

# action alert

Urgent information from  
your lobbyists on the hill.

City Leaders,

## **Act now to ask legislators to move HB 1628 forward!**

A major focus of this legislative session has been addressing our housing crisis. Cities are actively engaged in how we can help achieve this goal, finding solutions on regulatory reform, infrastructure needs, and zoning density.

We are making progress on those fronts. Where we need to see more progress is on the resources to meet the state's target to deliver 500,000 affordable homes in the next twenty years. We know that housing for the lowest income levels cannot be provided without sustained and dedicated investments from state and local government. In this legislative session focused on housing, leaving without addressing the funding needs would be shortsighted and ineffective.

Opponents of **HB 1628** argue that “raising the real estate excise tax to pay for affordable housing will make housing more expensive, not more affordable.” That’s a misunderstanding of how REET works.

- First, the tax is paid for by the seller. It cuts into a seller’s profit margin—it doesn’t increase the cost of the house or the future of rents.
- It’s also a tiered system that increases the tax with the selling price - higher sale price = higher tax burden. The first tier is \$525,000. The next is \$1.5 million and adds only .18% (plus the local REET).

- **HB 1628** would add an additional tier at any sold value *over \$5 million*.
- Selling the property for affordable housing exempts the seller from REET.

Skyrocketing housing prices over the last several years is a reason we have a housing crisis. Taxing those increased profits is an appropriate source to fund investments in low-income housing.

**HB 1628, creating new REET options for affordable housing, has been stalled in its House committee but, with your support, it can still advance!**

**We need you to ask your legislators to:**

- Advocate for funding of affordable housing, specifically ask them to support **HB 1628**.
- Contact their leadership and tell them that this is a priority.

Search legislators by [district](#) and by [city](#).

Additional talking points:

- The tiered state REET structure encourages the seller (who pays REET) to sell under defined thresholds to reduce the tax burden. The more they sell it for, the more they pay.
- Selling the property for affordable housing exempts the seller altogether from REET.
- Let your representatives know that cities support **HB 1628**—the Affordable Homes Act. Include the [letter of support](#) when you urge them to move the bill forward.
- Let legislators know how much a new REET option, if passed by your council, could raise for affordable housing [in your city](#) each year.

Details on **HB 1628** - The Affordable Homes Act:

[HB 1628](#) provides two new real estate excise taxes (REET), paid for by the seller, dedicated to affordable housing:

1. **Local** - Creates a new .25% councilmanic local option REET (REET 3) that can be used to fund affordable rentals, affordable home ownership, and infrastructure to support housing.
2. **State** - Creates a new state REET tier, increasing the current tax only for the value exceeding \$5 million by 1%. That provision is projected to raise \$200 million per year for state housing programs.

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