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**ENGROSSED SUBSTITUTE SENATE BILL 5301**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

**State of Washington                      68th Legislature                      2023 Regular Session**

**By** Senate Housing (originally sponsored by Senators Mullet, Kuderer, Nguyen, and C. Wilson; by request of Department of Commerce)

READ FIRST TIME 02/03/23.

1            AN    ACT    Relating to housing programs administered by the  
2 department of commerce; amending RCW 43.185.010, 43.185.030,  
3 43.185.070, 43.185.074, 43.185.080, 43.185A.010, 43.185A.020,  
4 43.185A.060, 43.185A.070, 18.85.311, 31.04.025, 39.35D.080,  
5 43.63A.680, 43.79.201, 43.185C.200, 43.185C.210, 47.12.063,  
6 59.24.060, 82.14.400, and 82.45.100; reenacting and amending RCW  
7 43.185.050 and 43.185B.020; adding a new section to chapter 42.56  
8 RCW; adding new sections to chapter 43.185A RCW; adding a new section  
9 to chapter 43.185B RCW; recodifying RCW 43.185.010, 43.185.030,  
10 43.185.050, 43.185.070, 43.185.074, 43.185.080, and 43.185.110; and  
11 repealing RCW 43.185.015, 43.185.020, 43.185.060, 43.185.076,  
12 43.185.090, 43.185.100, 43.185.120, 43.185.130, 43.185.140,  
13 43.185.910, 43.185A.030, 43.185A.050, 43.185A.080, 43.185A.090,  
14 43.185A.100, 43.185A.110, 43.185A.120, and 43.185A.900.

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

16            **Sec. 1.**    RCW 43.185.010 and 1991 c 356 s 1 are each amended to  
17 read as follows:

18            The legislature finds that current economic conditions, federal  
19 housing policies and declining resources at the federal, state, and  
20 local level adversely affect the ability of low and very low-income  
21 persons to obtain safe, decent, and affordable housing.

1 The legislature further finds that members of over (~~one hundred~~  
2 ~~twenty thousand households live in housing units which are~~  
3 ~~overcrowded, lack plumbing, are otherwise threatening to health and~~  
4 ~~safety, and have rents and utility payments which exceed thirty~~  
5 ~~percent of their income~~) 150,000 households pay more than 50 percent  
6 of their income for rent and housing costs.

7 The legislature further finds that minorities, rural households,  
8 and migrant farmworkers require housing assistance at a rate which  
9 significantly exceeds their proportion of the general population.

10 The legislature further finds that one of the most dramatic  
11 housing needs is that of persons needing special housing-related  
12 services, such as (~~the mentally ill~~) individuals with mental  
13 illness, recovering alcoholics, frail elderly persons, families with  
14 members who have disabilities, and single parents. These services  
15 include medical assistance, counseling, chore services, and child  
16 care.

17 The legislature further finds that (~~housing assistance programs~~  
18 ~~in the past have often failed to help those in greatest need~~) state  
19 investments in affordable housing, as enabled by the legislature in  
20 1986, have exceeded \$1,800,000,000 to provide over 55,000 units of  
21 safe and affordable housing to low-income individuals.

22 (~~The legislature declares that it is in the public interest to~~  
23 ~~establish a continuously renewable resource known as the housing~~  
24 ~~trust fund and housing assistance program to assist low and very low-~~  
25 ~~income citizens in meeting their basic housing needs, and that the~~  
26 ~~needs of very low-income citizens should be given priority and that~~  
27 ~~whenever feasible, assistance should be in the form of loans.~~)

28 **Sec. 2.** RCW 43.185.030 and 2016 sp.s. c 36 s 936 are each  
29 amended to read as follows:

30 There is hereby created in the state treasury an account to be  
31 known as the Washington housing trust fund. The housing trust fund  
32 shall include revenue from the sources established by this chapter,  
33 appropriations by the legislature, private contributions, repayment  
34 of loans, and all other sources. (~~During the 2015-2017 fiscal~~  
35 ~~biennium, the legislature may transfer from the Washington housing~~  
36 ~~trust fund to the home security fund account and to the state general~~  
37 ~~fund such amounts as reflect the excess balance in the fund.~~)

1       **Sec. 3.** RCW 43.185.050 and 2021 c 332 s 7032 and 2021 c 130 s 5  
2 are each reenacted and amended to read as follows:

3       (1) The department must use moneys from the housing trust fund  
4 and other legislative appropriations to finance in whole or in part  
5 any loan(~~s~~) or grant projects that will provide affordable housing  
6 for persons and families with special housing needs and (~~with~~  
7 ~~incomes at or below fifty percent of the median family income for the~~  
8 ~~county or standard metropolitan statistical area where the project is~~  
9 ~~located~~) who are low-income households.

10       (2) At least thirty percent of these moneys used in any given  
11 funding cycle must be for the benefit of projects located in rural  
12 areas of the state as defined by the department. If the department  
13 determines that it has not received an adequate number of suitable  
14 applications for rural projects during any given funding cycle, the  
15 department may allocate unused moneys for projects in nonrural areas  
16 of the state.

17       (~~(2)~~) (3) The department must prioritize allocating at least,  
18 but not limited to, 10 percent of these moneys used in any given  
19 funding cycle to organizations that serve and are substantially  
20 governed by individuals disproportionately impacted by homelessness,  
21 including black, indigenous, and other people of color and, lesbian,  
22 gay, bisexual, queer, transgender, and other gender-diverse  
23 individuals.

24       (4) Activities eligible for assistance from the housing trust  
25 fund and other legislative appropriations include, but are not  
26 limited to:

27       (a) New construction, rehabilitation, or acquisition of low and  
28 very low-income housing units;

29       (b) (~~Rent subsidies;~~

30       ~~(c) Matching funds for social services directly related to~~  
31 ~~providing housing for special-need tenants in assisted projects;~~

32       ~~(d) Technical~~) Preconstruction technical assistance, design and  
33 finance services and consultation, and administrative costs for  
34 eligible nonprofit community or neighborhood-based organizations;

35       (~~(e)~~) (c) Administrative costs for housing assistance groups or  
36 organizations when such grant or loan will substantially increase the  
37 recipient's access to housing funds other than those available under  
38 this chapter;

39       (~~(f)~~) (d) Shelters (~~and related services~~) for the homeless,  
40 including emergency shelters and overnight youth shelters;

1 ~~((g) Mortgage subsidies, including temporary rental and mortgage~~  
2 ~~payment subsidies to prevent homelessness;~~

3 ~~(h) Mortgage insurance guarantee or payments for eligible~~  
4 ~~projects;~~

5 ~~(i) Down payment or closing cost assistance for eligible first-~~  
6 ~~time home buyers;~~

7 ~~(j))~~ (e) Down payment or closing costs assistance for low-income  
8 first-time home buyers;

9 (f) Acquisition of housing units for the purpose of preservation  
10 as low-income ((or very low-income)) housing;

11 ~~((k))~~ (g) Projects making affordable housing projects more  
12 accessible to ((families)) low-income households with members who  
13 have disabilities; and

14 ~~((l))~~ (h) Remodeling and improvements as required to meet  
15 building code, licensing requirements, or legal operations to  
16 residential properties owned and operated by an entity eligible under  
17 RCW 43.185A.040, which were transferred as described in RCW  
18 82.45.010(3)(t) by the parent of a child with developmental  
19 disabilities.

20 ~~((3) Preference must be given for projects that include an early~~  
21 ~~learning facility, as defined in RCW 43.31.565.~~

22 ~~(4))~~ (5)(a) Legislative appropriations from capital bond proceeds  
23 may be used ((only)) for the costs of projects authorized under  
24 subsection ((2)(a), (i), and (j)) (4) of this section, ((and not  
25 for the administrative costs of the department,)) except ((that  
26 during the 2021-2023 fiscal biennium, the)) for costs of subsection  
27 (4)(c) of this section.

28 (b) The department may use up to three percent of the  
29 appropriations from capital bond proceeds or other new appropriations  
30 for affordable housing investments for administrative costs  
31 associated with application, distribution, and project development  
32 activities of the affordable housing ((assistance)) program.

33 (c) Reappropriations must not be included in the calculation of  
34 the annual funds available for determining the administrative costs.

35 ~~((5))~~ (6)(a) Moneys received from repayment of housing trust  
36 fund loans ((from appropriations from capital bond proceeds)) or  
37 other affordable housing appropriations may be used for all  
38 activities necessary for the proper functioning of the affordable  
39 housing ((assistance)) program ((except for activities authorized  
40 under subsection (2)(b) and (c) of this section)), including, but not

1 limited to, providing preservation funding, as provided in section 12  
2 of this act, and preconstruction technical assistance as provided in  
3 RCW 43.185.080 (as recodified by this act).

4 ~~((6) Administrative costs associated with application,~~  
5 ~~distribution, and project development activities of the department~~  
6 ~~may not exceed three percent of the annual funds available for the~~  
7 ~~housing assistance program. Reappropriations must not be included in~~  
8 ~~the calculation of the annual funds available for determining the~~  
9 ~~administrative costs.~~

10 ~~(7))~~ (b) Administrative costs associated with compliance and  
11 monitoring activities of the department may not exceed ~~((one-~~  
12 ~~quarter))~~ four-tenths of one percent annually of the contracted  
13 amount of state investment in ~~((the housing assistance program))~~  
14 affordable housing programs.

15 **Sec. 4.** RCW 43.185.070 and 2019 c 325 s 5013 are each amended to  
16 read as follows:

17 (1) During each calendar year in which funds from the housing  
18 trust fund or other legislative appropriations are available for use  
19 by the department for the affordable housing ~~((assistance))~~ program,  
20 the department must announce to all known interested parties, and  
21 ~~((through major media throughout the state))~~ on its website, a grant  
22 and loan application period of at least ~~((ninety))~~ 60 days' duration.  
23 This announcement must be made as often as the director deems  
24 appropriate for proper utilization of resources. The department must  
25 then promptly grant as many applications as will utilize available  
26 funds less appropriate administrative costs of the department as  
27 provided in RCW 43.185.050 (as recodified by this act).

28 (2) In awarding funds under this chapter, the department must:

29 (a) Provide for a geographic distribution on a statewide basis;  
30 and

31 ~~((Until June 30, 2013, consider))~~ Consider the total cost and  
32 per-unit cost of each project for which an application is submitted  
33 for funding ~~((under RCW 43.185.050(2) (a) and (j))~~), as compared to  
34 similar housing projects constructed or renovated within the same  
35 geographic area.

36 (3) ~~((The department, with advice and input from the affordable~~  
37 ~~housing advisory board established in RCW 43.185B.020, or a~~  
38 ~~subcommittee of the affordable housing advisory board, must report~~  
39 ~~recommendations for awarding funds in a cost-effective manner. The~~

1 ~~report must include an implementation plan, timeline, and any other~~  
2 ~~items the department identifies as important to consider to the~~  
3 ~~legislature by December 1, 2012.~~

4 ~~(4) The department must give first priority to applications for~~  
5 ~~projects and activities which utilize existing privately owned~~  
6 ~~housing stock including privately owned housing stock purchased by~~  
7 ~~nonprofit public development authorities and public housing~~  
8 ~~authorities as created in chapter 35.82 RCW. As used in this~~  
9 ~~subsection, privately owned housing stock includes housing that is~~  
10 ~~acquired by a federal agency through a default on the mortgage by the~~  
11 ~~private owner. Such projects and activities must be evaluated under~~  
12 ~~subsection (5) of this section. Second priority must be given to~~  
13 ~~activities and projects which utilize existing publicly owned housing~~  
14 ~~stock.)) All projects and activities must be evaluated by some or all~~  
15 ~~of the criteria under subsection ((5)) (6) of this section, and~~  
16 ~~similar projects and activities shall be evaluated under the same~~  
17 ~~criteria.~~

18 (4) The department must use a separate application form for  
19 applications to provide homeownership opportunities and evaluate  
20 homeownership project applications as allowed under chapter 43.185A  
21 RCW.

22 (5) The department must collaborate with public entities that  
23 finance affordable housing, including the housing finance commission,  
24 cities, and counties, in conducting joint application reviews and  
25 coordinate funding decisions in a timely manner.

26 (6) The department must give preference for applications based on  
27 some or all of the criteria under this subsection, and similar  
28 projects and activities must be evaluated under the same criteria:

29 (a) The degree of leveraging of other funds that will occur;

30 (b) The degree of commitment from programs to provide necessary  
31 habilitation and support services for projects focusing on special  
32 needs populations;

33 (c) Recipient contributions to total project costs, including  
34 allied contributions from other sources such as professional, craft  
35 and trade services, and lender interest rate subsidies;

36 (d) Local government project contributions in the form of  
37 infrastructure improvements, and others;

38 (e) Projects that encourage ownership, management, and other  
39 project-related responsibility opportunities;

1 (f) Projects that demonstrate a strong probability of serving the  
2 original target group or income level for a period of at least  
3 (~~twenty-five~~) 40 years;

4 (g) The applicant has the demonstrated ability, stability and  
5 resources to implement the project;

6 (h) Projects which demonstrate serving the greatest need;

7 (i) Projects that provide housing for persons and families with  
8 the lowest incomes;

9 (j) Projects serving special needs populations which (~~are~~  
10 ~~under~~) fulfill statutory mandates to develop community housing;

11 (k) Project location and access to employment centers in the  
12 region or area;

13 (l) Projects that provide employment and training opportunities  
14 for disadvantaged youth under a youthbuild or youthbuild-type program  
15 as defined in RCW 50.72.020;

16 (m) Project location and access to available public  
17 transportation services; (~~and~~)

18 (n) Projects involving collaborative partnerships between local  
19 school districts and either public housing authorities or nonprofit  
20 housing providers, that help children of low-income families succeed  
21 in school. To receive this preference, the local school district must  
22 provide an opportunity for community members to offer input on the  
23 proposed project at the first scheduled school board meeting  
24 following submission of the grant application to the department;

25 (o) The degree of funding that has already been committed to the  
26 project by nonstate entities;

27 (p) Projects that demonstrate a strong readiness to proceed to  
28 construction; and

29 (q) Projects that include a licensed early learning facility.

30 (7) Once the department has determined the prioritization of  
31 applications, the department must award funding projects at a  
32 sufficient level to complete the financing package necessary for an  
33 applicant to move forward with the affordable housing project.

34 (8) The department may not establish a maximum per-applicant  
35 award.

36 **Sec. 5.** RCW 43.185.074 and 1987 c 513 s 11 are each amended to  
37 read as follows:

38 The director shall designate grant and loan applications for  
39 approval and for funding under the revenue from remittances made

1 pursuant to RCW ~~((18.85.310. These applications shall then be~~  
2 ~~reviewed for final approval by the broker's trust account board~~  
3 ~~created by RCW 18.85.500.~~

4 ~~The director shall submit to the broker's trust account board~~  
5 ~~within any fiscal year only such applications which in their~~  
6 ~~aggregate total funding requirements do not exceed the revenue to the~~  
7 ~~housing trust fund [fund] from remittances made pursuant to RCW~~  
8 ~~18.85.310 for the previous fiscal year)) 18.85.285.~~

9 **Sec. 6.** RCW 43.185.080 and 1991 c 356 s 6 are each amended to  
10 read as follows:

11 (1) The department may use moneys from the housing trust fund and  
12 other legislative appropriations, ~~((but not appropriations from~~  
13 ~~capital bond proceeds,))~~ to provide preconstruction technical  
14 assistance to eligible recipients seeking to construct, rehabilitate,  
15 or finance housing-related services for very low and low-income  
16 persons. The department shall emphasize providing preconstruction  
17 technical assistance services to rural areas and small cities and  
18 towns, to nonprofits serving marginalized communities without a  
19 history of receiving housing trust fund or other affordable housing  
20 investments, and to other nonprofit community organizations led by  
21 and for black, indigenous, and persons of color. The department may  
22 contract with private and nonprofit organizations to provide this  
23 technical assistance. The department may contract for any of the  
24 following services:

25 (a) Financial planning and packaging for housing projects,  
26 including alternative ownership programs, such as limited equity  
27 partnerships and syndications;

28 (b) Project design, architectural planning, and siting;

29 (c) Compliance with planning requirements;

30 (d) Securing matching resources for project development;

31 (e) Maximizing local government contributions to project  
32 development in the form of land donations, infrastructure  
33 improvements, waivers of development fees, locally and state-managed  
34 funds, zoning variances, or creative local planning;

35 (f) Coordination with local planning, economic development, and  
36 environmental, social service, and recreational activities;

37 (g) Construction and materials management; and

38 (h) Project maintenance and management.



1 (2) The department shall publish requests for proposals which  
2 specify contract performance standards, award criteria, and  
3 contractor requirements. In evaluating proposals, the department  
4 shall consider the ability of the contractor to provide technical  
5 assistance to low and very low-income persons and to persons with  
6 special housing needs.

7 **Sec. 7.** RCW 43.185A.010 and 2013 c 145 s 4 are each amended to  
8 read as follows:

9 Unless the context clearly requires otherwise, the definitions in  
10 this section apply throughout this chapter.

11 (1) "Affordable housing" means residential housing for rental  
12 occupancy which, as long as the same is occupied by low-income  
13 households, requires payment of monthly housing costs, including  
14 utilities other than telephone, of no more than thirty percent of the  
15 ~~((family's))~~ household's income. The department must adopt policies  
16 for residential homeownership housing, occupied by low-income  
17 households, which specify the percentage of family income that may be  
18 spent on monthly housing costs, including utilities other than  
19 telephone, to qualify as affordable housing.

20 (2) "Contracted amount" ~~((has the same meaning as provided in RCW  
21 43.185.020))~~ means the aggregate amount of all state funding for  
22 which the department has monitoring and compliance responsibility.

23 (3) "Department" means the department of commerce.

24 (4) "Director" means the director of the department of commerce.

25 (5) "First-time home buyer" means ~~((an individual or his or her  
26 spouse or domestic partner who have not owned a home during the  
27 three-year period prior to purchase of a home))~~ :

28 (a) An individual or the individual's spouse who has had no  
29 ownership in a principal residence during the three-year period  
30 ending on the date of purchase of the property;

31 (b) A single parent who has only owned a home with a former  
32 spouse while married;

33 (c) An individual who is a displaced homemaker as defined in 24  
34 C.F.R. Sec. 93.2 as it exists on the effective date of this section,  
35 or such subsequent date as may be provided by the department by rule,  
36 consistent with the purposes of this section, and has only owned a  
37 home with a spouse;

1 (d) An individual who has only owned a principal residence not  
2 permanently affixed to a permanent foundation in accordance with  
3 applicable regulations; or

4 (e) An individual who has only owned a property that is  
5 determined by a licensed building inspector as being uninhabitable.

6 (6) "Low-income household" means a single person, family or  
7 unrelated persons living together whose adjusted income is less than  
8 eighty percent of the median family income, adjusted for household  
9 size, for the county where the project is located.

10 **Sec. 8.** RCW 43.185A.020 and 1995 c 399 s 103 are each amended to  
11 read as follows:

12 The affordable housing program is created in the department for  
13 the purpose of developing and preserving affordable housing and  
14 coordinating public and private resources targeted to meet the  
15 affordable housing needs of low-income households in the state of  
16 Washington. The program shall be developed and administered by the  
17 department with advice and input from the affordable housing advisory  
18 board established in RCW 43.185B.020.

19 **Sec. 9.** RCW 43.185A.060 and 1991 c 356 s 15 are each amended to  
20 read as follows:

21 The department shall adopt policies to ensure that the state's  
22 interest will be protected upon either the sale or change of use of  
23 projects financed in whole or in part under RCW (~~43.185A.030(2) (a),~~  
24 ~~(b), (c), (d), and (e))~~) 43.185.050(4) (as recodified by this act).  
25 These policies may include, but are not limited to: (1) Requiring  
26 payment to the state of a share of the appreciation in the project in  
27 proportion to the state's contribution to the project; (2) requiring  
28 a lump-sum repayment of the loan or grant upon the sale or change of  
29 use of the project; or (3) requiring a deferred payment of principal  
30 or principal and interest on loans after a specified time period. The  
31 policies must require projects to remain as affordable housing for a  
32 minimum of 40 years except for projects that provide homes for low-  
33 income first-time home buyers, which must remain affordable for a  
34 minimum of 25 years.

35 **Sec. 10.** RCW 43.185A.070 and 1991 c 356 s 16 are each amended to  
36 read as follows:

1        ~~((The))~~ (1) To the extent funds are appropriated for this  
2 purpose, the director shall monitor the activities of recipients of  
3 grants and loans under this chapter to determine compliance with the  
4 terms and conditions set forth in its application or stated by the  
5 department in connection with the grant or loan.

6        (2) Personally identifiable information of occupants or  
7 prospective tenants of affordable housing or the street address of  
8 the residential real property occupied or applied for by tenants or  
9 prospective tenants of affordable housing, obtained by the department  
10 of commerce during monitoring activities or contract administration  
11 are exempt from inspection and copying under section 11 of this act.

12        NEW SECTION. Sec. 11. A new section is added to chapter 42.56  
13 RCW to read as follows:

14        Information obtained by the department of commerce under chapter  
15 43.185A RCW during monitoring activities or contract administration  
16 that reveals the name or other personal information of occupants or  
17 prospective tenants of affordable housing, or the street address of  
18 the residential real property occupied or applied for by tenants or  
19 prospective tenants of affordable housing, is exempt from disclosure  
20 under this chapter.

21        NEW SECTION. Sec. 12. A new section is added to chapter 43.185A  
22 RCW to read as follows:

23        (1) In order to maintain the long-term viability of affordable  
24 housing, using funding from the housing trust fund account  
25 established under RCW 43.185.030 (as recodified by this act) or from  
26 other legislative appropriations, the department may make competitive  
27 grant or loan awards to projects in need of major building  
28 improvements, preservation repairs, or system replacements.

29        (2) The department must solicit and review applications and  
30 evaluate projects based on the following criteria:

31        (a) The age of the property, with priority given to buildings  
32 that are more than 15 years old;

33        (b) The population served, with priority given to projects  
34 serving persons or families with the lowest incomes;

35        (c) The degree to which the applicant demonstrates that the  
36 improvements will result in a reduction of operating or utility  
37 costs, or both;

1 (d) The potential for additional years added to the affordability  
2 commitment period of the property; and

3 (e) Other criteria that the department considers necessary to  
4 achieve the purpose of the housing trust fund program.

5 (3) The department must require an award recipient to submit a  
6 property capital needs assessment, in a form acceptable to the  
7 department, prior to contract execution.

8 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.185A  
9 RCW to read as follows:

10 (1) The department must report on its website on an annual basis,  
11 for each funding cycle:

12 (a) The number of homeownership and multifamily rental projects  
13 funded;

14 (b) The percentage of funding allocated to homeownership and  
15 multifamily rental projects; and

16 (c) For both homeownership and multifamily rental projects, the  
17 total number of households being served at up to 80 percent of the  
18 area median income, up to 50 percent of the area median income, and  
19 up to 30 percent of the area median income.

20 (2) All housing trust fund loan or grant recipients, except for  
21 those receiving preservation awards under section 12 of this act,  
22 must provide certified final development cost reports to the  
23 department in a form acceptable to the department. The department  
24 must use the certified final development cost reports data as part of  
25 its cost containment policy and to report to the legislature.  
26 Beginning December 1, 2023, and continuing every odd-numbered year,  
27 the department must provide the appropriate committees of the  
28 legislature with a report of its final cost data for each project  
29 funded through the housing trust fund. Such cost data must, at a  
30 minimum, include:

31 (a) Total development cost per unit for each project completed  
32 within the past two complete fiscal years; and

33 (b) Descriptive statistics such as average and median per unit  
34 costs, regional cost variation, and other costs that the department  
35 deems necessary to improve cost controls and enhance understanding of  
36 development costs.

37 (3) The department must coordinate with the housing finance  
38 commission to identify relevant development costs data and ensure  
39 that the measures are consistent across relevant agencies.

1       **Sec. 14.** RCW 18.85.311 and 2008 c 23 s 38 are each amended to  
2 read as follows:

3       Remittances received by the state treasurer pursuant to RCW  
4 18.85.285 shall be divided between the housing trust fund created by  
5 RCW 43.185.030 (as recodified by this act), which shall receive  
6 seventy-five percent and the real estate education program account  
7 created by RCW 18.85.321, which shall receive twenty-five percent.

8       **Sec. 15.** RCW 31.04.025 and 2015 c 229 s 20 are each amended to  
9 read as follows:

10       (1) Each loan made to a resident of this state by a licensee, or  
11 persons subject to this chapter, is subject to the authority and  
12 restrictions of this chapter.

13       (2) This chapter does not apply to the following:

14       (a) Any person doing business under, and as permitted by, any law  
15 of this state or of the United States relating to banks, savings  
16 banks, trust companies, savings and loan or building and loan  
17 associations, or credit unions;

18       (b) Entities making loans under chapter 19.60 RCW (pawnbroking);

19       (c) Entities conducting transactions under chapter 63.14 RCW  
20 (retail installment sales of goods and services), unless credit is  
21 extended to purchase merchandise certificates, coupons, open or  
22 closed loop stored value, or other similar items issued and  
23 redeemable by a retail seller other than the retail seller extending  
24 the credit;

25       (d) Entities making loans under chapter 31.45 RCW (check cashers  
26 and sellers);

27       (e) Any person making a loan primarily for business, commercial,  
28 or agricultural purposes unless the loan is secured by a lien on the  
29 borrower's primary dwelling;

30       (f) Any person selling property owned by that person who provides  
31 financing for the sale when the property does not contain a dwelling  
32 and when the property serves as security for the financing. This  
33 exemption is available for five or fewer transactions in a calendar  
34 year. This exemption is not available to individuals subject to the  
35 federal S.A.F.E. act or any person in the business of constructing or  
36 acting as a contractor for the construction of residential dwellings;

37       (g) Any person making loans made to government or government  
38 agencies or instrumentalities or making loans to organizations as  
39 defined in the federal truth in lending act;

1 (h) Entities making loans under chapter (~~43.185~~) 43.185A RCW  
2 (housing trust fund);

3 (i) Entities making loans under programs of the United States  
4 department of agriculture, department of housing and urban  
5 development, or other federal government program that provides  
6 funding or access to funding for single-family housing developments  
7 or grants to low-income individuals for the purchase or repair of  
8 single-family housing;

9 (j) Nonprofit housing organizations making loans, or loans made,  
10 under housing programs that are funded in whole or in part by federal  
11 or state programs if the primary purpose of the programs is to assist  
12 low-income borrowers with purchasing or repairing housing or the  
13 development of housing for low-income Washington state residents;

14 (k) Entities making loans which are not residential mortgage  
15 loans under a credit card plan;

16 (l) Individuals employed by a licensed residential mortgage loan  
17 servicing company engaging in activities related to servicing, unless  
18 licensing is required by federal law or regulation; and

19 (m) Entities licensed under chapter 18.44 RCW that process  
20 payments on seller-financed loans secured by liens on real or  
21 personal property.

22 (3) The director may, at his or her discretion, waive  
23 applicability of the consumer loan company licensing provisions of  
24 this chapter to other persons, not including individuals subject to  
25 the S.A.F.E. act, making or servicing loans when the director  
26 determines it necessary to facilitate commerce and protect consumers.

27 (4) The burden of proving the application for an exemption or  
28 exception from a definition, or a preemption of a provision of this  
29 chapter, is upon the person claiming the exemption, exception, or  
30 preemption.

31 (5) The director may adopt rules interpreting this section.

32 **Sec. 16.** RCW 39.35D.080 and 2005 c 12 s 12 are each amended to  
33 read as follows:

34 Except as provided in this section, affordable housing projects  
35 funded out of the state capital budget are exempt from the provisions  
36 of this chapter. On or before July 1, 2008, the department of  
37 (~~community, trade, and economic development~~) commerce shall  
38 identify, implement, and apply a sustainable building program for  
39 affordable housing projects that receive housing trust fund (under

1 chapter (~~(43.185)~~) 43.185A RCW) funding in a state capital budget.  
2 The department of (~~(community, trade, and economic development)~~)  
3 commerce shall not develop its own sustainable building standard, but  
4 shall work with stakeholders to adopt an existing sustainable  
5 building standard or criteria appropriate for affordable housing. Any  
6 application of the program to affordable housing, including any  
7 monitoring to track the performance of either sustainable features or  
8 energy standards or both, is the responsibility of the department of  
9 (~~(community, trade, and economic development)~~) commerce. Beginning in  
10 2009 and ending in 2016, the department of (~~(community, trade, and~~  
11 ~~economic development)~~) commerce shall report to the department as  
12 required under RCW 39.35D.030(3)(b).

13 **Sec. 17.** RCW 43.63A.680 and 1993 c 478 s 19 are each amended to  
14 read as follows:

15 (1) The department may develop and administer a home-matching  
16 program for the purpose of providing grants and technical assistance  
17 to eligible organizations to operate local home-matching programs.  
18 For purposes of this section, "eligible organizations" are those  
19 organizations eligible to receive assistance through the Washington  
20 housing trust fund, chapter (~~(43.185)~~) 43.185A RCW.

21 (2) The department may select up to five eligible organizations  
22 for the purpose of implementing a local home-matching program. The  
23 local home-matching programs are designed to facilitate: (a)  
24 Intergenerational homesharing involving older homeowners sharing  
25 homes with younger persons; (b) homesharing arrangements that involve  
26 an exchange of services such as cooking, housework, gardening, or  
27 babysitting for room and board or some financial consideration such  
28 as rent; and (c) the more efficient use of available housing.

29 (3) In selecting local pilot programs under this section, the  
30 department shall consider:

31 (a) The eligible organization's ability, stability, and resources  
32 to implement the local home-matching program;

33 (b) The eligible organization's efforts to coordinate other  
34 support services needed by the individual or family participating in  
35 the local home-matching program; and

36 (c) Other factors the department deems appropriate.

37 (4) The eligible organizations shall establish criteria for  
38 participation in the local home-matching program. The eligible  
39 organization shall make a determination of eligibility regarding the

1 individuals' or families' participation in the local home-matching  
2 program. The determination shall include, but is not limited to a  
3 verification of the individual's or family's history of making rent  
4 payments in a consistent and timely manner.

5 **Sec. 18.** RCW 43.79.201 and 2016 sp.s. c 36 s 930 are each  
6 amended to read as follows:

7 (1) The charitable, educational, penal and reformatory  
8 institutions account is hereby created, in the state treasury, into  
9 which account there shall be deposited all moneys arising from the  
10 sale, lease or transfer of the land granted by the United States  
11 government to the state for charitable, educational, penal and  
12 reformatory institutions by section 17 of the enabling act, or  
13 otherwise set apart for such institutions, except all moneys arising  
14 from the sale, lease, or transfer of that certain one hundred  
15 thousand acres of such land assigned for the support of the  
16 University of Washington by chapter 91, Laws of 1903 and section 9,  
17 chapter 122, Laws of 1893.

18 (2) If feasible, not less than one-half of all income to the  
19 charitable, educational, penal, and reformatory institutions account  
20 shall be appropriated for the purpose of providing housing, including  
21 repair and renovation of state institutions, for persons with mental  
22 illness or developmental disabilities, or youth who are blind, deaf,  
23 or otherwise disabled. If moneys are appropriated for community-based  
24 housing, the moneys shall be appropriated to the department of  
25 commerce for the housing assistance program under chapter ((43.185))  
26 43.185A RCW. During the 2015-2017 fiscal biennium, the legislature  
27 may transfer from the charitable, educational, penal and reformatory  
28 institutions account to the state general fund such amounts as  
29 reflect excess fund balance of the account.

30 **Sec. 19.** RCW 43.185C.200 and 2007 c 483 s 604 are each amended  
31 to read as follows:

32 (1) The department of ((community, trade, and economic  
33 development)) commerce shall establish a pilot program to provide  
34 grants to eligible organizations, as described in RCW ((43.185.060))  
35 43.185A.040, to provide transitional housing assistance to offenders  
36 who are reentering the community and are in need of housing.

37 (2) There shall be a minimum of two pilot programs established in  
38 two counties. The pilot programs shall be selected through a request



1 for proposal process and in consultation with the department of  
2 corrections. The department shall select the pilot sites by January  
3 1, 2008.

4 (3) The pilot program shall:

5 (a) Be operated in collaboration with the community justice  
6 center existing in the location of the pilot site;

7 (b) Offer transitional supportive housing that includes  
8 individual support and mentoring available on an ongoing basis, life  
9 skills training, and close working relationships with community  
10 justice centers and community corrections officers. Supportive  
11 housing services can be provided directly by the housing operator, or  
12 in partnership with community-based organizations;

13 (c) In providing assistance, give priority to offenders who are  
14 designated as high risk or high needs as well as those determined not  
15 to have a viable release plan by the department of corrections;

16 (d) Optimize available funding by utilizing cost-effective  
17 community-based shared housing arrangements or other noninstitutional  
18 living arrangements; and

19 (e) Provide housing assistance for a period of time not to exceed  
20 twelve months for a participating offender.

21 (4) The department may also use up to twenty percent of the  
22 funding appropriated in the operating budget for this section to  
23 support the development of additional supportive housing resources  
24 for offenders who are reentering the community.

25 (5) The department shall:

26 (a) Collaborate with the department of corrections in developing  
27 criteria to determine who will qualify for housing assistance; and

28 (b) Gather data, and report to the legislature by November 1,  
29 2008, on the number of offenders seeking housing, the number of  
30 offenders eligible for housing, the number of offenders who receive  
31 the housing, and the number of offenders who commit new crimes while  
32 residing in the housing to the extent information is available.

33 (6) The department of corrections shall collaborate with  
34 organizations receiving grant funds to:

35 (a) Help identify appropriate housing solutions in the community  
36 for offenders;

37 (b) Where possible, facilitate an offender's application for  
38 housing prior to discharge;

1 (c) Identify enhancements to training provided to offenders prior  
2 to discharge that may assist an offender in effectively transitioning  
3 to the community;

4 (d) Maintain communication between the organization receiving  
5 grant funds, the housing provider, and corrections staff supervising  
6 the offender; and

7 (e) Assist the offender in accessing resources and services  
8 available through the department of corrections and a community  
9 justice center.

10 (7) The state, department of (~~community, trade, and economic~~  
11 ~~development~~) commerce, department of corrections, local governments,  
12 local housing authorities, eligible organizations as described in RCW  
13 (~~43.185.060~~) 43.185A.040, and their employees are not liable for  
14 civil damages arising from the criminal conduct of an offender solely  
15 due to the placement of an offender in housing provided under this  
16 section or the provision of housing assistance.

17 (8) Nothing in this section allows placement of an offender into  
18 housing without an analysis of the risk the offender may pose to that  
19 particular community or other residents.

20 **Sec. 20.** RCW 43.185C.210 and 2020 c 155 s 1 are each amended to  
21 read as follows:

22 (1) The transitional housing operating and rent program is  
23 created in the department to assist individuals and families who are  
24 homeless or who are at risk of becoming homeless to secure and retain  
25 safe, decent, and affordable housing. The department shall provide  
26 grants to eligible organizations, as described in RCW (~~43.185.060~~)  
27 43.185A.040, to provide assistance to program participants. The  
28 eligible organizations must use grant moneys for:

29 (a) Rental assistance, which includes security or utility  
30 deposits, first and last month's rent assistance, and eligible moving  
31 expenses to be determined by the department;

32 (b) Case management services designed to assist program  
33 participants to secure and retain immediate housing and to transition  
34 into permanent housing and greater levels of self-sufficiency;

35 (c) Operating expenses of transitional housing facilities that  
36 serve homeless families with children; and

37 (d) Administrative costs of the eligible organization, which must  
38 not exceed limits prescribed by the department.

1 (2) Eligible to receive assistance through the transitional  
2 housing operating and rent program are:

3 (a) Families with children who are homeless or who are at risk of  
4 becoming homeless and who have household incomes at or below fifty  
5 percent of the median household income for their county;

6 (b) Families with children who are homeless or who are at risk of  
7 becoming homeless and who are receiving services under chapter 13.34  
8 RCW;

9 (c) Individuals or families without children who are homeless or  
10 at risk of becoming homeless and who have household incomes at or  
11 below thirty percent of the median household income for their county;

12 (d) Individuals or families who are homeless or who are at risk  
13 of becoming homeless and who have a household with an adult member  
14 who has a mental health or chemical dependency disorder; and

15 (e) Individuals or families who are homeless or who are at risk  
16 of becoming homeless and who have a household with an adult member  
17 who is an offender released from confinement within the past eighteen  
18 months.

19 (3) All program participants must be willing to create and  
20 actively participate in a housing stability plan for achieving  
21 permanent housing and greater levels of self-sufficiency.

22 (4) Data on all program participants must be entered into and  
23 tracked through the Washington homeless client management information  
24 system as described in RCW 43.185C.180. For eligible organizations  
25 serving victims of domestic violence or sexual assault, compliance  
26 with this subsection must be accomplished in accordance with  
27 U.S.C. Sec. 11383(a)(8).

28 (5) The department may develop rules, requirements, procedures,  
29 and guidelines as necessary to implement and operate the transitional  
30 housing operating and rent program.

31 (6) The department shall produce an annual transitional housing  
32 operating and rent program report that must be included in the  
33 department's homeless housing strategic plan as described in RCW  
34 43.185C.040. The report must include performance measures to be  
35 determined by the department that address, at a minimum, the  
36 following issue areas:

37 (a) The success of the program in helping program participants  
38 transition into permanent affordable housing and achieve self-  
39 sufficiency or increase their levels of self-sufficiency, which shall  
40 be defined by the department based upon the costs of living,

1 including housing costs, needed to support: (i) One adult individual;  
2 and (ii) two adult individuals and one preschool-aged child and one  
3 school-aged child;

4 (b) The financial performance of the program related to efficient  
5 program administration by the department and program operation by  
6 selected eligible organizations, including an analysis of the costs  
7 per program participant served;

8 (c) The quality, completeness, and timeliness of the information  
9 on program participants provided to the Washington homeless client  
10 management information system database; and

11 (d) The satisfaction of program participants in the assistance  
12 provided through the program.

13 **Sec. 21.** RCW 47.12.063 and 2022 c 186 s 710 are each amended to  
14 read as follows:

15 (1) It is the intent of the legislature to continue the  
16 department's policy giving priority consideration to abutting  
17 property owners in agricultural areas when disposing of property  
18 through its surplus property program under this section.

19 (2) Whenever the department determines that any real property  
20 owned by the state of Washington and under the jurisdiction of the  
21 department is no longer required for transportation purposes and that  
22 it is in the public interest to do so, the department may sell the  
23 property or exchange it in full or part consideration for land or  
24 building improvements or for construction of highway improvements at  
25 fair market value to any person through the solicitation of written  
26 bids through public advertising in the manner prescribed under RCW  
27 47.28.050 or in the manner prescribed under RCW 47.12.283.

28 (3) The department may forego the processes prescribed by RCW  
29 47.28.050 and 47.12.283 and sell the real property to any of the  
30 following entities or persons at fair market value:

31 (a) Any other state agency;

32 (b) The city or county in which the property is situated;

33 (c) Any other municipal corporation;

34 (d) Regional transit authorities created under chapter 81.112  
35 RCW;

36 (e) The former owner of the property from whom the state acquired  
37 title;

1 (f) In the case of residentially improved property, a tenant of  
2 the department who has resided thereon for not less than six months  
3 and who is not delinquent in paying rent to the state;

4 (g) Any abutting private owner but only after each other abutting  
5 private owner (if any), as shown in the records of the county  
6 assessor, is notified in writing of the proposed sale. If more than  
7 one abutting private owner requests in writing the right to purchase  
8 the property within 15 days after receiving notice of the proposed  
9 sale, the property shall be sold at public auction in the manner  
10 provided in RCW 47.12.283;

11 (h) To any other owner of real property required for  
12 transportation purposes;

13 (i) In the case of property suitable for residential use, any  
14 nonprofit organization dedicated to providing affordable housing to  
15 very low-income, low-income, and moderate-income households as  
16 defined in RCW 43.63A.510 and is eligible to receive assistance  
17 through the Washington housing trust fund created in chapter  
18 (~~43.185~~) 43.185A RCW;

19 (j) During the 2021-2023 fiscal biennium, any nonprofit  
20 organization that identifies real property to be sold or conveyed as  
21 a substitute for real property owned by the nonprofit within the city  
22 of Seattle to be redeveloped for the purpose of affordable housing;  
23 or

24 (k) A federally recognized Indian tribe within whose reservation  
25 boundary the property is located.

26 (4) When selling real property pursuant to RCW 47.12.283, the  
27 department may withhold or withdraw the property from an auction when  
28 requested by one of the entities or persons listed in subsection (3)  
29 of this section and only after the receipt of a nonrefundable deposit  
30 equal to 10 percent of the fair market value of the real property or  
31 \$5,000, whichever is less. This subsection does not prohibit the  
32 department from exercising its discretion to withhold or withdraw the  
33 real property from an auction if the department determines that the  
34 property is no longer surplus or chooses to sell the property through  
35 one of the other means listed in subsection (2) of this section. If a  
36 transaction under this subsection is not completed within 60 days,  
37 the real property must be put back up for sale.

38 (5) Sales to purchasers may, at the department's option, be for  
39 cash, by real estate contract, or exchange of land or highway  
40 improvements. Transactions involving the construction of improvements

1 must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as  
2 applicable, and must comply with all other applicable laws and rules.

3 (6) Conveyances made pursuant to this section shall be by deed  
4 executed by the secretary of transportation and shall be duly  
5 acknowledged.

6 (7) Unless otherwise provided, all moneys received pursuant to  
7 the provisions of this section less any real estate broker  
8 commissions paid pursuant to RCW 47.12.320 shall be deposited in the  
9 motor vehicle fund.

10 (8) The department may not enter into equal value exchanges or  
11 property acquisitions for building improvements without first  
12 consulting with the office of financial management and the joint  
13 transportation committee.

14 **Sec. 22.** RCW 59.24.060 and 1995 c 399 s 159 are each amended to  
15 read as follows:

16 The department of (~~community, trade, and economic development~~)  
17 commerce may receive such gifts, grants, or endowments from public or  
18 private sources, as may be made from time to time, in trust or  
19 otherwise, to be used by the department of (~~community, trade, and~~  
20 ~~economic development~~) commerce for its programs, including the  
21 rental security deposit guarantee program. Funds from the housing  
22 trust fund, chapter (~~43.185~~) 43.185A RCW, up to one hundred  
23 thousand dollars, may be used for the rental security deposit  
24 guarantee program by the department of (~~community, trade, and~~  
25 ~~economic development~~) commerce, local governments, and nonprofit  
26 organizations, provided all the requirements of this chapter and  
27 chapter (~~43.185~~) 43.185A RCW are met.

28 **Sec. 23.** RCW 82.14.400 and 2020 c 139 s 24 are each amended to  
29 read as follows:

30 (1) Upon the joint request of a metropolitan park district, a  
31 city with a population of more than one hundred fifty thousand, and a  
32 county legislative authority in a county with a national park and a  
33 population of more than five hundred thousand and less than one  
34 million five hundred thousand, the county must submit an authorizing  
35 proposition to the county voters, fixing and imposing a sales and use  
36 tax in accordance with this chapter for the purposes designated in  
37 subsection (4) of this section and identified in the joint request.  
38 Such proposition must be placed on a ballot for a special or general

1 election to be held no later than one year after the date of the  
2 joint request.

3 (2) The proposition is approved if it receives the votes of a  
4 majority of those voting on the proposition.

5 (3) The tax authorized in this section is in addition to any  
6 other taxes authorized by law and must be collected from those  
7 persons who are taxable by the state under chapters 82.08 and 82.12  
8 RCW upon the occurrence of any taxable event within the county. The  
9 rate of tax must equal no more than one-tenth of one percent of the  
10 selling price in the case of a sales tax, or value of the article  
11 used, in the case of a use tax.

12 (4) Moneys received from any tax imposed under this section must  
13 be used solely for the purpose of providing funds for:

14 (a) Costs associated with financing, design, acquisition,  
15 construction, equipping, operating, maintaining, remodeling,  
16 repairing, reequipping, or improvement of zoo, aquarium, and wildlife  
17 preservation and display facilities that are currently accredited by  
18 the American zoo and aquarium association; or

19 (b) Those costs associated with (a) of this subsection and costs  
20 related to parks located within a county described in subsection (1)  
21 of this section.

22 (5) The department must perform the collection of such taxes on  
23 behalf of the county at no cost to the county. In lieu of the charge  
24 for the administration and collection of local sales and use taxes  
25 under RCW 82.14.050 from which the county is exempt under this  
26 subsection (5), a percentage of the tax revenues authorized by this  
27 section equal to one-half of the maximum percentage provided in RCW  
28 82.14.050 must be transferred annually to the department of commerce,  
29 or its successor agency, from the funds allocated under subsection  
30 (6)(b) of this section for a period of twelve years from the first  
31 date of distribution of funds under subsection (6)(b) of this  
32 section. The department of commerce, or its successor agency, must  
33 use funds transferred to it pursuant to this subsection (5) to  
34 provide, operate, and maintain community-based housing under chapter  
35 (~~43.185~~) 43.185A RCW for individuals with mental illness.

36 (6) If the joint request and the authorizing proposition include  
37 provisions for funding those costs included within subsection (4)(b)  
38 of this section, the tax revenues authorized by this section must be  
39 allocated annually as follows:

40 (a) Fifty percent to the zoo and aquarium advisory authority; and

1 (b) Fifty percent to be distributed on a per capita basis as set  
2 out in the most recent population figures for unincorporated and  
3 incorporated areas only within that county, as determined by the  
4 office of financial management, solely for parks, as follows: To any  
5 metropolitan park district, to cities and towns not contained within  
6 a metropolitan park district, and the remainder to the county. Moneys  
7 received under this subsection (6)(b) by a county may not be used to  
8 replace or supplant existing per capita funding.

9 (7) Funds must be distributed annually by the county treasurer to  
10 the county, and cities and towns located within the county, in the  
11 manner set out in subsection (6)(b) of this section.

12 (8) Prior to expenditure of any funds received by the county  
13 under subsection (6)(b) of this section, the county must establish a  
14 process which considers needs throughout the unincorporated areas of  
15 the county in consultation with community advisory councils  
16 established by ordinance.

17 (9) By December 31, 2005, and thereafter, the county or any city  
18 with a population greater than eighty thousand must provide at least  
19 one dollar match for every two dollars received under this section.

20 (10) Properties subject to a memorandum of agreement between the  
21 federal bureau of land management, the advisory council on historic  
22 preservation, and the Washington state historic preservation officer  
23 have priority for funding from money received under subsection (6)(b)  
24 of this section for implementation of the stipulations in the  
25 memorandum of agreement.

26 (a) At least one hundred thousand dollars of the first four years  
27 of allocations under subsection (6)(b) of this section, to be matched  
28 by the county or city with one dollar for every two dollars received,  
29 must be used to implement the stipulations of the memorandum of  
30 agreement and for other historical, archaeological, architectural,  
31 and cultural preservation and improvements related to the properties.

32 (b) The amount in (a) of this subsection must come equally from  
33 the allocations to the county and to the city in which the properties  
34 are located, unless otherwise agreed to by the county and the city.

35 (c) The amount in (a) of this subsection may not be construed to  
36 displace or be offered in lieu of any lease payment from a county or  
37 city to the state for the properties in question.

38 **Sec. 24.** RCW 82.45.100 and 2010 1st sp.s. c 23 s 211 are each  
39 amended to read as follows:



1 (1) Payment of the tax imposed under this chapter is due and  
2 payable immediately at the time of sale, and if not paid within one  
3 month thereafter will bear interest from the time of sale until the  
4 date of payment.

5 (a) Interest imposed before January 1, 1999, is computed at the  
6 rate of one percent per month.

7 (b) Interest imposed after December 31, 1998, is computed on a  
8 monthly basis at the rate as computed under RCW 82.32.050(2). The  
9 rate so computed must be adjusted on the first day of January of each  
10 year for use in computing interest for that calendar year. The  
11 department must provide written notification to the county treasurers  
12 of the variable rate on or before December 1st of the year preceding  
13 the calendar year in which the rate applies.

14 (2) In addition to the interest described in subsection (1) of  
15 this section, if the payment of any tax is not received by the county  
16 treasurer or the department of revenue, as the case may be, within  
17 one month of the date due, there is assessed a penalty of five  
18 percent of the amount of the tax; if the tax is not received within  
19 two months of the date due, there will be assessed a total penalty of  
20 ten percent of the amount of the tax; and if the tax is not received  
21 within three months of the date due, there will be assessed a total  
22 penalty of twenty percent of the amount of the tax. The payment of  
23 the penalty described in this subsection is collectible from the  
24 seller only, and RCW 82.45.070 does not apply to the penalties  
25 described in this subsection.

26 (3) If the tax imposed under this chapter is not received by the  
27 due date, the transferee is personally liable for the tax, along with  
28 any interest as provided in subsection (1) of this section, unless an  
29 instrument evidencing the sale is recorded in the official real  
30 property records of the county in which the property conveyed is  
31 located.

32 (4) If upon examination of any affidavits or from other  
33 information obtained by the department or its agents it appears that  
34 all or a portion of the tax is unpaid, the department must assess  
35 against the taxpayer the additional amount found to be due plus  
36 interest and penalties as provided in subsections (1) and (2) of this  
37 section. The department must notify the taxpayer by mail, or  
38 electronically as provided in RCW 82.32.135, of the additional amount  
39 and the same becomes due and must be paid within thirty days from the

1 date of the notice, or within such further time as the department may  
2 provide.

3 (5) No assessment or refund may be made by the department more  
4 than four years after the date of sale except upon a showing of:

5 (a) Fraud or misrepresentation of a material fact by the  
6 taxpayer;

7 (b) A failure by the taxpayer to record documentation of a sale  
8 or otherwise report the sale to the county treasurer; or

9 (c) A failure of the transferor or transferee to report the sale  
10 under RCW 82.45.090(2).

11 (6) Penalties collected on taxes due under this chapter under  
12 subsection (2) of this section and RCW 82.32.090 (2) through (8) must  
13 be deposited in the housing trust fund as described in chapter  
14 (~~43.185~~) 43.185A RCW.

15 **Sec. 25.** RCW 43.185B.020 and 2022 c 266 s 53 and 2022 c 165 s 8  
16 are each reenacted and amended to read as follows:

17 (1) The department shall establish the affordable housing  
18 advisory board to consist of (~~23~~) 25 members.

19 (a) The following (~~20~~) 22 members shall be appointed by the  
20 governor:

21 (i) Two representatives of the residential construction industry;

22 (ii) Two representatives of the home mortgage lending profession;

23 (iii) One representative of the real estate sales profession;

24 (iv) One representative of the apartment management and operation  
25 industry;

26 (v) One representative of the for-profit housing development  
27 industry;

28 (vi) One representative of for-profit rental housing owners;

29 (vii) One representative of the nonprofit housing development  
30 industry;

31 (viii) One representative of homeless shelter operators;

32 (ix) One representative of lower-income persons;

33 (x) One representative of special needs populations;

34 (xi) One representative of public housing authorities as created  
35 under chapter 35.82 RCW;

36 (xii) Two representatives of the Washington association of  
37 counties, one representative shall be from a county that is located  
38 east of the crest of the Cascade mountains;

1 (xiii) Two representatives of the association of Washington  
2 cities, one representative shall be from a city that is located east  
3 of the crest of the Cascade mountains;

4 (xiv) One representative to serve as chair of the affordable  
5 housing advisory board;

6 (xv) One representative of organizations that operate site-based  
7 permanent supportive housing and deliver onsite supportive housing  
8 services; ~~((and))~~

9 (xvi) One representative at large; ~~((and~~  
10 ~~(xvi))~~) (xvii) One representative from a unit owners' association  
11 as defined in RCW 64.34.020 or 64.90.010; and

12 (xviii) One representative from an interlocal housing  
13 collaboration as established under chapter 39.34 RCW.

14 (b) The following three members shall serve as ex officio,  
15 nonvoting members:

16 (i) The director or the director's designee;

17 (ii) The executive director of the Washington state housing  
18 finance commission or the executive director's designee; and

19 (iii) The secretary of social and health services or the  
20 secretary's designee.

21 (2) (a) The members of the affordable housing advisory board  
22 appointed by the governor shall be appointed for four-year terms,  
23 except that the chair shall be appointed to serve a two-year term.  
24 The terms of five of the initial appointees shall be for two years  
25 from the date of appointment and the terms of six of the initial  
26 appointees shall be for three years from the date of appointment. The  
27 governor shall designate the appointees who will serve the two-year  
28 and three-year terms. The members of the advisory board shall serve  
29 without compensation, but shall be reimbursed for travel expenses as  
30 provided in RCW 43.03.050 and 43.03.060.

31 (b) The governor, when making appointments to the affordable  
32 housing advisory board, shall make appointments that reflect the  
33 cultural diversity of the state of Washington.

34 (3) The affordable housing advisory board shall serve as the  
35 department's principal advisory body on housing and housing-related  
36 issues, and replaces the department's existing boards and task forces  
37 on housing and housing-related issues.

38 (4) The affordable housing advisory board shall meet regularly  
39 and may appoint technical advisory committees, which may include

1 members of the affordable housing advisory board, as needed to  
2 address specific issues and concerns.

3 (5) The department, in conjunction with the Washington state  
4 housing finance commission and the department of social and health  
5 services, shall supply such information and assistance as are deemed  
6 necessary for the advisory board to carry out its duties under this  
7 section.

8 (6) The department shall provide administrative and clerical  
9 assistance to the affordable housing advisory board.

10 NEW SECTION. **Sec. 26.** (1) RCW 43.185.010, 43.185.030,  
11 43.185.050, 43.185.070, 43.185.074, and 43.185.080 are each  
12 recodified as sections in chapter 43.185A RCW.

13 (2) RCW 43.185.110 is recodified as a section in chapter 43.185B  
14 RCW.

15 NEW SECTION. **Sec. 27.** The following acts or parts of acts are  
16 each repealed:

17 (1) RCW 43.185.015 (Housing assistance program) and 1995 c 399 s  
18 100 & 1991 c 356 s 2;

19 (2) RCW 43.185.020 (Definitions) and 2013 c 145 s 1, 2009 c 565 s  
20 37, 1995 c 399 s 101, & 1986 c 298 s 3;

21 (3) RCW 43.185.060 (Eligible organizations) and 2019 c 325 s  
22 5012, 2014 c 225 s 61, 1994 c 160 s 2, 1991 c 295 s 1, & 1986 c 298 s  
23 7;

24 (4) RCW 43.185.076 (Low-income housing grants and loans—Approval  
25 —License education programs) and 1988 c 286 s 3 & 1987 c 513 s 10;

26 (5) RCW 43.185.090 (Compliance monitoring) and 1986 c 298 s 10;

27 (6) RCW 43.185.100 (Rule-making authority) and 1987 c 513 s 2 &  
28 1986 c 298 s 11;

29 (7) RCW 43.185.120 (Protection of state's interest) and 1991 c  
30 356 s 7;

31 (8) RCW 43.185.130 (Application process—Distribution procedure)  
32 and 2006 c 349 s 3;

33 (9) RCW 43.185.140 (Findings—Review of all housing properties—  
34 Energy audits) and 2009 c 379 s 301;

35 (10) RCW 43.185.910 (Conflict with federal requirements—1991 c  
36 356) and 1991 c 356 s 8;

- 1           (11) RCW 43.185A.030 (Activities eligible for assistance) and  
2 2013 c 145 s 5 & 2011 1st sp.s. c 50 s 954;
- 3           (12) RCW 43.185A.050 (Grant and loan application process—Report)  
4 and 2013 c 145 s 6, 2012 c 235 s 2, & 1991 c 356 s 14;
- 5           (13) RCW 43.185A.080 (Rules) and 1991 c 356 s 17;
- 6           (14) RCW 43.185A.090 (Application process—Distribution procedure)  
7 and 2006 c 349 s 4;
- 8           (15) RCW 43.185A.100 (Housing programs and services—Review of  
9 reporting requirements—Report to the legislature) and 2006 c 349 s  
10 11;
- 11          (16) RCW 43.185A.110 (Affordable housing land acquisition  
12 revolving loan fund program) and 2017 c 274 s 1, 2008 c 112 s 1, &  
13 2007 c 428 s 2;
- 14          (17) RCW 43.185A.120 (Affordable housing and community facilities  
15 rapid response loan program) and 2008 c 112 s 2; and
- 16          (18) RCW 43.185A.900 (Short title) and 1991 c 356 s 9.

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