under this subsection (3)(x), the
34 land bank authority must, at the time of sale or transfer:

35 (A) Provide a copy of the ordinance or resolution; and

36 (B) Certify that the real property is being acquired, held, or
37 transferred for purposes consistent with this act.

38 (y)(i) A sale or transfer of real property by a land bank
39 authority under section 2 of this act.

40 (ii) For the purposes of this subsection (3)(y):

1 (A) "Land bank authority" means an entity authorized by ordinance
2 or resolution of a city or county legislative authority to establish
3 and operate a land bank under this act.

4 (B) "Land bank" means the inventory of real property acquired,
5 held, leased, or transferred by a land bank authority for purposes
6 consistent with this act.

7 (iii) To claim the exemption under this subsection (3)(y), the
8 land bank authority and the grantee must, at the time of sale or
9 transfer:

10 (A) Provide a copy of the ordinance or resolution; and

11 (B) Certify that the real property is being acquired, held, or
12 transferred for purposes consistent with this act.

13 **Sec. 10.** RCW 82.45.010 and 2025 c 159 s 2 are each amended to
14 read as follows:

15 (1) As used in this chapter, the term "sale" has its ordinary
16 meaning and includes any conveyance, grant, assignment, quitclaim, or
17 transfer of the ownership of or title to real property, including
18 standing timber, or any estate or interest therein for a valuable
19 consideration, and any contract for such conveyance, grant,
20 assignment, quitclaim, or transfer, and any lease with an option to
21 purchase real property, including standing timber, or any estate or
22 interest therein or other contract under which possession of the
23 property is given to the purchaser, or any other person at the
24 purchaser's direction, and title to the property is retained by the
25 vendor as security for the payment of the purchase price. The term
26 also includes the grant, assignment, quitclaim, sale, or transfer of
27 improvements constructed upon leased land.

28 (2)(a) The term "sale" also includes the transfer or acquisition
29 within any 36 month period of a controlling interest in any entity
30 with an interest in real property located in this state for a
31 valuable consideration.

32 (b) For the sole purpose of determining whether, pursuant to the
33 exercise of an option, a controlling interest was transferred or
34 acquired within a 36 month period, the date that the option agreement
35 was executed is the date on which the transfer or acquisition of the
36 controlling interest is deemed to occur. For all other purposes under
37 this chapter, the date upon which the option is exercised is the date
38 of the transfer or acquisition of the controlling interest.

1 (c) For purposes of this subsection, all acquisitions of persons
2 acting in concert must be aggregated for purposes of determining
3 whether a transfer or acquisition of a controlling interest has taken
4 place. The department must adopt standards by rule to determine when
5 persons are acting in concert. In adopting a rule for this purpose,
6 the department must consider the following:

7 (i) Persons must be treated as acting in concert when they have a
8 relationship with each other such that one person influences or
9 controls the actions of another through common ownership; and

10 (ii) When persons are not commonly owned or controlled, they must
11 be treated as acting in concert only when the unity with which the
12 purchasers have negotiated and will consummate the transfer of
13 ownership interests supports a finding that they are acting as a
14 single entity. If the acquisitions are completely independent, with
15 each purchaser buying without regard to the identity of the other
16 purchasers, then the acquisitions are considered separate
17 acquisitions.

18 (3) The term "sale" does not include:

19 (a) A transfer by gift, devise, or inheritance.

20 (b) A transfer by transfer on death deed, to the extent that it
21 is not in satisfaction of a contractual obligation of the decedent
22 owed to the recipient of the property.

23 (c) A transfer of any leasehold interest other than of the type
24 mentioned above.

25 (d) A cancellation or forfeiture of a vendee's interest in a
26 contract for the sale of real property, whether or not such contract
27 contains a forfeiture clause, or deed in lieu of foreclosure of a
28 mortgage.

29 (e) The partition of property by tenants in common by agreement
30 or as the result of a court decree.

31 (f) The assignment of property or interest in property from one
32 spouse or one domestic partner to the other spouse or other domestic
33 partner in accordance with the terms of a decree of dissolution of
34 marriage or state registered domestic partnership or in fulfillment
35 of a property settlement agreement.

36 (g) The assignment or other transfer of a vendor's interest in a
37 contract for the sale of real property, even though accompanied by a
38 conveyance of the vendor's interest in the real property involved.

1 (h) Transfers by appropriation or decree in condemnation
2 proceedings brought by the United States, the state or any political
3 subdivision thereof, or a municipal corporation.

4 (i) A mortgage or other transfer of an interest in real property
5 merely to secure a debt, or the assignment thereof.

6 (j) Any transfer or conveyance made pursuant to a deed of trust
7 or an order of sale by the court in any mortgage, deed of trust, or
8 lien foreclosure proceeding or upon execution of a judgment, or deed
9 in lieu of foreclosure to satisfy a mortgage or deed of trust.

10 (k) A conveyance to the federal housing administration or
11 veterans administration by an authorized mortgagee made pursuant to a
12 contract of insurance or guaranty with the federal housing
13 administration or veterans administration.

14 (l) A transfer in compliance with the terms of any lease or
15 contract upon which the tax as imposed by this chapter has been paid
16 or where the lease or contract was entered into prior to the date
17 this tax was first imposed.

18 (m) The sale of any grave or lot in an established cemetery.

19 (n) A sale by the United States, this state or any political
20 subdivision thereof, or a municipal corporation of this state.

21 (o) A sale to a regional transit authority or public corporation
22 under RCW 81.112.320 under a sale/leaseback agreement under RCW
23 81.112.300.

24 (p) A transfer of real property, however effected, if it consists
25 of a mere change in identity or form of ownership of an entity where
26 there is no change in the beneficial ownership. These include
27 transfers to a corporation or partnership which is wholly owned by
28 the transferor and/or the transferor's spouse or domestic partner or
29 children of the transferor or the transferor's spouse or domestic
30 partner. However, if thereafter such transferee corporation or
31 partnership voluntarily transfers such real property, or such
32 transferor, spouse or domestic partner, or children of the transferor
33 or the transferor's spouse or domestic partner voluntarily transfer
34 stock in the transferee corporation or interest in the transferee
35 partnership capital, as the case may be, to other than (i) the
36 transferor and/or the transferor's spouse or domestic partner or
37 children of the transferor or the transferor's spouse or domestic
38 partner, (ii) a trust having the transferor and/or the transferor's
39 spouse or domestic partner or children of the transferor or the
40 transferor's spouse or domestic partner as the only beneficiaries at

1 the time of the transfer to the trust, or (iii) a corporation or
2 partnership wholly owned by the original transferor and/or the
3 transferor's spouse or domestic partner or children of the transferor
4 or the transferor's spouse or domestic partner, within three years of
5 the original transfer to which this exemption applies, and the tax on
6 the subsequent transfer has not been paid within sixty days of
7 becoming due, excise taxes become due and payable on the original
8 transfer as otherwise provided by law.

9 (q) (i) A transfer that for federal income tax purposes does not
10 involve the recognition of gain or loss for entity formation,
11 liquidation or dissolution, and reorganization, including but not
12 limited to nonrecognition of gain or loss because of application of
13 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal
14 revenue code of 1986, as amended.

15 (ii) However, the transfer described in (q) (i) of this subsection
16 cannot be preceded or followed within a 36 month period by another
17 transfer or series of transfers, that, when combined with the
18 otherwise exempt transfer or transfers described in (q) (i) of this
19 subsection, results in the transfer of a controlling interest in the
20 entity for valuable consideration, and in which one or more persons
21 previously holding a controlling interest in the entity receive cash
22 or property in exchange for any interest the person or persons acting
23 in concert hold in the entity. This subsection (3) (q) (ii) does not
24 apply to that part of the transfer involving property received that
25 is the real property interest that the person or persons originally
26 contributed to the entity or when one or more persons who did not
27 contribute real property or belong to the entity at a time when real
28 property was purchased receive cash or personal property in exchange
29 for that person or persons' interest in the entity. The real estate
30 excise tax under this subsection (3) (q) (ii) is imposed upon the
31 person or persons who previously held a controlling interest in the
32 entity.

33 (r) A qualified sale of a manufactured/mobile home community, as
34 defined in RCW 59.20.030, that takes place on or after June 12, 2008,
35 but before December 31, 2018.

36 (s) (i) A transfer of a qualified low-income housing development
37 or controlling interest in a qualified low-income housing
38 development, unless, due to noncompliance with federal statutory
39 requirements, the seller is subject to recapture, in whole or in

1 part, of its allocated federal low-income housing tax credits within
2 the four years prior to the date of transfer.

3 (ii) For purposes of this subsection (3)(s), "qualified low-
4 income housing development" means real property and improvements in
5 respect to which the seller or, in the case of a transfer of a
6 controlling interest, the owner or beneficial owner, was allocated
7 federal low-income housing tax credits authorized under 26 U.S.C.
8 Sec. 42 or successor statute, by the Washington state housing finance
9 commission or successor state-authorized tax credit allocating
10 agency.

11 (iii) This subsection (3)(s) does not apply to transfers of a
12 qualified low-income housing development or controlling interest in a
13 qualified low-income housing development occurring on or after July
14 1, 2035.

15 (iv) The Washington state housing finance commission, in
16 consultation with the department, must gather data on: (A) The fiscal
17 savings, if any, accruing to transferees as a result of the exemption
18 provided in this subsection (3)(s); (B) the extent to which
19 transferors of qualified low-income housing developments receive
20 consideration, including any assumption of debt, as part of a
21 transfer subject to the exemption provided in this subsection (3)(s);
22 and (C) the continued use of the property for low-income housing. The
23 Washington state housing finance commission must provide this
24 information to the joint legislative audit and review committee. The
25 committee must conduct a review of the tax preference created under
26 this subsection (3)(s) in calendar year 2033, as required under
27 chapter 43.136 RCW.

28 (t)(i) A qualified transfer of residential property by a legal
29 representative of a person with developmental disabilities to a
30 qualified entity subject to the following conditions:

31 (A) The adult child with developmental disabilities of the
32 transferor of the residential property must be allowed to reside in
33 the residence or successor property so long as the placement is safe
34 and appropriate as determined by the department of social and health
35 services;

36 (B) The title to the residential property is conveyed without the
37 receipt of consideration by the legal representative of a person with
38 developmental disabilities to a qualified entity;

39 (C) The residential property must have no more than four living
40 units located on it; and

1 (D) The residential property transferred must remain in continued
2 use for 50 years by the qualified entity as supported living for
3 persons with developmental disabilities by the qualified entity or
4 successor entity. If the qualified entity sells or otherwise conveys
5 ownership of the residential property the proceeds of the sale or
6 conveyance must be used to acquire similar residential property and
7 such similar residential property must be considered the successor
8 for continued use. The property will not be considered in continued
9 use if the department of social and health services finds that the
10 property has failed, after a reasonable time to remedy, to meet any
11 health and safety statutory or regulatory requirements. If the
12 department of social and health services determines that the property
13 fails to meet the requirements for continued use, the department of
14 social and health services must notify the department and the real
15 estate excise tax based on the value of the property at the time of
16 the transfer into use as residential property for persons with
17 developmental disabilities becomes immediately due and payable by the
18 qualified entity. The tax due is not subject to penalties, fees, or
19 interest under this title.

20 (ii) For the purposes of this subsection (3)(t) the definitions
21 in RCW 71A.10.020 apply.

22 (iii) A "qualified entity" is:

23 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)
24 of the federal internal revenue code of 1986, as amended, as of June
25 7, 2018, or a subsidiary under the same taxpayer identification
26 number that provides residential supported living for persons with
27 developmental disabilities; or

28 (B) A nonprofit adult family home, as defined in RCW 70.128.010,
29 that exclusively serves persons with developmental disabilities.

30 (iv) In order to receive an exemption under this subsection
31 (3)(t) an affidavit must be submitted by the transferor of the
32 residential property and must include a copy of the transfer
33 agreement and any other documentation as required by the department.

34 (u)(i) A sale or transfer of real property to a qualifying
35 grantee that uses the property for housing for low-income persons and
36 receives or otherwise qualifies the property for an exemption from
37 real and personal property taxes under RCW 84.36.560, 84.36.049,
38 35.82.210, 35.21.755, or 84.36.010. For purposes of this subsection
39 (3)(u), "qualifying grantee" means a nonprofit entity as defined in
40 RCW 84.36.560, a nonprofit entity or qualified cooperative

1 association as defined in RCW 84.36.049, a housing authority created
2 under RCW 35.82.030 or 35.82.300, a public corporation established
3 under RCW 35.21.660 or 35.21.730, or a county or municipal
4 corporation. A qualifying grantee that is a county or municipal
5 corporation must record a covenant at the time of transfer that
6 prohibits using the property for any purpose other than for low-
7 income housing for a period of at least 10 years. At a minimum, the
8 covenant must address price restrictions and household income limits
9 for the low-income housing. A qualifying grantee must comply with the
10 requirements described in (u)(i)(A), (B), or (C) of this subsection
11 and must also certify, by affidavit at the time of sale or transfer,
12 that it intends to comply with those requirements.

13 (A) If the qualifying grantee intends to operate existing housing
14 on the property, within one year of the sale or transfer:

15 (I) The qualifying grantee must receive or qualify the property
16 for a tax exemption under RCW 84.36.560, 84.36.049,
17 35.82.210, 35.21.755, or 84.36.010; and

18 (II) The property must be used as housing for low-income persons.

19 (B) If the qualifying grantee intends to develop new housing on
20 the site, within five years of the sale or transfer:

21 (I) The qualifying grantee must receive or qualify the property
22 for a tax exemption under RCW 84.36.560, 84.36.049,
23 35.82.210, 35.21.755, or 84.36.010; and

24 (II) The property must be used as housing for low-income persons.

25 (C) If the qualifying grantee intends to substantially
26 rehabilitate the premises as defined in RCW 59.18.200, within three
27 years:

28 (I) The qualifying grantee must receive or qualify the property
29 for a tax exemption under RCW 84.36.560, 84.36.049,
30 35.82.210, 35.21.755, or 84.36.010; and

31 (II) The property must be used as housing for low-income persons.

32 (ii) If the qualifying grantee fails to satisfy the requirements
33 described in (u)(i)(A), (B), or (C) of this subsection, within the
34 timelines described in (u)(i)(A), (B), or (C) of this subsection, the
35 qualifying grantee must pay the tax that would have otherwise been
36 due at the time of initial transfer, plus interest calculated from
37 the date of initial transfer pursuant to RCW 82.32.050.

38 (iii) If a qualifying grantee transfers the property to a
39 different qualifying grantee within the original timelines described
40 in (u)(i)(A), (B), or (C) of this subsection, neither the original

1 qualifying grantee nor the new qualifying grantee is required to pay
2 the tax, so long as the new qualifying grantee satisfies the
3 requirements as described in (u)(i)(A), (B), or (C) of this
4 subsection within the exemption period of the initial transfer. If
5 the new qualifying grantee fails to satisfy the requirements
6 described in (u)(i)(A), (B), or (C) of this subsection, only the new
7 qualifying grantee is liable for the payment of taxes required by
8 (u)(ii) of this subsection. There is no limit on the number of
9 transfers between qualifying grantees within the original timelines.

10 (iv) Each affidavit must be filed with the department upon
11 completion of the sale or transfer of property, including transfers
12 from a qualifying grantee to a different qualifying grantee. The
13 qualifying grantee must provide proof to the department as required
14 by the department once the requirements as described in (u)(i)(A),
15 (B), or (C) of this subsection have been satisfied.

16 (v) For the purposes of this subsection (3)(u), "low-income"
17 means household income as defined by the department, provided that
18 the definition may not exceed 80 percent of median household income,
19 adjusted for household size, for the county in which the dwelling is
20 located.

21 (v)(i) The sale of qualified space in a development that
22 qualifies for a property tax exemption under RCW 84.36.560,
23 84.36.049, 35.82.210, 35.21.755, or 84.36.010 to a nonprofit
24 organization, a housing authority, or public corporation for use for
25 an exempt community purpose.

26 (ii) For the purposes of this subsection (3)(v), the following
27 definitions apply:

28 (A) "Affordable housing development" means a development with
29 housing provided to households with a household income that does not
30 exceed 80 percent of median household income at initial occupancy,
31 adjusted for household size, for the county in which the dwelling is
32 located.

33 (B) "Exempt community purpose" means any use to provide a service
34 that benefits affordable housing development tenants or the public
35 including, but not limited to, health clinics, senior day care, food
36 banks, community centers, and early learning facilities.

37 (C) "Nonprofit organization" means an organization exempt from
38 taxation under section 501(c)(3) of the internal revenue code of 1986
39 (26 U.S.C. Sec. 501(c)(3)), as amended.

1 (D) "Qualified space" means any portion of an affordable housing
2 development that is accessible to tenants or the public that
3 constitutes a separate legal parcel of property under chapter 64.32,
4 64.34, or 64.90 RCW.

5 (w)(i) A sale or transfer of real property to a land bank
6 authority under section 2 of this act.

7 (ii) For the purposes of this subsection (3)(w):

8 (A) "Land bank authority" means an entity authorized by ordinance
9 or resolution of a city or county legislative authority to establish
10 and operate a land bank under this act.

11 (B) "Land bank" means the inventory of real property acquired,
12 held, leased, or transferred by a land bank authority for purposes
13 consistent with this act.

14 (iii) To claim the exemption under this subsection (3)(w), the
15 land bank authority must, at the time of sale or transfer:

16 (A) Provide a copy of the ordinance or resolution; and

17 (B) Certify that the real property is being acquired, held, or
18 transferred for purposes consistent with this act.

19 (x)(i) A sale or transfer of real property by a land bank
20 authority under section 2 of this act.

21 (ii) For the purposes of this subsection (3)(x):

22 (A) "Land bank authority" means an entity authorized by ordinance
23 or resolution of a city or county legislative authority to establish
24 and operate a land bank under this act.

25 (B) "Land bank" means the inventory of real property acquired,
26 held, leased, or transferred by a land bank authority for purposes
27 consistent with this act.

28 (iii) To claim the exemption under this subsection (3)(x), the
29 land bank authority and the grantee must, at the time of sale or
30 transfer:

31 (A) Provide a copy of the ordinance or resolution; and

32 (B) Certify that the real property is being acquired, held, or
33 transferred for purposes pursuant to this act.

34 NEW SECTION. Sec. 11. (1) This section is the tax preference
35 performance statement for the tax preferences in sections 6 through
36 10 of this act. This performance statement is only intended to be
37 used for subsequent evaluation of the tax preferences. It is not
38 intended to create a private right of action by any party or be used
39 to determine eligibility for preferential tax treatment.

1 (2) The legislature categorizes this tax preference as one
2 intended to induce certain designated behavior by taxpayers, as
3 indicated in RCW 82.32.808(2) (a).

4 (3) It is the legislature's specific public policy objective to:

5 (a) Encourage sales or transfers of real property to land bank
6 authorities that intend the property to be used for affordable
7 housing; and

8 (b) Reduce the cost of land for housing development by allowing
9 land bank authorities to own land or property without being subject
10 to state or local property tax and to sell land or property without
11 being subject to the real estate excise tax.

12 (4) If a review finds that the tax preferences in sections 6
13 through 10 of this act have not reduced the cost of land for housing
14 development, then the legislature intends to consider repealing the
15 tax preferences.

16 (5) In order to obtain the data necessary to perform the review
17 in subsection (4) of this section, the joint legislative audit and
18 review committee may refer to any available data source, including
19 county records identifying the assessed value, sales value, and
20 number of housing units developed for any property acquired or
21 transferred by a land bank authority.

22 NEW SECTION. **Sec. 12.** The provisions of RCW 82.32.805 do not
23 apply to sections 6 through 10 of this act.

24 NEW SECTION. **Sec. 13.** Sections 2 through 4 and 8 of this act
25 constitute a new chapter in Title 35 RCW.

26 NEW SECTION. **Sec. 14.** Section 9 of this act expires January 1,
27 2030.

28 NEW SECTION. **Sec. 15.** Section 10 of this act takes effect
29 January 1, 2030.

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