
SENATE BILL 5748

State of Washington

69th Legislature

2025 Regular Session

By Senators J. Wilson, Harris, McCune, Goehner, Holy, Warnick, and Wagoner

1 AN ACT Relating to incentivizing the substantial reduction or
2 elimination of impact fees; adding a new section to chapter 82.14
3 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that impact fees
6 assessed by counties and cities can sometimes act as a barrier to the
7 creation of new housing. The legislature also recognizes that these
8 impact fees fund critical infrastructure needed to support new
9 housing and that cities and counties have few avenues available to
10 raise funds for this infrastructure. Therefore, it is the intent of
11 the legislature to provide alternate funding options to localities to
12 offset some or all of the cost of this critical infrastructure, with
13 the consent of the people in these localities.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14
15 RCW to read as follows:

16 (1) The governing body of any county or city, while not required
17 by legislative mandate to do so, may, by resolution or ordinance for
18 the purposes authorized in this section, impose a sales and use tax
19 in accordance with this section. The tax authorized in this section
20 is in addition to any other taxes authorized by law and must be

1 collected from those persons who are taxable by the state pursuant to
2 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event
3 within such city or county. The rate of tax may not exceed one
4 percent of the selling price in the case of a sales tax, or value of
5 the article used in the case of a use tax. The governing body of any
6 county or city must set the rate of tax at an amount that is
7 generally commensurate with the anticipated cost of public facilities
8 necessitated by new development less anticipated impact fee
9 collections. The governing body of the city or county must review the
10 tax rate every three years. If a county, and any city within the
11 county, impose the tax authorized in this section, the county is not
12 required to provide any credit for the tax imposed by the city.

13 (2) The tax authorized in this section may be imposed only if the
14 county or city first adopts by resolution or ordinance a substantial
15 reduction or elimination of impact fees authorized under RCW
16 82.02.050 through 82.02.110. For the purpose of this subsection (2),
17 "substantial reduction" means the schedule of impact fees adopted by
18 the city or county has been modified to reduce impact fee collections
19 on development activity by 50 percent or more.

20 (3) The authority to impose a tax under this subsection is
21 conditionally granted to compensate cities and counties for any costs
22 and losses from the reduction or elimination of impact fees
23 authorized under RCW 82.02.050 through 82.02.110.

24 (4) Taxes collected under this section must be expended for the
25 purposes for which the impact fees reduced or eliminated under this
26 section were originally imposed consistent with RCW 82.02.050 through
27 82.02.110, and specifically earmarked and retained for each type of
28 public facility for which impact fees would have been collected as
29 described in RCW 82.02.070.

30 (5) A governing body of any county or city may not implement any
31 sales or use tax considered within this section without a vote of its
32 people, in which at least a simple majority of 50 percent plus one
33 among those who voted vote in favor of the proposed sales tax offset
34 program.

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