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HOUSE BILL 2276

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State of Washington

68th Legislature

2024 Regular Session

**By** Representatives Berg, Macri, Chopp, Street, Slatter, Reed, Ramel, Farivar, Alvarado, Kloba, Mena, Ormsby, Riccelli, Senn, Davis, Tharinger, Cortes, Stonier, Ortiz-Self, Fitzgibbon, Thai, Peterson, Fosse, Gregerson, Simmons, Taylor, Doglio, Pollet, Bateman, Lekanoff, Goodman, Berry, Santos, Wylie, Bergquist, Fey, and Duerr

1 AN ACT Relating to increasing the supply of affordable and  
2 workforce housing by reducing taxes on real property sales under  
3 \$3,025,000, modifying the state and local real estate excise tax, and  
4 imposing a surcharge on the transfer of multimillion dollar  
5 properties; amending RCW 82.45.060, 82.45.010, and 82.45.010; adding  
6 new sections to chapter 82.45 RCW; creating new sections; providing  
7 effective dates; and providing an expiration date.

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

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

1 existing inventory is priced at a premium. The legislature also finds  
2 that although household incomes have grown along with the economy,  
3 income increase for those with moderate and lower incomes have not  
4 kept pace with rent and purchase price increases. This problem is  
5 especially impacting lower and fixed income households, including  
6 seniors, veterans, farmworkers, and people with disabilities. Indeed,  
7 these trends, in combination with other market factors, have created  
8 a deficit of housing that is affordable and available, particularly  
9 for Washingtonians within the low to middle income range who are  
10 increasingly more vulnerable to homelessness. Moreover, the  
11 legislature finds that these households have the fewest options  
12 available in the private housing market. In strong housing markets,  
13 builders seek the highest achievable price to offset higher  
14 development costs, which means new production does not create more  
15 housing that is affordable.

16 The legislature further finds that having a home is a basic need  
17 and fundamental for Washington residents, and that all Washingtonians  
18 should be able to afford safe and dependable housing with access to  
19 opportunities such as education, employment, transit, and amenities.  
20 The legislature finds that housing that is affordable is an essential  
21 part of every community's infrastructure, serving as a platform for  
22 individuals and families to stabilize, build their economic futures,  
23 and thrive. Housing serves as a platform for better health and  
24 creates jobs and attracts investment, making it a prerequisite to  
25 economic growth and stronger communities. In addition, the  
26 legislature finds that a variety of housing types is needed to  
27 provide affordable options for families of all sizes and stages of  
28 life. Furthermore, the legislature finds that increasing the supply  
29 of permanently affordable housing, getting residents back into  
30 housing, and reducing homelessness is a priority of the people of  
31 Washington state and that reducing homelessness lessens fiscal impact  
32 to the state and improves the economic vitality of our businesses.

33 Moreover, the legislature finds that the private real estate  
34 market does not provide adequate housing options affordable for all  
35 economic segments, and therefore government assistance is needed to  
36 offer the full range of affordable housing options.

37 The legislature further finds that Washington has the most  
38 regressive tax code in the nation, with low-income families paying  
39 six times more in taxes, as a share of their income, than the  
40 wealthiest individuals in the state. This means lower-income and

1 middle-income families shoulder an inequitable amount of the  
2 responsibility of funding critical community investments and  
3 resources.

4 Therefore, it is the intent of the legislature to increase the  
5 supply of housing that is affordable through a permanent, dedicated  
6 investment in the Washington housing trust fund, and related housing  
7 programs, for Washington residents in the low-income to middle-income  
8 range while reducing their tax burden and ensuring Washington's most  
9 wealthy share more equitably in the responsibility of funding the  
10 essential need of affordable housing in our communities.

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

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

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

17 (b) Beginning January 1, 2020, through December 31, 2024, and  
18 except as provided in (c) of this subsection, the rate of the tax  
19 imposed under this section is as follows:

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

22 (ii) 1.28 percent of the portion of the selling price that is  
23 greater than (~~five hundred thousand dollars~~) \$500,000 and equal to  
24 or less than (~~one million five hundred thousand dollars~~)  
25 \$1,500,000;

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

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

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

34 (d) Beginning January 1, 2025, and except as provided in (c) of  
35 this subsection, the rate of the tax imposed under this section is as  
36 follows:

37 (i) 1.1 percent of the portion of the selling price that is less  
38 than or equal to \$750,000;

1 (ii) 1.28 percent of the portion of the selling price that is  
2 greater than \$750,000 and equal to or less than \$1,525,000;

3 (iii) 2.75 percent of the portion of the selling price that is  
4 greater than \$1,525,000 and equal to or less than \$3,025,000; and

5 (iv) 3.0 percent of the portion of the selling price that is  
6 greater than \$3,025,000.

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

8 (a) The department must adjust the applicable selling price  
9 threshold in subsection (1)(b)(i) or (d)(i) of this section to  
10 reflect the lesser of the growth of the consumer price index for  
11 shelter or five percent. If the growth is equal to or less than zero  
12 percent, the current selling price threshold continues to apply.

13 (b) The department must adjust the applicable selling price  
14 thresholds in subsection (1)(b)(ii) through (iv) or (d)(ii) through  
15 (iv) of this section by the dollar amount of any increase in the  
16 applicable selling price threshold in subsection (1)(b)(i) or (d)(i)  
17 of this section.

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

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

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

30 (3)(a) The department must publish guidance to assist sellers in  
31 properly classifying real property on the real estate excise tax  
32 affidavit for purposes of determining the proper amount of tax due  
33 under this section. Real property with multiple uses must be  
34 classified according to the property's predominant use. The  
35 department's guidance must include factors for use in determining the  
36 predominant use of real property.

37 (b) County treasurers are not responsible for verifying that the  
38 seller has properly classified real property reported on a real  
39 estate excise tax affidavit. The department is solely responsible for

1 such verification as part of its audit responsibilities under RCW  
2 82.45.150.

3 (4) (a) Beginning July 1, 2013, and ending December 31, 2019, an  
4 amount equal to two percent of the proceeds of this tax must be  
5 deposited in the public works assistance account created in RCW  
6 43.155.050, an amount equal to (~~four and one-tenth~~) 4.1 percent  
7 must be deposited in the education legacy trust account created in  
8 RCW 83.100.230, an amount equal to (~~one and six-tenths~~) 1.6 percent  
9 must be deposited in the city-county assistance account created in  
10 RCW 43.08.290, and the remainder must be deposited in the general  
11 fund.

12 (b) Beginning January 1, 2020, amounts collected from the tax  
13 imposed under this section must be deposited as provided in RCW  
14 82.45.230.

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

17 (a) "Agricultural land" means farm and agricultural land and farm  
18 and agricultural conservation land, as those terms are defined in RCW  
19 84.34.020, including any structures on such land.

20 (b) "Consumer price index for shelter" means the most current  
21 seasonally adjusted index for the shelter expenditure category of the  
22 consumer price index for all urban consumers (CPI-U) as published by  
23 July 31st by the bureau of labor statistics of the United States  
24 department of labor.

25 (c) "Growth of the consumer price index for shelter" means the  
26 percentage increase in the consumer price index for shelter as  
27 measured from data published by the bureau of labor statistics of the  
28 United States department of labor by July 31st for the most recent  
29 three-year period for the selling price threshold adjustment in 2022,  
30 and the most recent four-year period for subsequent selling price  
31 threshold adjustments.

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

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

38 (1) Beginning January 1, 2025, and in addition to the tax imposed  
39 in RCW 82.45.060, a real estate transfer tax is imposed on the sale

1 of qualified real property. This tax must be paid by the seller and  
2 imposed and collected in the same manner as the real estate excise  
3 tax imposed under this chapter.

4 (a) For purposes of this section, "qualified real property" means  
5 the sale of real property in which the seller is required to pay real  
6 estate excise tax under RCW 82.45.060(1)(d)(iv).

7 (b) The real estate transfer tax must be one percent of the  
8 selling price greater than the amount listed in RCW  
9 82.45.060(1)(d)(iv).

10 (2) The selling price threshold in subsection (1) of this section  
11 must be adjusted by the department in accordance with RCW  
12 82.45.060(2).

13 (3) The amounts collected from the real estate transfer tax  
14 imposed pursuant to this section must be distributed as follows:

15 (a) 93 percent must be deposited pursuant to the distributions in  
16 RCW 82.45.230(2); and

17 (b) The remaining amounts collected must be deposited as follows:

18 (i) 25 percent must be deposited into the Washington housing  
19 trust fund created in RCW 43.185A.130 and five percent must be used  
20 solely for housing facilities in rural communities that prioritize  
21 serving low-income farmworker households;

22 (ii) 25 percent must be deposited into the apple health and homes  
23 account created in RCW 43.330.184;

24 (iii) 25 percent must be deposited into the affordable housing  
25 for all account created in RCW 43.185C.190 for operations,  
26 maintenance, and service costs for permanent supportive housing as  
27 defined in RCW 36.70A.030;

28 (iv) 15 percent must be deposited into the developmental  
29 disabilities housing and services account created in section 4 of  
30 this act; and

31 (v) 10 percent must be deposited into the housing stability  
32 account created in section 5 of this act.

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

35 (1) The developmental disabilities housing and services account  
36 is created in the state treasury. Receipts from the real estate  
37 transfer tax directed to this account pursuant to section 3 of this  
38 act must be deposited into the account. Moneys in the account may  
39 only be spent after appropriation.

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

2 (a)(i) Housing to support people with developmental disabilities,  
3 including acquisition, development, or construction of permanent  
4 housing, housing developments, or units, including new units in  
5 existing structures;

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

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

12 (c) Housing-related services for individuals with developmental  
13 disabilities;

14 (d) Rental subsidies; and

15 (e) Technical assistance to support nonprofit organizations in  
16 applying for this funding through the account in order to expand the  
17 pool of eligible developers for construction and long-term  
18 sustainable maintenance for housing that meets the needs of people  
19 with developmental disabilities.

20 (3) Expenditures from the account must be grants or forgivable  
21 loans. For applications under this section, the department of  
22 commerce must use an application form and evaluation criteria  
23 separate from the application form and criteria for the Washington  
24 housing trust fund created in RCW 43.185A.130. The department of  
25 commerce must coordinate with the department of social and health  
26 services regarding any needed supportive services and make efforts to  
27 enact the recommendations of the housing needs study for individuals  
28 with intellectual and developmental disabilities, as provided in  
29 section 1068(6), chapter 332, Laws of 2021.

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

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

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

1 (c) "Housing-related services" means services that are provided  
2 to eligible households as described in subsection (2)(c) of this  
3 section, which have the purpose of helping the household gain,  
4 maintain, or increase housing stability. Housing-related services may  
5 include, but are not limited to: Case management; tenant education  
6 and supports; financial assistance for essential costs of housing;  
7 services to identify, locate, and secure housing; landlord  
8 mitigation; landlord or tenant dispute mediation; services to prevent  
9 eviction or loss of housing; assistance securing financial housing  
10 assistance, such as a voucher or subsidy; or assistance with tenant  
11 applications.

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

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

19 (1) The housing stability account is created in the state  
20 treasury. Receipts from the real estate transfer tax directed to this  
21 account pursuant to section 3 of this act must be deposited into the  
22 account. Moneys in the account may only be spent after appropriation.

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

27 (3) For the purposes of this section, "operations, maintenance,  
28 and service costs" means grants for building operations, maintenance,  
29 or supportive service costs for housing projects that have received  
30 or will receive funding from the state housing trust fund, or other  
31 public capital funding programs, are affordable to low-income  
32 households or extremely low-income households with incomes at or  
33 below 60 percent of the area median income, and require a supplement  
34 to rent income to cover ongoing operating expenses.

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



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

4 **Sec. 6.** RCW 82.45.010 and 2022 c 199 s 3 are each amended to  
5 read as follows:

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

19 (2)(a) The term "sale" also includes the transfer or acquisition  
20 within any (~~thirty-six~~) 36 month period of a controlling interest  
21 in any entity with an interest in real property located in this state  
22 for a valuable consideration.

23 (b) For the sole purpose of determining whether, pursuant to the  
24 exercise of an option, a controlling interest was transferred or  
25 acquired within a (~~thirty-six~~) 36 month period, the date that the  
26 option agreement was executed is the date on which the transfer or  
27 acquisition of the controlling interest is deemed to occur. For all  
28 other purposes under this chapter, the date upon which the option is  
29 exercised is the date of the transfer or acquisition of the  
30 controlling interest.

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

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

1 (ii) When persons are not commonly owned or controlled, they must  
2 be treated as acting in concert only when the unity with which the  
3 purchasers have negotiated and will consummate the transfer of  
4 ownership interests supports a finding that they are acting as a  
5 single entity. If the acquisitions are completely independent, with  
6 each purchaser buying without regard to the identity of the other  
7 purchasers, then the acquisitions are considered separate  
8 acquisitions.

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

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

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

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

16 (d) A cancellation or forfeiture of a vendee's interest in a  
17 contract for the sale of real property, whether or not such contract  
18 contains a forfeiture clause, or deed in lieu of foreclosure of a  
19 mortgage.

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

22 (f) The assignment of property or interest in property from one  
23 spouse or one domestic partner to the other spouse or other domestic  
24 partner in accordance with the terms of a decree of dissolution of  
25 marriage or state registered domestic partnership or in fulfillment  
26 of a property settlement agreement.

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

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

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

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

39 (k) A conveyance to the federal housing administration or  
40 veterans administration by an authorized mortgagee made pursuant to a

1 contract of insurance or guaranty with the federal housing  
2 administration or veterans administration.

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

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

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

10 (o) A sale to a regional transit authority or public corporation  
11 under RCW 81.112.320 under a sale/leaseback agreement under RCW  
12 81.112.300.

13 (p) A transfer of real property, however effected, if it consists  
14 of a mere change in identity or form of ownership of an entity where  
15 there is no change in the beneficial ownership. These include  
16 transfers to a corporation or partnership which is wholly owned by  
17 the transferor and/or the transferor's spouse or domestic partner or  
18 children of the transferor or the transferor's spouse or domestic  
19 partner. However, if thereafter such transferee corporation or  
20 partnership voluntarily transfers such real property, or such  
21 transferor, spouse or domestic partner, or children of the transferor  
22 or the transferor's spouse or domestic partner voluntarily transfer  
23 stock in the transferee corporation or interest in the transferee  
24 partnership capital, as the case may be, to other than (i) the  
25 transferor and/or the transferor's spouse or domestic partner or  
26 children of the transferor or the transferor's spouse or domestic  
27 partner, (ii) a trust having the transferor and/or the transferor's  
28 spouse or domestic partner or children of the transferor or the  
29 transferor's spouse or domestic partner as the only beneficiaries at  
30 the time of the transfer to the trust, or (iii) a corporation or  
31 partnership wholly owned by the original transferor and/or the  
32 transferor's spouse or domestic partner or children of the transferor  
33 or the transferor's spouse or domestic partner, within three years of  
34 the original transfer to which this exemption applies, and the tax on  
35 the subsequent transfer has not been paid within (~~sixty~~) 60 days of  
36 becoming due, excise taxes become due and payable on the original  
37 transfer as otherwise provided by law.

38 (q) (i) A transfer that for federal income tax purposes does not  
39 involve the recognition of gain or loss for entity formation,  
40 liquidation or dissolution, and reorganization, including but not

1 limited to nonrecognition of gain or loss because of application of  
2 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal  
3 revenue code of 1986, as amended.

4 (ii) However, the transfer described in (q)(i) of this subsection  
5 cannot be preceded or followed within a (~~thirty-six~~) 36 month  
6 period by another transfer or series of transfers, that, when  
7 combined with the otherwise exempt transfer or transfers described in  
8 (q)(i) of this subsection, results in the transfer of a controlling  
9 interest in the entity for valuable consideration, and in which one  
10 or more persons previously holding a controlling interest in the  
11 entity receive cash or property in exchange for any interest the  
12 person or persons acting in concert hold in the entity. This  
13 subsection (3)(q)(ii) does not apply to that part of the transfer  
14 involving property received that is the real property interest that  
15 the person or persons originally contributed to the entity or when  
16 one or more persons who did not contribute real property or belong to  
17 the entity at a time when real property was purchased receive cash or  
18 personal property in exchange for that person or persons' interest in  
19 the entity. The real estate excise tax under this subsection  
20 (3)(q)(ii) is imposed upon the person or persons who previously held  
21 a controlling interest in the entity.

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

24 (s)(i) A transfer of a qualified low-income housing development  
25 or controlling interest in a qualified low-income housing  
26 development, unless, due to noncompliance with federal statutory  
27 requirements, the seller is subject to recapture, in whole or in  
28 part, of its allocated federal low-income housing tax credits within  
29 the four years prior to the date of transfer.

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

38 (iii) This subsection (3)(s) does not apply to transfers of a  
39 qualified low-income housing development or controlling interest in a

1 qualified low-income housing development occurring on or after July  
2 1, 2035.

3 (iv) The Washington state housing finance commission, in  
4 consultation with the department, must gather data on: (A) The fiscal  
5 savings, if any, accruing to transferees as a result of the exemption  
6 provided in this subsection (3)(s); (B) the extent to which  
7 transferors of qualified low-income housing developments receive  
8 consideration, including any assumption of debt, as part of a  
9 transfer subject to the exemption provided in this subsection (3)(s);  
10 and (C) the continued use of the property for low-income housing. The  
11 Washington state housing finance commission must provide this  
12 information to the joint legislative audit and review committee. The  
13 committee must conduct a review of the tax preference created under  
14 this subsection (3)(s) in calendar year 2033, as required under  
15 chapter 43.136 RCW.

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

19 (A) The adult child with developmental disabilities of the  
20 transferor of the residential property must be allowed to reside in  
21 the residence or successor property so long as the placement is safe  
22 and appropriate as determined by the department of social and health  
23 services;

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

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

29 (D) The residential property transferred must remain in continued  
30 use for (~~fifty~~) 50 years by the qualified entity as supported  
31 living for persons with developmental disabilities by the qualified  
32 entity or successor entity. If the qualified entity sells or  
33 otherwise conveys ownership of the residential property the proceeds  
34 of the sale or conveyance must be used to acquire similar residential  
35 property and such similar residential property must be considered the  
36 successor for continued use. The property will not be considered in  
37 continued use if the department of social and health services finds  
38 that the property has failed, after a reasonable time to remedy, to  
39 meet any health and safety statutory or regulatory requirements. If  
40 the department of social and health services determines that the

1 property fails to meet the requirements for continued use, the  
2 department of social and health services must notify the department  
3 and the real estate excise tax based on the value of the property at  
4 the time of the transfer into use as residential property for persons  
5 with developmental disabilities becomes immediately due and payable  
6 by the qualified entity. The tax due is not subject to penalties,  
7 fees, or interest under this title.

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

10 (iii) A "qualified entity" is:

11 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)  
12 of the federal internal revenue code of 1986, as amended, as of June  
13 7, 2018, or a subsidiary under the same taxpayer identification  
14 number that provides residential supported living for persons with  
15 developmental disabilities; or

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

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

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

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

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

31 (B) "Low-income" means household income as defined by the  
32 department, provided that the definition may not exceed (~~eighty~~) 80  
33 percent of median household income, adjusted for household size, for  
34 the county in which the dwelling is located.

35 (C) "Self-help housing" means dwelling residences provided for  
36 ownership by low-income individuals and families whose ownership  
37 requirement includes labor participation. "Self-help housing" does  
38 not include residential rental housing provided on a commercial basis  
39 to the general public.

1 (v) (i) A sale or transfer of real property to a qualifying  
2 grantee that uses the property for housing for low-income persons and  
3 receives or otherwise qualifies the property for an exemption from  
4 real and personal property taxes under RCW 84.36.560, 84.36.049,  
5 35.82.210, 35.21.755, or 84.36.010. For purposes of this subsection  
6 (3) (v), "qualifying grantee" means a nonprofit entity as defined in  
7 RCW 84.36.560, a nonprofit entity or qualified cooperative  
8 association as defined in RCW 84.36.049, a housing authority created  
9 under RCW 35.82.030 or 35.82.300, a public corporation established  
10 under RCW 35.21.660 or 35.21.730, or a county or municipal  
11 corporation. A qualifying grantee that is a county or municipal  
12 corporation must record a covenant at the time of transfer that  
13 prohibits using the property for any purpose other than for low-  
14 income housing for a period of at least 10 years. At a minimum, the  
15 covenant must address price restrictions and household income limits  
16 for the low-income housing. A qualifying grantee must comply with the  
17 requirements described in (v) (i) (A), (B), or (C) of this subsection  
18 and must also certify, by affidavit at the time of sale or transfer,  
19 that it intends to comply with those requirements.

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

22 (I) The qualifying grantee must receive or qualify the property  
23 for a tax exemption under RCW 84.36.560, 84.36.049,  
24 35.82.210, 35.21.755, or 84.36.010; and

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

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

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

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

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

39 (ii) If the qualifying grantee fails to satisfy the requirements  
40 described in (v) (i) (A), (B), or (C) of this subsection, within the

1 timelines described in (v)(i)(A), (B), or (C) of this subsection, the  
2 qualifying grantee must pay the tax that would have otherwise been  
3 due at the time of initial transfer, plus interest calculated from  
4 the date of initial transfer pursuant to RCW 82.32.050.

5 (iii) If a qualifying grantee transfers the property to a  
6 different qualifying grantee within the original timelines described  
7 in (v)(i)(A), (B), or (C) of this subsection, neither the original  
8 qualifying grantee nor the new qualifying grantee is required to pay  
9 the tax, so long as the new qualifying grantee satisfies the  
10 requirements as described in (v)(i)(A), (B), or (C) of this  
11 subsection within the exemption period of the initial transfer. If  
12 the new qualifying grantee fails to satisfy the requirements  
13 described in (v)(i)(A), (B), or (C) of this subsection, only the new  
14 qualifying grantee is liable for the payment of taxes required by  
15 (v)(ii) of this subsection. There is no limit on the number of  
16 transfers between qualifying grantees within the original timelines.

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

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

25 (w)(i) The sale of qualified space in a development that  
26 qualifies for a property tax exemption under RCW  
27 84.36.560, 84.36.049, 35.82.210, 35.21.755, or 84.36.010 to a  
28 nonprofit organization, a housing authority, or public corporation  
29 for use for an exempt community purpose.

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

32 (A) "Affordable housing development" means subsidized housing  
33 provided to low-income households.

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

38 (C) "Low-income" means household income that does not exceed 80  
39 percent of median household income at initial occupancy, adjusted for  
40 household size, for the county in which the dwelling is located.



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 (E) "Nonprofit organization" means an organization exempt from  
6 taxation under section 501(c)(3) of the internal revenue code of 1986  
7 (26 U.S.C. Sec. 501(c)(3)), as amended.

8 **Sec. 7.** RCW 82.45.010 and 2022 c 199 s 4 are each amended to  
9 read as follows:

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

23 (2)(a) The term "sale" also includes the transfer or acquisition  
24 within any (~~thirty-six~~) 36 month period of a controlling interest  
25 in any entity with an interest in real property located in this state  
26 for a valuable consideration.

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

35 (c) For purposes of this subsection, all acquisitions of persons  
36 acting in concert must be aggregated for purposes of determining  
37 whether a transfer or acquisition of a controlling interest has taken  
38 place. The department must adopt standards by rule to determine when

1 persons are acting in concert. In adopting a rule for this purpose,  
2 the department must consider the following:

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

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

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

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

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

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

21 (d) A cancellation or forfeiture of a vendee's interest in a  
22 contract for the sale of real property, whether or not such contract  
23 contains a forfeiture clause, or deed in lieu of foreclosure of a  
24 mortgage.

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

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

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

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

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

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

5 (k) A conveyance to the federal housing administration or  
6 veterans administration by an authorized mortgagee made pursuant to a  
7 contract of insurance or guaranty with the federal housing  
8 administration or veterans administration.

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

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

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

16 (o) A sale to a regional transit authority or public corporation  
17 under RCW 81.112.320 under a sale/leaseback agreement under RCW  
18 81.112.300.

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

1 the subsequent transfer has not been paid within (~~sixty~~) 60 days of  
2 becoming due, excise taxes become due and payable on the original  
3 transfer as otherwise provided by law.

4 (q)(i) A transfer that for federal income tax purposes does not  
5 involve the recognition of gain or loss for entity formation,  
6 liquidation or dissolution, and reorganization, including but not  
7 limited to nonrecognition of gain or loss because of application of  
8 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal  
9 revenue code of 1986, as amended.

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

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

31 (s)(i) A transfer of a qualified low-income housing development  
32 or controlling interest in a qualified low-income housing  
33 development, unless, due to noncompliance with federal statutory  
34 requirements, the seller is subject to recapture, in whole or in  
35 part, of its allocated federal low-income housing tax credits within  
36 the four years prior to the date of transfer.

37 (ii) For purposes of this subsection (3)(s), "qualified low-  
38 income housing development" means real property and improvements in  
39 respect to which the seller or, in the case of a transfer of a  
40 controlling interest, the owner or beneficial owner, was allocated

1 federal low-income housing tax credits authorized under 26 U.S.C.  
2 Sec. 42 or successor statute, by the Washington state housing finance  
3 commission or successor state-authorized tax credit allocating  
4 agency.

5 (iii) This subsection (3)(s) does not apply to transfers of a  
6 qualified low-income housing development or controlling interest in a  
7 qualified low-income housing development occurring on or after July  
8 1, 2035.

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

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

25 (A) The adult child with developmental disabilities of the  
26 transferor of the residential property must be allowed to reside in  
27 the residence or successor property so long as the placement is safe  
28 and appropriate as determined by the department of social and health  
29 services;

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

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

35 (D) The residential property transferred must remain in continued  
36 use for (~~fifty~~) 50 years by the qualified entity as supported  
37 living for persons with developmental disabilities by the qualified  
38 entity or successor entity. If the qualified entity sells or  
39 otherwise conveys ownership of the residential property the proceeds  
40 of the sale or conveyance must be used to acquire similar residential

1 property and such similar residential property must be considered the  
2 successor for continued use. The property will not be considered in  
3 continued use if the department of social and health services finds  
4 that the property has failed, after a reasonable time to remedy, to  
5 meet any health and safety statutory or regulatory requirements. If  
6 the department of social and health services determines that the  
7 property fails to meet the requirements for continued use, the  
8 department of social and health services must notify the department  
9 and the real estate excise tax based on the value of the property at  
10 the time of the transfer into use as residential property for persons  
11 with developmental disabilities becomes immediately due and payable  
12 by the qualified entity. The tax due is not subject to penalties,  
13 fees, or interest under this title.

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

16 (iii) A "qualified entity" is:

17 (A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3)  
18 of the federal internal revenue code of 1986, as amended, as of June  
19 7, 2018, or a subsidiary under the same taxpayer identification  
20 number that provides residential supported living for persons with  
21 developmental disabilities; or

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

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

28 (u)(i) A sale or transfer of real property to a qualifying  
29 grantee that uses the property for housing for low-income persons and  
30 receives or otherwise qualifies the property for an exemption from  
31 real and personal property taxes under RCW 84.36.560, 84.36.049,  
32 35.82.210, 35.21.755, or 84.36.010. For purposes of this subsection  
33 (3)(u), "qualifying grantee" means a nonprofit entity as defined in  
34 RCW 84.36.560, a nonprofit entity or qualified cooperative  
35 association as defined in RCW 84.36.049, a housing authority created  
36 under RCW 35.82.030 or 35.82.300, a public corporation established  
37 under RCW 35.21.660 or 35.21.730, or a county or municipal  
38 corporation. A qualifying grantee that is a county or municipal  
39 corporation must record a covenant at the time of transfer that  
40 prohibits using the property for any purpose other than for low-

1 income housing for a period of at least 10 years. At a minimum, the  
2 covenant must address price restrictions and household income limits  
3 for the low-income housing. A qualifying grantee must comply with the  
4 requirements described in (u)(i)(A), (B), or (C) of this subsection  
5 and must also certify, by affidavit at the time of sale or transfer,  
6 that it intends to comply with those requirements.

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

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

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

13 (B) If the qualifying grantee intends to develop new housing on  
14 the site, within five years 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 (C) If the qualifying grantee intends to substantially  
20 rehabilitate the premises as defined in RCW 59.18.200, within three  
21 years:

22 (I) The qualifying grantee must receive or qualify the property  
23 for a tax exemption under RCW 84.36.560, 84.36.049,  
24 35.82.210, 35.21.755, or 84.36.010; and

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

26 (ii) If the qualifying grantee fails to satisfy the requirements  
27 described in (u)(i)(A), (B), or (C) of this subsection, within the  
28 timelines described in (u)(i)(A), (B), or (C) of this subsection, the  
29 qualifying grantee must pay the tax that would have otherwise been  
30 due at the time of initial transfer, plus interest calculated from  
31 the date of initial transfer pursuant to RCW 82.32.050.

32 (iii) If a qualifying grantee transfers the property to a  
33 different qualifying grantee within the original timelines described  
34 in (u)(i)(A), (B), or (C) of this subsection, neither the original  
35 qualifying grantee nor the new qualifying grantee is required to pay  
36 the tax, so long as the new qualifying grantee satisfies the  
37 requirements as described in (u)(i)(A), (B), or (C) of this  
38 subsection within the exemption period of the initial transfer. If  
39 the new qualifying grantee fails to satisfy the requirements  
40 described in (u)(i)(A), (B), or (C) of this subsection, only the new

1 qualifying grantee is liable for the payment of taxes required by  
2 (u)(ii) of this subsection. There is no limit on the number of  
3 transfers between qualifying grantees within the original timelines.

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

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

15 (v)(i) The sale of qualified space in a development that  
16 qualifies for a property tax exemption under RCW  
17 84.36.560, 84.36.049, 35.82.210, 35.21.755, or 84.36.010 to a  
18 nonprofit organization, a housing authority, or public corporation  
19 for use for an exempt community purpose.

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

22 (A) "Affordable housing development" means subsidized housing  
23 provided to low-income households.

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

28 (C) "Low-income" means household income that does not exceed 80  
29 percent of median household income at initial occupancy, adjusted for  
30 household size, for the county in which the dwelling is located.

31 (D) "Qualified space" means any portion of an affordable housing  
32 development that is accessible to tenants or the public that  
33 constitutes a separate legal parcel of property under chapter 64.32,  
34 64.34, or 64.90 RCW.

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

38 NEW SECTION. Sec. 8. This act may be known and cited as the  
39 affordable homes act.



1        NEW SECTION.    **Sec. 9.**    RCW 82.32.805 and 82.32.808 do not apply  
2 to this act.

3        NEW SECTION.    **Sec. 10.**    Sections 2 through 4 of this act take  
4 effect January 1, 2026.

5        NEW SECTION.    **Sec. 11.**    Section 6 of this act expires January 1,  
6 2030.

7        NEW SECTION.    **Sec. 12.**    Section 7 of this act takes effect  
8 January 1, 2030.

--- END ---