

- **Use of REET 2 for maintenance and REET 1 projects:** Local governments may use a portion of collected REET 2 funds for capital projects and limited maintenance.
- **Use of REET 2 for affordable housing and homelessness:** Local governments may use a portion of collected REET 2 funds for affordable housing and homelessness projects 2026, based on [Engrossed House Bill 1419](#) (passed April 2019).
- **REET 3:** Local governments that do not levy 0.5% local sales tax may levy REET 3 for general fund operating expenses.

LOCAL DEBT FINANCING

Limited Tax General Obligation (LTGO) Bonds

[RCW 39.36, Article 8, Sec. 6, State Constitution](#)

- LTGO bonds, sometimes referred to in Washington as "councilmanic" bonds, do not require voter approval and are payable from the issuer's general tax levy and other legally available revenue sources. LTGO bonds can be used for any purpose, but funding for debt service must be made available from existing revenue sources.
- There are constitutional and statutory limits on a municipality's authority to incur non-voted debt. Total debt is limited to 2.5% of the AV of taxable properties; and councilmanic debt is limited to 1.5% of the AV of taxable properties.

Unlimited Tax General Obligation (UTGO) Bonds

[RCW 39.36, RCW 84.52.056, Article 7, Sec. 2, State Constitution](#)

- UTGO bonds are voted bonds and require 60% voter approval with a minimum voter turnout of 40% of voters who cast ballots in the last general election within the district. When voters of a jurisdiction vote for a bond issue, they are being asked to approve: (a) the issuance of a fixed amount of general obligation bonds and (b) the levy of an additional tax to repay the bonds, unlimited as to rate or amount. Once voter approval is obtained, a municipal corporation is still restricted by constitutional and statutory debt limits with these bonds.
- UTGO bonds can be used only for capital purposes, and replacement of equipment is not permitted

Industrial Revenue Bonds

[RCW 39.84](#)

- Tax-exempt revenue bonds issued by public development corporations to finance industrial development facilities, including transportation projects such as street improvements.