

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Josh Peters, County Administrator

FROM: Prosecuting Attorney's Office

DATE: September 15, 2026

RE: PUBLIC HEARING: In the Matter of Repealing and Replacing Chapter 3.05 JCC and Ordinance No. 12-1213-99

STATEMENT OF ISSUE:

The Washington State Legislature through its taxing power under Wash. Const. art. I, § 1 authorizes cities and counties to impose local real estate excise taxes under chapter 82.46 RCW. Funds from local real estate excise taxes under chapter 82.46 RCW only can be used, as limited by the Legislature, for “capital projects” listed in the capital facilities plan of the Jefferson County Comprehensive plan, the provision of services to residents of affordable housing or shelter units, or housing relocation assistance as defined within RCW 59.18.440 and 59.18.450.

On April 24, 2025, the Governor signed SHB 1791, which modified local real estate taxes authority under chapter 82.46 RCW, including:

- Revenues from RCW 82.46.010(2) (REET 1) can be used for any capital project that revenues from RCW 82.46.035(2) (REET 2) can be used for, including for facilities for those experiencing homelessness and affordable housing projects and projects that are supported through an interlocal housing collaboration;
- The January 1, 2026 date restriction on maintenance of facilities for those experiencing homelessness and for affordable housing projects is removed;
- Local governments can use the greater of 35 percent or \$100,000 of revenues from REET 1 and REET 2 for operation and maintenance of existing capital projects beyond December 31, 2023;
- The \$1 million cap on capital projects and the related reporting requirements are removed; and
- Various date-restricted allowable uses that have already passed are removed;
- The sale of any portion of an affordable housing development by a qualified entity to an organization that meets the requirements for a property tax exemption as a

nonprofit organization, housing authority, or public corporation for use for a community purpose is exempt from local real estate excise tax. A community purpose includes, but is not limited to, the provision of services to affordable housing development tenants, health clinics, senior day cares, food banks, community centers, and early learning facilities. The requirements for a tax preference performance statement do not apply, and the exemption is permanent; and,

- Added for all local real estate excise taxes an expanded definition of “capital projects.”

[SHB 1791](#) became effective on July 27, 2025. The Board of County Commissioners wishes to take advantage of the changes the Legislature authorized when it adopted [SHB 1791](#).

The Board of County Commissioners adopted Ordinance No. 5-83 in 1983, which imposed a local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010\(2\)](#). However, when the Board of County Commissioners adopted Ordinance No. 12-1213-99 in 1999, which authorized the collection of an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010\(3\)](#). The Board of County Commissioners should have referenced RCW [82.46.035\(2\)](#), which also authorizes a county to impose an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county. Ordinance No. 12-1213-99 was codified into chapter [3.05](#) JCC. By this Ordinance, the Board of County Commissioners is correcting the reference to RCW [82.46.010\(3\)](#) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035\(2\)](#).

This Ordinance will not increase the total amount of local real estate excise tax imposed, which will remain one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county.

A clean version of this Ordinance is attached as [Appendix A](#). A redlined version of this Ordinance, showing changes from the current chapter [3.05](#) JCC is attached as [Appendix B](#).

ANALYSIS:

After the adoption of Ordinance No. 12-1213-99, the total local real estate tax imposed was one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county. This Ordinance will not increase the total amount of local real estate excise tax imposed, which will remain one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county. However, the ordinance will correct the error in Ordinance No. 12-1213-99 that was codified into chapter [3.05](#) JCC. The ordinance also will allow the county to take advantage of [SHB 1791](#), which became effective on July 27, 2025.

FISCAL IMPACT:

This ordinance will have no fiscal impact, other than to authorize the county to take advantage of [SHB 1791](#). The same amount of taxes will be collected under this ordinance as the one it is repealing and replacing.

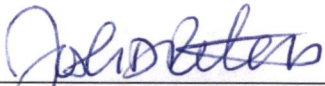
RECOMMENDATION:

Approve the proposed Ordinance In the Matter of Repealing and Replacing Chapter [3.05](#) JCC and Ordinance No. 12-1213-99.

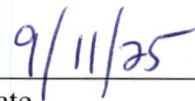
DEPARTMENT CONTACT:

Civil Division of the Prosecuting Attorney's Office can be reached at 360-385-9180.

REVIEWED BY:



Josh Peters, County Administrator



Date

NOTICE OF PUBLIC HEARING

In the Matter of Repealing and Replacing Chapter 3.05 JCC and Ordinance No. 12-1213-99

NOTICE IS HEREBY GIVEN that a public hearing is scheduled by the Jefferson County Board of Commissioners for **Monday, September 15, 2025 at 2:30 p.m.** in the Commissioners' Chambers, County Courthouse, 1820 Jefferson Street, Port Townsend, WA 98368 (HYBRID). Notice of said hearing is to be published once in the official newspaper of Jefferson County.

This hearing is for the purpose of receiving written comments and verbal testimony about the changes to Chapter 3.05 JCC and Ordinance No. 12-1213-99, which provide authority for imposition of local real estate excise tax as authorized by RCW 82.46.010(2) (REET 1) and RCW 82.46.035(2) (REET 2) to impose a total tax equal to one-half of one percent (or 0.5%) of the selling price with respect to each sale of real property located within the unincorporated limits of this Jefferson County. The changes will not change the amount of tax being collected.

The information is available for viewing on the County website by visiting: www.co.jefferson.wa.us and follow this pathway - Services - Laserfiche Web Portal (username and password is: public) - Board of Commissioners - BOCC Agenda Packets – 2025 Weekly Agenda Items – 09 September 2025 – 091525 - HEARING re Ordinance re Sales of Real Estate.

Jefferson County ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, or national origin in the provision of benefits and services resulting from its federally assisted programs & activities. The meeting site is ADA accessible. Accommodations for people with disabilities can be arranged with advance notice by calling 360-385-9100.

You are welcome to participate in this hearing. You will need to join the meeting by 2:30 p.m. using the following methods: **VIRTUALLY:** Via the following Zoom, link:

<https://zoom.us/j/93777841705>, **PHONE:** Dial 1-253-215-8782 and enter access code: 937-7784-1705# and press *9 to "raise your hand" to be called upon. Access for the hearing impaired can be accommodated using Washington Relay Service at 1-800-833-6384, or **IN-PERSON.**

In addition, written testimony is also invited beginning on September 2, 2025 and ending on September 15, 2025, at the end of the Public Hearing, unless extended by the Board of County Commissioners. Written public testimony may be submitted by **Email to:** jeffbocc@co.jefferson.wa.us. You can also **Mail** your testimony to: Jefferson County Commissioners' Office; P.O. Box 1220, Port Townsend, WA 98368. Written testimony must be received by the Board of County Commissioners by the end of the hearing testimony period.

Signed this _____ day of _____, 2025,

JEFFERSON COUNTY BOARD OF COMMISSIONERS
Heidi Eisenhour, Chair

STATE OF WASHINGTON
County of Jefferson

**In the Matter of Repealing and Replacing
Chapter 3.05 JCC and Ordinance No. 12-
1213-99**

ORDINANCE NO. _____

WHEREAS, the Washington State Legislature through its taxing power under Wash. Const. art. I, § 1 authorizes cities and counties to impose local real estate excise taxes under chapter 82.46 RCW; and,

WHEREAS, funds from local real estate excise taxes under chapter 82.46 RCW only can be used, as limited by the Legislature, for “capital projects” listed in the capital facilities plan of the Jefferson County Comprehensive plan, the provision of services to residents of affordable housing or shelter units, or housing relocation assistance as defined within RCW 59.18.440 and 59.18.450; and,

WHEREAS, on April 24, 2025, the Governor signed SHB 1791, which modified local real estate taxes authority under chapter 82.46 RCW, including:

- Revenues from RCW 82.46.010(2) (REET 1) can be used for any capital project that revenues from RCW 82.46.035(2) (REET 2) can be used for, including for facilities for those experiencing homelessness and affordable housing projects and projects that are supported through an interlocal housing collaboration;
- The January 1, 2026 date restriction on maintenance of facilities for those experiencing homelessness and for affordable housing projects is removed;
- Local governments can use the greater of 35 percent or \$100,000 of revenues from REET 1 and REET 2 for operation and maintenance of existing capital projects beyond December 31, 2023;
- The \$1 million cap on capital projects and the related reporting requirements are removed; and
- Various date-restricted allowable uses that have already passed are removed;
- The sale of any portion of an affordable housing development by a qualified entity to an organization that meets the requirements for a property tax exemption as a nonprofit organization, housing authority, or public corporation for use for a community purpose is exempt from local real estate excise tax. A community purpose includes, but is not limited to, the provision of services to affordable housing development tenants, health clinics, senior day cares, food banks, community centers, and early learning facilities. The requirements for a tax preference performance statement do not apply, and the exemption is permanent; and,
- Added for all local real estate excise taxes an expanded definition of “capital projects;” and,

WHEREAS, [SHB 1791](#) became effective on July 27, 2025; and,

WHEREAS, the Board of County Commissioners wishes to take advantage of the changes the Legislature authorized when it adopted [SHB 1791](#); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 5-83 in 1983, which imposed a local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(2); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 12-1213-99 in 1999, which authorized the collection of an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(3); and,

WHEREAS, after the adoption of Ordinance No. 12-1213-99, the total local real estate tax imposed was one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

WHEREAS, Ordinance No. 12-1213-99 was codified into chapter [3.05](#) JCC; and,

WHEREAS, when it adopted Ordinance No. 12-1213-99, the Board of County Commissioners should have referenced RCW [82.46.035](#)(2), which also authorizes a county to impose an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and

WHEREAS, by this Ordinance, the Board of County Commissioners is correcting the reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2); and,

WHEREAS, this Ordinance will not increase the total amount of local real estate excise tax imposed, which will remain one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON, AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above “Whereas” clauses as Findings of Fact supporting this ordinance.

Section 2. Purpose. The purpose of this ordinance is to take advantage of the changes in [SHB 1791](#) and correct the incorrect reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to RCW [82.46.035](#)(2).

Section 3. Repealing and Replacing Ordinance No. 12-1213-99 and chapter 3.05 JCC. This Ordinance repeals and replaces Ordinance No. 12-1213-99 and chapter [3.05](#) JCC.

Section 4. Adoption of Chapter of JCC. Revised chapter [3.05](#) JCC, which is attached as Appendix A is hereby adopted.

Section 5. Remedial Ordinance. With respect to changing the reference from to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2), this Ordinance is intended to be remedial, does not affect any vested right, and is retrospective in application.

Section 6. Severability. If any section, subsection, sentence, clause, phrase or section of this Ordinance or its application to any person or circumstance is held invalid, the remainder of this Ordinance or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 7. SEPA Categorical Exemption. This Ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800 \(19\)](#).

Section 8. Effective Date. This Ordinance shall take effect and be in full force immediately upon passage by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

ADOPTED this ____ day of _____, 2025.

SEAL:

JEFFERSON COUNTY BOARD OF
COUNTY COMMISSIONERS

Heidi Eisenhour, Chair

Greg Brotherton, Member

Heather Nollette-Dudley, Member

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

APPENDIX A

3.05.010 Imposed.

Pursuant to RCW [82.46.035](#)(2), there is a tax imposed hereby equal to one-half of one percent (or 0.5%) of the selling price with respect to each sale of real property located within the unincorporated limits of this Jefferson County.

3.05.020 Taxable events.

Any person taxable by the state of Washington pursuant to Chapter [82.45](#) RCW or Chapter [458-61](#) WAC shall pay the tax imposed by this chapter. The tax imposed by this chapter shall be due and owing upon the occurrence of any taxable event that occurs with respect to real property located in the unincorporated limits of Jefferson County.

3.05.030 Consistency with state tax and regulations.

The tax imposed by this chapter shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under Chapter [82.45](#) RCW and Chapter [458-61](#) WAC. The provisions of those chapters, to the extent they are not inconsistent with this chapter, shall apply as though fully set forth in this chapter.

3.05.040 Distribution of tax proceeds.

(1) The Jefferson County treasurer shall place one percent of the proceeds of the taxes imposed by this chapter in the county current expense fund to defray costs of collection.

(2) The remaining proceeds from the tax imposed by this chapter shall be placed in a county capital improvements fund. This capital improvement fund shall be used for local improvements including those listed in RCW [82.46.010](#).

(3) This section shall not limit the existing authority of the county to impose special assessments on property benefited thereby in the manner prescribed by law.

3.05.050 Seller's obligation.

The tax imposed by this chapter is the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

3.05.060 Lien provisions.

The taxes imposed by this chapter and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue another course of enforcement.

3.05.070 Notation of payment.

The tax imposed by this chapter shall be paid to and collected by the Jefferson County treasurer. The Jefferson County treasurer shall act as agent for the collection of the tax imposed by this

chapter. The Jefferson County treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed by this chapter shall be evidence of the satisfaction of the lien imposed in JCC [3.05.060](#) and may be recorded in the manner prescribed for recording satisfactions or mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax imposed by this chapter may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the Jefferson County treasurer.

3.05.080 Date payable.

(1) The tax imposed by this chapter shall become due and payable immediately at the time of sale and, if not so paid within 30 days thereafter, the amount owed but not paid shall bear interest at the rate of one percent per month from the time of sale until the time of payment.

(2) Any interest or penalties collected for failure to pay the tax authorized by this chapter shall be deposited in the capital improvement fund defined in JCC [3.05.040](#)(2).

APPENDIX 1

APPENDIX 1

STATE OF WASHINGTON County of Jefferson

In the Matter of Repealing and Replacing
Chapter 3.05 JCC and Ordinance No. 12-
1213-99

ORDINANCE NO. _____

WHEREAS, the Washington State Legislature through its taxing power under Wash. Const. art. I, § 1 authorizes cities and counties to impose local real estate excise taxes under chapter 82.46 RCW; and,

WHEREAS, funds from local real estate excise taxes under chapter 82.46 RCW only can be used, as limited by the Legislature, for “capital projects” listed in the capital facilities plan of the Jefferson County Comprehensive plan, the provision of services to residents of affordable housing or shelter units, or housing relocation assistance as defined within RCW 59.18.440 and 59.18.450; and,

WHEREAS, on April 24, 2025, the Governor signed SHB 1791, which modified local real estate taxes authority under chapter 82.46 RCW, including:

- Revenues from RCW 82.46.010(2) (REET 1) can be used for any capital project that revenues from RCW 82.46.035(2) (REET 2) can be used for, including for facilities for those experiencing homelessness and affordable housing projects and projects that are supported through an interlocal housing collaboration;
- The January 1, 2026 date restriction on maintenance of facilities for those experiencing homelessness and for affordable housing projects is removed;
- Local governments can use the greater of 35 percent or \$100,000 of revenues from REET 1 and REET 2 for operation and maintenance of existing capital projects beyond December 31, 2023;
- The \$1 million cap on capital projects and the related reporting requirements are removed; and
- Various date-restricted allowable uses that have already passed are removed;
- The sale of any portion of an affordable housing development by a qualified entity to an organization that meets the requirements for a property tax exemption as a nonprofit organization, housing authority, or public corporation for use for a community purpose is exempt from local real estate excise tax. A community purpose includes, but is not limited to, the provision of services to affordable housing development tenants, health clinics, senior day cares, food banks, community centers, and early learning facilities. The requirements for a tax preference performance statement do not apply, and the exemption is permanent; and,
- Added for all local real estate excise taxes an expanded definition of “capital projects;” and,

WHEREAS, [SHB 1791](#) became effective on July 27, 2025; and,

WHEREAS, the Board of County Commissioners wishes to take advantage of the changes the Legislature authorized when it adopted [SHB 1791](#); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 5-83 in 1983, which imposed a local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(2); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 12-1213-99 in 1999, which authorized the collection of an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(3); and,

WHEREAS, after the adoption of Ordinance No. 12-1213-99, the total local real estate tax imposed was one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

WHEREAS, Ordinance No. 12-1213-99 was codified into chapter [3.05](#) JCC; and,

WHEREAS, when it adopted Ordinance No. 12-1213-99, the Board of County Commissioners should have referenced RCW [82.46.035](#)(2), which also authorizes a county to impose an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and

WHEREAS, by this Ordinance, the Board of County Commissioners is correcting the reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2); and,

WHEREAS, this Ordinance will not increase the total amount of local real estate excise tax imposed, which will remain one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON, AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above “Whereas” clauses as Findings of Fact supporting this ordinance.

Section 2. Purpose. The purpose of this ordinance is to take advantage of the changes in [SHB 1791](#) and correct the incorrect reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to RCW [82.46.035](#)(2).

Section 3. Repealing and Replacing Ordinance No. 12-1213-99 and chapter 3.05 JCC. This Ordinance repeals and replaces Ordinance No. 12-1213-99 and chapter [3.05](#) JCC.

Section 4. Adoption of Chapter of JCC. Revised chapter [3.05](#) JCC, which is attached as Appendix A is hereby adopted.

Section 5. Remedial Ordinance. With respect to changing the reference from to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2), this Ordinance is intended to be remedial, does not affect any vested right, and is retrospective in application.

Section 6. Severability. If any section, subsection, sentence, clause, phrase or section of this Ordinance or its application to any person or circumstance is held invalid, the remainder of this Ordinance or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 7. SEPA Categorical Exemption. This Ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800 \(19\)](#).

Section 8. Effective Date. This Ordinance shall take effect and be in full force immediately upon passage by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

ADOPTED this _____ day of _____, 2025.

SEAL:

JEFFERSON COUNTY BOARD OF
COUNTY COMMISSIONERS

Heidi Eisenhour, Chair

Greg Brotherton, Member

Heather Nollette-Dudley, Member

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

APPENDIX A

3.05.010 Imposed.

Pursuant to RCW [82.46.035](#)(2), there is a tax imposed hereby equal to one-half of one percent (or 0.5%) of the selling price with respect to each sale of real property located within the unincorporated limits of this Jefferson County.

3.05.020 Taxable events.

Any person taxable by the state of Washington pursuant to Chapter [82.45](#) RCW or Chapter [458-61](#) WAC shall pay the tax imposed by this chapter. The tax imposed by this chapter shall be due and owing upon the occurrence of any taxable event that occurs with respect to real property located in the unincorporated limits of Jefferson County.

3.05.030 Consistency with state tax and regulations.

The tax imposed by this chapter shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under Chapter [82.45](#) RCW and Chapter [458-61](#) WAC. The provisions of those chapters, to the extent they are not inconsistent with this chapter, shall apply as though fully set forth in this chapter.

3.05.040 Distribution of tax proceeds.

- (1) The Jefferson County treasurer shall place one percent of the proceeds of the taxes imposed by this chapter in the county current expense fund to defray costs of collection.
- (2) The remaining proceeds from the tax imposed by this chapter shall be placed in a county capital improvements fund. This capital improvement fund shall be used for local improvements including those listed in RCW [82.46.010](#).
- (3) This section shall not limit the existing authority of the county to impose special assessments on property benefited thereby in the manner prescribed by law.

3.05.050 Seller's obligation.

The tax imposed by this chapter is the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

3.05.060 Lien provisions.

The taxes imposed by this chapter and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue another course of enforcement.

3.05.070 Notation of payment.

The tax imposed by this chapter shall be paid to and collected by the Jefferson County treasurer. The Jefferson County treasurer shall act as agent for the collection of the tax imposed by this

chapter. The Jefferson County treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed by this chapter shall be evidence of the satisfaction of the lien imposed in JCC [3.05.060](#) and may be recorded in the manner prescribed for recording satisfactions or mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax imposed by this chapter may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the Jefferson County treasurer.

3.05.080 Date payable.

(1) The tax imposed by this chapter shall become due and payable immediately at the time of sale and, if not so paid within 30 days thereafter, the amount owed but not paid shall bear interest at the rate of one percent per month from the time of sale until the time of payment.

(2) Any interest or penalties collected for failure to pay the tax authorized by this chapter shall be deposited in the capital improvement fund defined in JCC [3.05.040](#)(2).

APPENDIX 2

APPENDIX 2

STATE OF WASHINGTON County of Jefferson

In the Matter of Repealing and Replacing
Chapter 3.05 JCC and Ordinance No. 12-
1213-99

ORDINANCE NO. _____

WHEREAS, the Washington State Legislature through its taxing power under Wash. Const. art. I, § 1 authorizes cities and counties to impose local real estate excise taxes under chapter 82.46 RCW; and,

WHEREAS, funds from local real estate excise taxes under chapter 82.46 RCW only can be used, as limited by the Legislature, for “capital projects” listed in the capital facilities plan of the Jefferson County Comprehensive plan, the provision of services to residents of affordable housing or shelter units, or housing relocation assistance as defined within RCW 59.18.440 and 59.18.450; and,

WHEREAS, on April 24, 2025, the Governor signed SHB 1791, which modified local real estate taxes authority under chapter 82.46 RCW, including:

- Revenues from RCW 82.46.010(2) (REET 1) can be used for any capital project that revenues from RCW 82.46.035(2) (REET 2) can be used for, including for facilities for those experiencing homelessness and affordable housing projects and projects that are supported through an interlocal housing collaboration;
- The January 1, 2026 date restriction on maintenance of facilities for those experiencing homelessness and for affordable housing projects is removed;
- Local governments can use the greater of 35 percent or \$100,000 of revenues from REET 1 and REET 2 for operation and maintenance of existing capital projects beyond December 31, 2023;
- The \$1 million cap on capital projects and the related reporting requirements are removed; and
- Various date-restricted allowable uses that have already passed are removed;
- The sale of any portion of an affordable housing development by a qualified entity to an organization that meets the requirements for a property tax exemption as a nonprofit organization, housing authority, or public corporation for use for a community purpose is exempt from local real estate excise tax. A community purpose includes, but is not limited to, the provision of services to affordable housing development tenants, health clinics, senior day cares, food banks, community centers, and early learning facilities. The requirements for a tax preference performance statement do not apply, and the exemption is permanent; and,
- Added for all local real estate excise taxes an expanded definition of “capital projects;” and,

WHEREAS, [SHB 1791](#) became effective on July 27, 2025; and,

WHEREAS, the Board of County Commissioners wishes to take advantage of the changes the Legislature authorized when it adopted [SHB 1791](#); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 5-83 in 1983, which imposed a local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(2); and,

WHEREAS, the Board of County Commissioners adopted Ordinance No. 12-1213-99 in 1999, which authorized the collection of an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county pursuant to RCW [82.46.010](#)(3); and,

WHEREAS, after the adoption of Ordinance No. 12-1213-99, the total local real estate tax imposed was one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

WHEREAS, Ordinance No. 12-1213-99 was codified into chapter [3.05](#) JCC; and,

WHEREAS, when it adopted Ordinance No. 12-1213-99, the Board of County Commissioners should have referenced RCW [82.46.035](#)(2), which also authorizes a county to impose an additional local excise tax of one-fourth of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and

WHEREAS, by this Ordinance, the Board of County Commissioners is correcting the reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2); and,

WHEREAS, this Ordinance will not increase the total amount of local real estate excise tax imposed, which will remain one-half of one percent of the selling price of each sale of real property located within the unincorporated limits of the county; and,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF JEFFERSON COUNTY, STATE OF WASHINGTON, AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. The Jefferson County Board of Commissioners hereby adopts the above “Whereas” clauses as Findings of Fact supporting this ordinance.

Section 2. Purpose. The purpose of this ordinance is to take advantage of the changes in [SHB 1791](#) and correct the incorrect reference to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to RCW [82.46.035](#)(2).

Section 3. Repealing and Replacing Ordinance No. 12-1213-99 and chapter 3.05 JCC. This Ordinance repeals and replaces Ordinance No. 12-1213-99 and chapter [3.05](#) JCC.

Section 4. Adoption of Chapter of JCC. Revised chapter [3.05](#) JCC, which is attached as Appendix A is hereby adopted.

Section 5. Remedial Ordinance. With respect to changing the reference from to RCW [82.46.010](#)(3) in Ordinance No. 12-1213-99 and chapter [3.05](#) JCC to [82.46.035](#)(2), this Ordinance is intended to be remedial, does not affect any vested right, and is retrospective in application.

Section 6. Severability. If any section, subsection, sentence, clause, phrase or section of this Ordinance or its application to any person or circumstance is held invalid, the remainder of this Ordinance or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 7. SEPA Categorical Exemption. This Ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800 \(19\)](#).

Section 8. Effective Date. This Ordinance shall take effect and be in full force immediately upon passage by the Board of County Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

ADOPTED this _____ day of _____, 2025.

SEAL:

JEFFERSON COUNTY BOARD OF
COUNTY COMMISSIONERS

Heidi Eisenhour, Chair

Greg Brotherton, Member

Heather Nollette-Dudley, Member

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

APPENDIX A

3.05.010 Imposed.

Pursuant to RCW 82.46.035(2), there is ~~hereby~~a tax hereby imposed equal to one-half of one percent (or 0.5%) of the selling price with respect to each sale of real property located within the unincorporated limits of this ~~county~~Jefferson County.

3.05.020 Taxable events.

Any person taxable by the state of Washington pursuant to Chapter 82.45 RCW or Chapter 458-61 WAC shall pay the tax imposed by this chapter. The tax imposed by this chapter shall be due and owing upon the occurrence of any taxable event that occurs with respect to real property located in the unincorporated ~~areas~~limits of Jefferson County.

3.05.030 Consistency with state tax and regulations.

The tax imposed ~~herein~~by this chapter shall comply with all applicable rules, regulations, laws and court decisions regarding real estate excise taxes as imposed by the state under Chapter 82.45 RCW and Chapter 458-61 WAC. The provisions of those chapters, to the extent they are not inconsistent with this chapter, shall apply as though fully set forth ~~herein~~in this chapter.

3.05.040 Distribution of tax proceeds.

(1) The ~~county~~Jefferson County treasurer shall place one percent of the proceeds of the taxes imposed ~~herein~~by this chapter in the county current expense fund to defray costs of collection.

(2) The remaining proceeds from ~~county taxes~~the tax imposed ~~herein~~by this chapter shall be placed in a county capital improvements fund. ~~These~~This capital improvement ~~funds~~fund shall be used for local improvements including those listed in RCW 82.46.010.

(3) This section shall not limit the existing authority of ~~this~~the county to impose special assessments on property benefited thereby in the manner prescribed by law.

3.05.050 Seller's obligation.

The tax imposed ~~herein~~by this chapter is the obligation of the seller and may be enforced through the action of debt against the seller or in the manner prescribed for the foreclosure of mortgages.

3.05.060 Lien provisions.

The taxes imposed ~~herein~~by this chapter and any interest or penalties thereon are the specific lien upon each piece of real property sold from the time of sale or until the tax is paid, which lien may be enforced in the manner prescribed for the foreclosure of mortgages. Resort to one course of enforcement is not an election not to pursue ~~the other~~another course of enforcement.

3.05.070 Notation of payment.

The tax imposed ~~herein~~by this chapter shall be paid to and collected by the Jefferson County treasurer. The ~~county~~Jefferson County treasurer shall act as agent for the collection of the tax.

imposed by this chapter. The ~~county~~Jefferson County treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of mobile home sales. A receipt issued by the county treasurer for the payment of the tax imposed hereinby this chapter shall be evidence of the satisfaction of the lien imposed in JCC 3.05.060 and may be recorded in the manner prescribed for recording satisfactions or mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax imposed by this chapter may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the ~~county~~Jefferson County treasurer.

3.05.080 Date payable.

- (1) The tax imposed hereunderby this chapter shall become due and payable immediately at the time of sale and, if not so paid within 30 days thereafter, the amount owed but not paid shall bear interest at the rate of one percent per month from the time of sale until the time of payment.
- (2) Any interest or penalties collected for failure to pay the tax authorized by this chapter shall be deposited in the capital improvement fund defined in JCC 3.05.040(2).