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**SENATE BILL 5659**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senators Goehner and Boehnke

1 AN ACT Relating to eliminating each local government's  
2 proportional share of Washington's housing shortage; amending RCW  
3 82.45.180; and adding a new title to the Revised Code of Washington.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington  
6 has a severe homelessness crisis and housing shortage. By some  
7 estimates, our state needs more than 1,000,000 new homes. While many  
8 policy proposals have been offered in good faith as solutions to the  
9 housing shortage, the stubborn truth is that Washington simply needs  
10 to build more housing.

11 (2) Local governments will play a key role in eliminating  
12 Washington's housing shortage because local governments usually  
13 exercise approval authority over new home construction. Additionally,  
14 the legislature recognizes that some state laws may constrain local  
15 governments' ability to approve construction of new housing. Both  
16 levels of government should work together to create public policies  
17 that help build more homes in Washington.

18 (3) The legislature intends to encourage local and state  
19 government to promote the construction of new homes and end the  
20 housing shortage over the next 10 years.

1        NEW SECTION.    **Sec. 2.**    (1) Every county, city, and town, that has  
2 authority to approve or deny permits or other similar approvals  
3 necessary for the construction of new homes shall approve the  
4 construction of enough new homes to eliminate the county, city, or  
5 town's proportional share of Washington's total housing shortage, as  
6 calculated under subsection (2) of this section, through 2035.

7        (2) The department of commerce shall establish each county, city,  
8 and town's proportional share of Washington's total housing shortage  
9 using the best available data. Best available data may include  
10 analyses and projections produced by private sector sources with  
11 expertise in housing supply trends, and may include data collected  
12 under other programs, such as data collected under chapter 36.70A  
13 RCW. The department shall complete its calculation no later than  
14 April 1, 2026, and shall report the number of new homes that must be  
15 created in each county, city, and town through 2035 in order to  
16 eliminate Washington's total housing shortage. The department shall  
17 also post the same information to the department's public website no  
18 later than May 1, 2026.

19        (3) Beginning May 1, 2026, a county, city, or town, that is  
20 subject to the requirements of this section shall regularly evaluate  
21 its locally enacted codes, ordinances, plans, and regulations to  
22 determine whether its locally enacted requirements are impeding the  
23 county, city, or town's ability to approve enough construction to  
24 eliminate its proportional share of Washington's total housing  
25 shortage by 2035. Where a county, city, or town determines that its  
26 locally enacted requirements impair the construction of more housing,  
27 the county, city, or town is encouraged to amend its locally enacted  
28 requirements.

29        (4) Beginning May 1, 2026, a county, city, or town, that is  
30 subject to the requirements of this section must record the total  
31 number of building permit applications it has received and the number  
32 of building permit applications it has denied. If more than 33  
33 percent of the applications are being denied, the county, city, or  
34 town is encouraged to evaluate and address the factors that lead to  
35 denial and increase the number of permit applications it approves.

36        (5) Nothing in this section shall be construed to abrogate or  
37 supersede any other provision of the Revised Code of Washington;  
38 however, when a county, city, or town identifies a state-enacted  
39 requirement that will impede the county, city, or town's ability to  
40 approve the construction of a sufficient number of new homes to

1 eliminate the county, city, or town's proportional share of  
2 Washington's total housing shortage by 2035, the county, city, or  
3 town shall report its findings to the department of commerce. The  
4 department shall promptly forward such reports to the governor,  
5 lieutenant governor, chief clerk of the house of representatives, and  
6 secretary of the senate.

7 (6) The legislature intends to review the reports received under  
8 subsection (5) of this section and take appropriate action to amend  
9 state-enacted requirements for the purpose of ensuring that counties,  
10 cities, and towns subject to this section will be able to eliminate  
11 their proportional share of Washington's total housing shortage by  
12 2035.

13 **Sec. 3.** RCW 82.45.180 and 2013 c 251 s 11 are each amended to  
14 read as follows:

15 (1)(a) For taxes collected by the county under this chapter, the  
16 county treasurer shall collect a (~~five-dollar~~) \$5 fee on all  
17 transactions required by this chapter where the transaction does not  
18 require the payment of tax. A total of five dollars shall be  
19 collected in the form of a tax and fee, where the calculated tax  
20 payment is less than (~~five-dollars~~) \$5. Through June 30, 2006, the  
21 county treasurer shall place one percent of the taxes collected by  
22 the county under this chapter and the treasurer's fee in the county  
23 current expense fund to defray costs of collection. After June 30,  
24 2006, the county treasurer shall place one and three-tenths percent  
25 of the taxes collected by the county under this chapter and the  
26 treasurer's fee in the county current expense fund to defray costs of  
27 collection. For taxes collected by the county under this chapter  
28 before July 1, 2006, the county treasurer shall pay over to the state  
29 treasurer and account to the department of revenue for the proceeds  
30 at the same time the county treasurer remits funds to the state under  
31 RCW 84.56.280. For taxes collected by the county under this chapter  
32 after June 30, 2006, on a monthly basis the county treasurer shall  
33 pay over to the state treasurer the month's transmittal. The month's  
34 transmittal must be received by the state treasurer by 12:00 p.m. on  
35 the last working day of each month. The county treasurer shall  
36 account to the department for the month's transmittal by the  
37 (~~twentieth~~) 20th day of the month following the month in which the  
38 month's transmittal was paid over to the state treasurer. The state  
39 treasurer shall deposit the proceeds in the general fund.

1 (b) For purposes of this subsection, the definitions in this  
2 subsection apply.

3 (i) "Close of business" means the time when the county treasurer  
4 makes his or her daily deposit of proceeds.

5 (ii) "Month's transmittal" means all proceeds deposited by the  
6 county through the close of business of the day that is two working  
7 days before the last working day of the month. This definition of  
8 "month's transmittal" shall not be construed as requiring any change  
9 in a county's practices regarding the timing of its daily deposits of  
10 proceeds.

11 (iii) "Proceeds" means moneys collected and receipted by the  
12 county from the taxes imposed by this chapter, less the county's  
13 share of the proceeds used to defray the county's costs of collection  
14 allowable in (a) of this subsection.

15 (iv) "Working day" means a calendar day, except Saturdays,  
16 Sundays, and all legal holidays as provided in RCW 1.16.050.

17 (2) (a) For taxes collected by the department of revenue under  
18 this chapter, the department shall remit the tax to the state  
19 treasurer who shall deposit the proceeds of any state tax in the  
20 general fund. The state treasurer shall deposit the proceeds of any  
21 local taxes imposed under chapter 82.46 RCW in the local real estate  
22 excise tax account hereby created in the state treasury. Moneys in  
23 the local real estate excise tax account may be spent only for  
24 distribution to counties, cities, and towns imposing a tax under  
25 chapter 82.46 RCW. Except as provided in RCW 43.08.190 and (b) of  
26 this subsection, all earnings of investments of balances in the local  
27 real estate excise tax account shall be credited to the local real  
28 estate excise tax account and distributed to the counties, cities,  
29 and towns monthly. Monthly the state treasurer shall make  
30 distribution from the local real estate excise tax account to the  
31 counties, cities, and towns the amount of tax collected on behalf of  
32 each taxing authority. The state treasurer shall make the  
33 distribution under this subsection without appropriation.

34 (b) No earnings of investments of balances in the local real  
35 estate excise tax account may be distributed to a county, city, or  
36 town that does not comply with the conditions and requirements under  
37 section 2 of this act.

38 (3) (a) Through June 30, 2010, the county treasurer shall collect  
39 an additional five dollar fee on all transactions required by this  
40 chapter, regardless of whether the transaction requires the payment

1 of tax. The county treasurer shall remit this fee to the state  
2 treasurer at the same time the county treasurer remits funds to the  
3 state under subsection (1) of this section. The state treasurer shall  
4 place money from this fee in the general fund. By the (~~twentieth~~)  
5 20th day of the subsequent month, the state treasurer shall  
6 distribute to each county treasurer according to the following  
7 formula: Three-quarters of the funds available shall be equally  
8 distributed among the (~~thirty-nine~~) 39 counties; and the balance  
9 shall be ratably distributed among the counties in direct proportion  
10 to their population as it relates to the total state's population  
11 based on most recent statistics by the office of financial  
12 management.

13 (b) When received by the county treasurer, the funds shall be  
14 placed in a special real estate excise tax electronic technology fund  
15 held by the county treasurer to be used exclusively for the  
16 development, implementation, and maintenance of an electronic  
17 processing and reporting system for real estate excise tax  
18 affidavits. Funds may be expended to make the system compatible with  
19 the automated real estate excise tax system developed by the  
20 department and compatible with the processes used in the offices of  
21 the county assessor and county auditor. Any funds held in the account  
22 that are not expended by the earlier of: July 1, 2015, or at such  
23 time that the county treasurer is utilizing an electronic processing  
24 and reporting system for real estate excise tax affidavits compatible  
25 with the department and compatible with the processes used in the  
26 offices of the county assessor and county auditor, revert to the  
27 special real estate and property tax administration assistance  
28 account in accordance with subsection (5)(c) of this section.

29 (4) Beginning July 1, 2010, through December 31, 2013, the county  
30 treasurer shall continue to collect the additional (~~five-dollar~~) \$5  
31 fee in subsection (3) of this section on all transactions required by  
32 this chapter, regardless of whether the transaction requires the  
33 payment of tax. During this period, the county treasurer shall remit  
34 this fee to the state treasurer at the same time the county treasurer  
35 remits funds to the state under subsection (1) of this section. The  
36 state treasurer shall place money from this fee in the annual  
37 property revaluation grant account created in RCW 84.41.170.

38 (5)(a) The real estate and property tax administration assistance  
39 account is created in the custody of the state treasurer. An

1 appropriation is not required for expenditures and the account is not  
2 subject to allotment procedures under chapter 43.88 RCW.

3 (b) Beginning January 1, 2014, the county treasurer must continue  
4 to collect the additional (~~(five-dollar)~~) \$5 fee in subsection (3) of  
5 this section on all transactions required by this chapter, regardless  
6 of whether the transaction requires the payment of tax. The county  
7 treasurer shall deposit one-half of this fee in the special real  
8 estate and property tax administration assistance account in  
9 accordance with (c) of this subsection and remit the balance to the  
10 state treasurer at the same time the county treasurer remits funds to  
11 the state under subsection (1) of this section. The state treasurer  
12 must place money from this fee in the real estate and property tax  
13 administration assistance account. By the twentieth day of the  
14 subsequent month, the state treasurer must distribute the funds to  
15 each county treasurer according to the following formula: One-half of  
16 the funds available must be equally distributed among the (~~(thirty-~~  
17 ~~nine)~~) 39 counties; and the balance must be ratably distributed among  
18 the counties in direct proportion to their population as it relates  
19 to the total state's population based on most recent statistics by  
20 the office of financial management.

21 (c) When received by the county treasurer, the funds must be  
22 placed in a special real estate and property tax administration  
23 assistance account held by the county treasurer to be used for:

24 (i) Maintenance and operation of an annual revaluation system for  
25 property tax valuation; and

26 (ii) Maintenance and operation of an electronic processing and  
27 reporting system for real estate excise tax affidavits.

28 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act constitute a  
29 new chapter in a new title in the Revised Code of Washington.

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