
HOUSE BILL 1590

AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

State of Washington **66th Legislature** **2019 Regular Session**

By Representatives Doglio, Dolan, Macri, Cody, Gregerson, Wylie, Appleton, Robinson, Ormsby, Frame, and Davis

Read first time 01/24/19. Referred to Committee on Housing, Community Development & Veterans.

1 AN ACT Relating to allowing the local sales and use tax for
2 affordable housing to be imposed by a councilmanic authority; and
3 amending RCW 82.14.530.

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

5 **Sec. 1.** RCW 82.14.530 and 2015 3rd sp.s. c 24 s 701 are each
6 amended to read as follows:

7 (1)(a)(i) A county legislative authority may submit an
8 authorizing proposition to the county voters at a special or general
9 election and, if the proposition is approved by a majority of persons
10 voting, impose a sales and use tax in accordance with the terms of
11 this chapter. The title of each ballot measure must clearly state the
12 purposes for which the proposed sales and use tax will be used. The
13 rate of tax under this section may not exceed one-tenth of one
14 percent of the selling price in the case of a sales tax, or value of
15 the article used, in the case of a use tax.

16 (ii) As an alternative to the authority provided in (a)(i) of
17 this subsection, a county legislative authority may impose, without a
18 proposition approved by a majority of persons voting, a sales and use
19 tax in accordance with the terms of this chapter. The rate of tax
20 under this section may not exceed one-tenth of one percent of the

1 selling price in the case of a sales tax, or value of the article
2 used, in the case of a use tax.

3 (b) (i) ~~If a county ((with a population of one million five~~
4 ~~hundred thousand or less has not imposed))~~ does not impose the full
5 tax rate authorized under (a) of this subsection (~~within two years~~
6 ~~of October 9, 2015))~~ by September 30, 2020, any city legislative
7 authority located in that county may (~~submit~~):

8 (A) Submit an authorizing proposition to the city voters at a
9 special or general election and, if the proposition is approved by a
10 majority of persons voting, impose the whole or remainder of the
11 sales and use tax rate in accordance with the terms of this chapter.
12 The title of each ballot measure must clearly state the purposes for
13 which the proposed sales and use tax will be used;

14 (B) Impose, without a proposition approved by a majority of
15 persons voting, the whole or remainder of the sales and use tax rate
16 in accordance with the terms of this chapter.

17 (ii) The rate of tax under this section may not exceed one-tenth
18 of one percent of the selling price in the case of a sales tax, or
19 value of the article used, in the case of a use tax.

20 (~~(ii) If a~~) (iii) A county with a population of greater than
21 one million five hundred thousand (~~has not imposed the full~~) may
22 impose the tax authorized under (a) (ii) of this subsection (~~within~~
23 ~~three years of October 9, 2015, any city legislative authority~~) only
24 if the county plans to spend at least thirty percent of the moneys
25 collected under this section that are attributable to taxable
26 activities or events within any city with a population greater than
27 sixty thousand located in that county (~~may submit an authorizing~~
28 ~~proposition to the city voters at a special or general election and,~~
29 ~~if the proposition is approved by a majority of persons voting,~~
30 ~~impose the whole or remainder of the sales and use tax rate in~~
31 ~~accordance with the terms of this chapter. The title of each ballot~~
32 ~~measure must clearly state the purposes for which the proposed sales~~
33 ~~and use tax will be used. The rate of tax under this section may not~~
34 ~~exceed one-tenth of one percent of the selling price in the case of a~~
35 ~~sales tax, or value of the article used, in the case of a use tax))~~
36 within that city's boundaries.

37 (c) If a county imposes a tax authorized under (a) of this
38 subsection after a city located in that county has imposed the tax
39 authorized under (b) of this subsection, the county must provide a
40 credit against its tax for the full amount of tax imposed by a city.

1 (d) The taxes authorized in this subsection are in addition to
2 any other taxes authorized by law and must be collected from persons
3 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
4 the occurrence of any taxable event within the county for a county's
5 tax and within a city for a city's tax.

6 (2)(a) Notwithstanding subsection (4) of this section, a minimum
7 of sixty percent of the moneys collected under this section must be
8 used for the following purposes:

9 (i) Constructing affordable housing, which may include new units
10 of affordable housing within an existing structure, and facilities
11 providing housing-related services; or

12 (ii) Constructing mental and behavioral health-related
13 facilities; or

14 (iii) Funding the operations and maintenance costs of new units
15 of affordable housing and facilities where housing-related programs
16 are provided, or newly constructed evaluation and treatment centers.

17 (b) The affordable housing and facilities providing housing-
18 related programs in (a)(i) of this subsection may only be provided to
19 persons within any of the following population groups whose income is
20 at or below sixty percent of the median income of the county imposing
21 the tax:

22 (i) Persons with (~~mental illness~~) behavioral health
23 disabilities;

24 (ii) Veterans;

25 (iii) Senior citizens;

26 (iv) Homeless, or at-risk of being homeless, families with
27 children;

28 (v) Unaccompanied homeless youth or young adults;

29 (vi) Persons with disabilities; or

30 (vii) Domestic violence survivors.

31 (c) The remainder of the moneys collected under this section must
32 be used for the operation, delivery, or evaluation of mental and
33 behavioral health treatment programs and services or housing-related
34 services.

35 (3) A county that imposes the tax under this section must consult
36 with a city before the county may construct any of the facilities
37 authorized under subsection (2)(a) of this section within the city
38 limits.

39 (4) A county that has not imposed the tax authorized under RCW
40 82.14.460 prior to October 9, 2015, but imposes the tax authorized

1 under this section after a city in that county has imposed the tax
2 authorized under RCW 82.14.460 prior to October 9, 2015, must enter
3 into an interlocal agreement with that city to determine how the
4 services and provisions described in subsection (2) of this section
5 will be allocated and funded in the city.

6 (5) To carry out the purposes of subsection (2)(a) and (b) of
7 this section, the legislative authority of the county or city
8 imposing the tax has the authority to issue general obligation or
9 revenue bonds within the limitations now or hereafter prescribed by
10 the laws of this state, and may use, and is authorized to pledge, up
11 to fifty percent of the moneys collected under this section for
12 repayment of such bonds, in order to finance the provision or
13 construction of affordable housing, facilities where housing-related
14 programs are provided, or evaluation and treatment centers described
15 in subsection (2)(a)(iii) of this section.

16 (6)(a) Moneys collected under this section may be used to offset
17 reductions in state or federal funds for the purposes described in
18 subsection (2) of this section.

19 (b) No more than ten percent of the moneys collected under this
20 section may be used to supplant existing local funds.

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