

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 6027

Chapter 230, Laws of 2026

69th Legislature
2026 Regular Session

AFFORDABLE HOUSING—FUNDING AND TAX EXEMPTIONS—VARIOUS PROVISIONS

EFFECTIVE DATE: June 11, 2026

Passed by the Senate March 10, 2026
Yeas 30 Nays 19

DENNY HECK

President of the Senate

Passed by the House March 5, 2026
Yeas 61 Nays 34

LURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 27, 2026 11:18 AM

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 6027** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 31, 2026

BOB FERGUSON

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 6027

AS AMENDED BY THE HOUSE

Passed Legislature - 2026 Regular Session

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) Rental assistance.

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

34 (b) Among other priorities, a county that acquires a facility
35 under subsection (2) (a) of this section must provide an opportunity
36 for 15 percent of the units provided at that facility to be provided
37 to individuals who are living in or near the city in which the
38 facility is located, or have ties to that community. The provisions
39 of this subsection (3) (b) do not apply if the county is unable to
40 identify sufficient individuals within the city in need of services

1 that meet the criteria provided in subsection (2)(b) of this section.
2 This prioritization must not jeopardize United States department of
3 housing and urban development funding for the continuum of care
4 program.

5 (4) A county that has not imposed the tax authorized under RCW
6 82.14.460 prior to October 9, 2015, but imposes the tax authorized
7 under this section after a city in that county has imposed the tax
8 authorized under RCW 82.14.460 prior to October 9, 2015, must ~~((enter~~
9 ~~into an interlocal agreement))~~ consult with that city to determine
10 how the services and provisions described in subsection (2) of this
11 section will be allocated and funded in the city.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (A) 0.0073 percent for a:

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

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

38 (B) 0.0146 percent for a:

39 (I) Participating city that currently levies a qualifying local
40 tax;

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

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

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

10 (A) 0.0073 percent for a:

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

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

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

17 (I) Participating city that is levying a qualifying local tax;
18 and

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

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

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

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

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

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

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

38 (3) The tax imposed under this section must be deducted from the
39 amount of tax otherwise required to be collected or paid to the
40 department of revenue under chapter 82.08 or 82.12 RCW. The

1 department must perform the collection of such taxes on behalf of the
2 county or city at no cost to the county or city.

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

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

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

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

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

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

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

34 (iii) For providing rental assistance to tenants.

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

38 (7) The housing and services provided pursuant to subsection (6)
39 of this section may only be provided to persons whose income is at or
40 below 60 percent of the median income of the county or city imposing

1 the tax, or at or below 80 percent of the median income of the county
2 or city imposing the tax if it is supporting the development of
3 affordable housing intended for owner occupancy, as defined in RCW
4 84.14.010.

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

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

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

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

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

36 **Sec. 3.** RCW 36.22.250 and 2025 c 408 s 3, 2025 c 100 s 2, and
37 2025 c 74 s 1 are each reenacted and amended to read as follows:

38 (1) A surcharge of \$183 per instrument shall be charged by the
39 county auditor for each document recorded, which will be in addition

1 to any other charge authorized by law. The following are exempt from
2 this surcharge:

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (ii) If a city in the county elects, as authorized in RCW
2 43.185C.080, to operate its own local homeless housing program, the
3 10 percent for administrative costs retained under (a) of this
4 subsection and the 75 percent for local homeless housing plans
5 retained under (b) of this subsection must be combined and
6 distributed as follows: For each city in the county that elects as
7 authorized in RCW 43.185C.080 to operate its own local homeless
8 housing program, a percentage of the surcharge assessed under this
9 subsection equal to the percentage of the city's local portion of the
10 real estate excise tax collected by the county shall be transmitted
11 at least quarterly to the city treasurer, without any deduction for
12 county administrative costs, for use by the city for program costs
13 which directly contribute to the goals of the city's local homeless
14 housing plan. Each county or city receiving funds under this
15 subsection (3) may use up to 10 percent of their share of the total
16 funding retained or received under this subsection (3) after the
17 completion of the required city distributions for costs related to:

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

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

22 (C) Administrative costs related to the city's homeless housing
23 program;

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

33 (i) Acquisition, construction, or rehabilitation of housing
34 projects or units within housing projects that are affordable to very
35 low-income households with incomes at or below 50 percent of the area
36 median income, including units for homeownership, rental units,
37 seasonal and permanent farmworker housing units, units reserved for
38 victims of human trafficking and their families, and single room
39 occupancy units;

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

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

16 (iv) Operating costs for emergency shelters and licensed
17 overnight youth shelters.

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

31 (a) Up to 10 percent for administration of the programs
32 established in chapter 43.185C RCW and in conformance with this
33 subsection (4), including the costs of creating and implementing
34 strategic plans, collecting and evaluating data, measuring and
35 reporting performance, providing technical assistance to local
36 governments, providing training to entities delivering services, and
37 developing and maintaining stakeholder relationships;

38 (b) At least 90 percent for homelessness assistance grant
39 programs administered by the department, including but not limited
40 to: Temporary rental assistance; eviction prevention rental

1 assistance per RCW 43.185C.185; emergency shelter and transitional
2 housing operations and maintenance; outreach; diversion; HOPE and
3 crisis residential centers; young adult housing; homeless services
4 and case management for adult, family, youth, and young adult
5 homeless populations and those at risk of homelessness; project-based
6 vouchers for nonprofit housing providers or public housing
7 authorities; tenant-based rent assistance; housing services; direct
8 cash assistance as provided for in RCW 43.185C.220(5)(a); rapid
9 rehousing; emergency housing; acquisition; operations; maintenance;
10 and service costs for permanent supportive housing as defined in RCW
11 36.70A.030 for individuals with disabilities. Grantees may also use
12 these funds in partnership with permanent supportive housing programs
13 administered by the office of apple health and homes created in RCW
14 43.330.181. Priority for use must be given to purposes intended to
15 house persons who are chronically homeless or to maintain housing for
16 individuals with disabilities and prior experiences of homelessness,
17 including families with children.

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

21 (a) Up to 10 percent for program administration and technical
22 assistance necessary for the delivery programs and activities under
23 this subsection (5);

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

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

31 (ii) Grants to support the building operations, maintenance, and
32 supportive service costs for permanent supportive housing projects,
33 or units within housing projects, that have received or will receive
34 funding from the housing trust fund or other public capital funding
35 programs. The supported projects or units must be dedicated as
36 permanent supportive housing as defined in RCW 36.70A.030(~~(7)~~) and be
37 occupied by extremely low-income households with incomes at or below
38 30 percent of the area median income(~~(7, and require a supplement to~~
39 ~~rent income to cover ongoing property operations, maintenance, and~~
40 ~~supportive services expenses)~~) at the time of move-in. Eligible uses

1 of grant funds under this subsection (5)(b)(ii) include, but are not
2 limited to:

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

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

13 (C) Resident needs for basic living and well-being, such as
14 hygiene products, housewares, and food; essential household goods;
15 and transportation support for health care, treatment, and case
16 management;

17 (D) Essential maintenance and upkeep, including repair and
18 replacement of fixtures needed for basic building functionality and
19 occupational safety, such as lighting, security systems, locks and
20 key systems, and window and door hardware; and required operational
21 replacement reserves; and

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

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

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

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

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

1 (8) The department of commerce shall require grantees to maintain
2 supporting documentation for all expenses over \$50. The department
3 may not require submission of supporting documentation before
4 approving reimbursement requests except for cause or auditing
5 purposes.

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

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

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

15 (b) (i) The property is owned by the nonprofit organization; or

16 (ii) The property is rented or leased by the nonprofit
17 organization and the benefit of the exemption inures to the nonprofit
18 organization.

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

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

24 (b) (i) The property is owned by the nonprofit organization; or

25 (ii) The property is rented or leased by the nonprofit
26 organization and the benefit of the exemption inures to the nonprofit
27 organization.

28 (3) As used in this section:

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

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

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

1 (d) "Recovery residence" has the same meaning as under RCW
2 41.05.760.

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

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

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Passed by the House March 5, 2026.

Approved by the Governor March 27, 2026.

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