

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2971

Chapter 138, Laws of 2016

64th Legislature
2016 Regular Session

REAL ESTATE TRANSACTIONS--CITY AND COUNTY REGULATION

EFFECTIVE DATE: 6/9/2016

Passed by the House March 8, 2016
Yeas 93 Nays 3

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 2, 2016
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved March 31, 2016 4:38 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2971** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 1, 2016

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 2971

AS AMENDED BY THE SENATE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Representatives McBride and Nealey

Read first time 02/04/16. Referred to Committee on Finance.

1 AN ACT Relating to real estate as it concerns the local
2 government authority in the use of real estate excise tax revenues
3 and regulating real estate transactions; and amending RCW 64.06.080,
4 43.110.030, 82.46.015, and 82.46.037.

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

6 **Sec. 1.** RCW 64.06.080 and 2015 2nd sp.s. c 10 s 4 are each
7 amended to read as follows:

8 (1) Any ordinance, resolution, or policy adopted by a city or
9 county that imposes a requirement on landlords or sellers of real
10 property, or their agents, to provide information to a buyer or
11 tenant pertaining to the subject property or the surrounding area is
12 effective only after:

13 (a) A summary of the ordinance, resolution, or policy is posted
14 electronically in accordance with RCW 43.110.030(2)(e); and

15 (b) An internet link to the ordinance, resolution, or policy, or
16 the relevant portion of the actual language of the ordinance,
17 resolution, or policy, is posted electronically in accordance with
18 RCW 43.110.030(2)(e).

19 (2) If, prior to ~~((September 26, 2015))~~ the effective date of
20 this act, a city or county adopted an ordinance, resolution, or
21 policy that imposes a requirement on landlords or sellers of real

1 property, or their agents, to provide information to a buyer or
2 tenant pertaining to the subject property or the surrounding area,
3 the city or county must cause, within ninety days of the effective
4 date of this act:

5 (a) A summary of the ordinance, resolution, or policy to be
6 posted electronically in accordance with RCW 43.110.030(2)(e); and

7 (b) An internet link to the ordinance, resolution, or policy, or
8 the relevant portion of the actual language of the ordinance,
9 resolution, or policy, to be posted electronically in accordance with
10 RCW 43.110.030(2)(e) ((within ninety days of September 26, 2015, or
11 the requirement shall)). If the requirement is not electronically
12 posted as required by this subsection, the requirement must
13 thereafter cease to be in effect.

14 **Sec. 2.** RCW 43.110.030 and 2015 2nd sp.s. c 10 s 5 are each
15 amended to read as follows:

16 (1) The department of commerce must contract for the provision of
17 municipal research and services to cities, towns, and counties.
18 Contracts for municipal research and services must be made with state
19 agencies, educational institutions, or private consulting firms, that
20 in the judgment of the department are qualified to provide such
21 research and services. Contracts for staff support may be made with
22 state agencies, educational institutions, or private consulting firms
23 that in the judgment of the department are qualified to provide such
24 support.

25 (2) Municipal research and services consists of:

26 (a) Studying and researching city, town, and county government
27 and issues relating to city, town, and county government;

28 (b) Acquiring, preparing, and distributing publications related
29 to city, town, and county government and issues relating to city,
30 town, and county government;

31 (c) Providing educational conferences relating to city, town, and
32 county government and issues relating to city, town, and county
33 government;

34 (d) Furnishing legal, technical, consultative, and field services
35 to cities, towns, and counties concerning planning, public health,
36 utility services, fire protection, law enforcement, public works, and
37 other issues relating to city, town, and county government; and

38 ~~(e) ((Providing a list of all requirements imposed by all cities,~~
39 ~~towns, and counties))~~ (i) For any ordinance, resolution, or policy

1 adopted by a city, town, or county that imposes a requirement on
2 landlords or sellers of real property to provide information to a
3 buyer or tenant pertaining to the subject property or the surrounding
4 area(~~(. The list)~~), posting:

5 (A) A summary of the ordinance, resolution, or policy; and

6 (B) An internet link to the ordinance, resolution, or policy, or
7 the relevant portion of the actual language of the ordinance,
8 resolution, or policy.

9 (ii) Information provided by cities, towns, and counties
10 regarding an ordinance, resolution, or policy under (e)(i) of this
11 subsection must be posted in a specific section on a web site
12 maintained by the entity with which the department of commerce
13 contracts for the provision of municipal research and services under
14 this section, and must list by jurisdiction all applicable
15 requirements. Cities, towns, and counties must provide information
16 for posting on the web site in accordance with RCW 64.06.080.

17 (3) Requests for legal services by county officials must be sent
18 to the office of the county prosecuting attorney. Responses by the
19 department of commerce to county requests for legal services must be
20 provided to the requesting official and the county prosecuting
21 attorney.

22 (4) The department of commerce must coordinate with the
23 association of Washington cities and the Washington state association
24 of counties in carrying out the activities in this section.

25 **Sec. 3.** RCW 82.46.015 and 2015 2nd sp.s. c 10 s 2 are each
26 amended to read as follows:

27 (1) A city or county that meets the requirements of subsection
28 (2) of this section may use the greater of one hundred thousand
29 dollars or twenty-five percent of available funds, but not to exceed
30 one million dollars per year, from revenues collected under RCW
31 82.46.010 for the maintenance of capital projects, as defined in RCW
32 82.46.010(6)(b).

33 (2) A city or county may use revenues pursuant to subsection (1)
34 of this section if:

35 (a) The city or county prepares a written report demonstrating
36 that it has or will have adequate funding from all sources of public
37 funding to pay for all capital projects, as defined in RCW 82.46.010,
38 identified in its capital facilities plan for the succeeding two-year
39 period. Cities or counties not required to prepare a capital

1 facilities plan may satisfy this provision by using a document that,
2 at a minimum, identifies capital project needs and available public
3 funding sources for the succeeding two-year period; and

4 (b)(i) The city or county has not enacted, after ~~((September 26,~~
5 ~~2015,))~~ the effective date of this act: Any requirement on the
6 listing(~~(, leasing,))~~ or sale of real property(~~(, unless the~~
7 requirement is either)); or any requirement on landlords, at the time
8 of executing a lease, to perform or provide physical improvements or
9 modifications to real property or fixtures, except if necessary to
10 address an immediate threat to health or safety; or

11 (ii) Any local requirement adopted by the city or county under
12 (b)(i) of this subsection is: Specifically authorized by RCW
13 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;
14 specifically authorized by other state or federal law; or ((is)) a
15 seller or landlord disclosure requirement pursuant to RCW 64.06.080.

16 (3) The report prepared under subsection (2)(a) of this section
17 must: (a) Include information necessary to determine compliance with
18 the requirements of subsection (2)(a) of this section; (b) identify
19 how revenues collected under RCW 82.46.010 were used by the city or
20 county during the prior two-year period; (c) identify how funds
21 authorized under subsection (1) of this section will be used during
22 the succeeding two-year period; and (d) identify what percentage of
23 funding for capital projects within the city or county is
24 attributable to revenues under RCW 82.46.010 compared to all other
25 sources of capital project funding. The city or county must prepare
26 and adopt the report as part of its regular, public budget process.

27 (4) The authority to use funds as authorized in this section is
28 in addition to the authority to use funds pursuant to RCW
29 82.46.010(7), which remains in effect through December 31, 2016.

30 (5) For purposes of this section, "maintenance" means the use of
31 funds for labor and materials that will preserve, prevent the decline
32 of, or extend the useful life of a capital project. "Maintenance"
33 does not include labor or material costs for routine operations of a
34 capital project.

35 **Sec. 4.** RCW 82.46.037 and 2015 2nd sp.s. c 10 s 3 are each
36 amended to read as follows:

37 (1) A city or county that meets the requirements of subsection
38 (2) of this section may use the greater of one hundred thousand
39 dollars or twenty-five percent of available funds, but not to exceed

1 one million dollars per year, from revenues collected under RCW
2 82.46.035 for:

3 (a) The maintenance of capital projects, as defined in RCW
4 82.46.035(5); or

5 (b) The planning, acquisition, construction, reconstruction,
6 repair, replacement, rehabilitation, improvement, or maintenance of
7 capital projects as defined in RCW 82.46.010(6)(b) that are not also
8 included within the definition of capital projects in RCW
9 82.46.035(5).

10 (2) A city or county may use revenues pursuant to subsection (1)
11 of this section if:

12 (a) The city or county prepares a written report demonstrating
13 that it has or will have adequate funding from all sources of public
14 funding to pay for all capital projects, as defined in RCW
15 82.46.035(5), identified in its capital facilities plan for the
16 succeeding two-year period; and

17 (b)(i) The city or county has not enacted, after ((September 26,
18 2015)) the effective date of this act, any requirement on the
19 listing((, —leasing,)) or sale of real property((, —unless—the
20 requirement is either)); or any requirement on landlords, at the time
21 of executing a lease, to perform or provide physical improvements or
22 modifications to real property or fixtures, except if necessary to
23 address an immediate threat to health or safety; or

24 (ii) Any local requirement adopted by the city or county under
25 (b)(i) of this subsection is: Specifically authorized by RCW
26 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;
27 specifically authorized by other state or federal law; or ((is)) a
28 seller or landlord disclosure requirement pursuant to RCW 64.06.080.

29 (3) The report prepared under subsection (2)(a) of this section
30 must: (a) Include information necessary to determine compliance with
31 the requirements of subsection (2)(a) of this section; (b) identify
32 how revenues collected under RCW 82.46.035 were used by the city or
33 county during the prior two-year period; (c) identify how funds
34 authorized under subsection (1) of this section will be used during
35 the succeeding two-year period; and (d) identify what percentage of
36 funding for capital projects within the city or county is
37 attributable to revenues under RCW 82.46.035 compared to all other
38 sources of capital project funding. The city or county must prepare
39 and adopt the report as part of its regular, public budget process.

1 (4) The authority to use funds as authorized in this section is
2 in addition to the authority to use funds pursuant to RCW
3 82.46.035(7), which remains in effect through December 31, 2016.

4 (5) For purposes of this section, "maintenance" means the use of
5 funds for labor and materials that will preserve, prevent the decline
6 of, or extend the useful life of a capital project. "Maintenance"
7 does not include labor or material costs for routine operations of a
8 capital project.

Passed by the House March 8, 2016.

Passed by the Senate March 2, 2016.

Approved by the Governor March 31, 2016.

Filed in Office of Secretary of State April 1, 2016.

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