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HOUSE BILL 2843

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State of Washington                      64th Legislature                      2016 Regular Session

By Representatives McBride, Stanford, Walkinshaw, and Santos

Read first time 01/22/16. Referred to Committee on Community Development, Housing & Tribal Affairs.

1            AN ACT Relating to supporting affordable housing; reenacting and  
2 amending RCW 43.79A.040; and adding a new chapter to Title 82 RCW.

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

4            NEW SECTION.    **Sec. 1.**    The definitions in this section apply  
5 throughout this chapter unless the context clearly requires  
6 otherwise.

7            (1) "Affordable housing account" means the Washington affordable  
8 housing account created under section 5 of this act.

9            (2) "Applicant" means a person applying for a tax credit under  
10 this chapter.

11            (3) "Contribution" means cash contributions.

12            (4) "Person" has the same meaning as provided in RCW 82.04.030.

13            NEW SECTION.    **Sec. 2.**    (1) Application for tax credits under this  
14 chapter must be made to the department before making a contribution  
15 to the affordable housing account. The application must be made to  
16 the department in a form and manner prescribed by the department. The  
17 application must contain information regarding the proposed amount of  
18 contribution to the account. The department must rule on the  
19 application within thirty days. Applications are approved on a first-  
20 come basis.

1 (2) The person must make the contribution described in the  
2 approved application by the end of the calendar year in which the  
3 application is approved to claim a credit allowed under this chapter.

4 NEW SECTION. **Sec. 3.** (1) Subject to the limitations in this  
5 chapter, a credit is allowed against the tax imposed by chapters  
6 82.04 and 82.16 RCW for approved contributions that are made by a  
7 person to the affordable housing account. The amount of the credit is  
8 equal to the amount of the contribution.

9 (2) The department must keep a running total of all credits  
10 approved under this chapter for each calendar year. The department  
11 may not approve any credits under this section that would cause the  
12 total amount of approved credits statewide to exceed ten million  
13 dollars in any calendar year.

14 (3) The total credits allowed under this chapter for a person may  
15 not exceed five hundred thousand dollars in a calendar year.

16 (4) The credit may be claimed against any tax due under chapters  
17 82.04 and 82.16 RCW and may be carried over to subsequent years. No  
18 refunds may be granted for credits under this chapter.

19 NEW SECTION. **Sec. 4.** To claim a credit under this chapter, a  
20 person must electronically file with the department all returns,  
21 forms, and other information the department requires in an electronic  
22 format as provided or approved by the department. Any return, form,  
23 or information required to be filed in an electronic format under  
24 this section is not filed until received by the department in an  
25 electronic format. As used in this section, "returns" has the same  
26 meaning as "return" in RCW 82.32.050.

27 NEW SECTION. **Sec. 5.** (1) The Washington affordable housing  
28 account is created in the custody of the state treasurer. All  
29 contributions to the account must be deposited into the account. Only  
30 the director of the department of commerce or the director's designee  
31 may authorize expenditures from the account.

32 (2) One-half of the funds deposited in the account must be used  
33 for the following purposes:

34 (a) To provide funds to eligible organizations, as defined in RCW  
35 59.20.030, for the purchase of mobile home/manufactured communities  
36 under chapter 59.20 RCW;

1 (b) To provide funds for low-income housing located near transit  
2 facilities; or

3 (c) To provide funds for the preservation of special needs  
4 housing.

5 (3) The remainder of funds deposited in the account must be  
6 distributed to an affordable housing entity to be used for the  
7 development of affordable housing, including the acquisition,  
8 building, rehabilitation, and maintenance of the housing.

9 (4) Any interest earned on the affordable housing account or  
10 funds returned to the department of commerce through the repayment of  
11 a loan must accrue to the account and may be reallocated for the same  
12 purposes as the funds earned from the sale of the tax credit, thereby  
13 creating a revolving fund.

14 (5) For the purposes of this section, "affordable housing entity"  
15 means local governments, local housing authorities, nonprofit  
16 community or neighborhood-based organizations, federally recognized  
17 Indian tribes in the state of Washington, and regional or statewide  
18 housing assistance nonprofit organizations or cooperatives.

19 NEW SECTION. **Sec. 6.** Chapter 82.32 RCW applies to the  
20 administration of this chapter.

21 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act  
22 constitute a new chapter in Title 82 RCW.

23 **Sec. 8.** RCW 43.79A.040 and 2013 c 251 s 5 and 2013 c 88 s 1 are  
24 each reenacted and amended to read as follows:

25 (1) Money in the treasurer's trust fund may be deposited,  
26 invested, and reinvested by the state treasurer in accordance with  
27 RCW 43.84.080 in the same manner and to the same extent as if the  
28 money were in the state treasury, and may be commingled with moneys  
29 in the state treasury for cash management and cash balance purposes.

30 (2) All income received from investment of the treasurer's trust  
31 fund must be set aside in an account in the treasury trust fund to be  
32 known as the investment income account.

33 (3) The investment income account may be utilized for the payment  
34 of purchased banking services on behalf of treasurer's trust funds  
35 including, but not limited to, depository, safekeeping, and  
36 disbursement functions for the state treasurer or affected state  
37 agencies. The investment income account is subject in all respects to

1 chapter 43.88 RCW, but no appropriation is required for payments to  
2 financial institutions. Payments must occur prior to distribution of  
3 earnings set forth in subsection (4) of this section.

4 (4)(a) Monthly, the state treasurer must distribute the earnings  
5 credited to the investment income account to the state general fund  
6 except under (b), (c), and (d) of this subsection.

7 (b) The following accounts and funds must receive their  
8 proportionate share of earnings based upon each account's or fund's  
9 average daily balance for the period: The Washington promise  
10 scholarship account, the Washington advanced college tuition payment  
11 program account, the accessible communities account, the community  
12 and technical college innovation account, the agricultural local  
13 fund, the American Indian scholarship endowment fund, the foster care  
14 scholarship endowment fund, the foster care endowed scholarship trust  
15 fund, the contract harvesting revolving account, the Washington state  
16 combined fund drive account, the commemorative works account, the  
17 county enhanced 911 excise tax account, the toll collection account,  
18 the developmental disabilities endowment trust fund, the energy  
19 account, the fair fund, the family leave insurance account, the food  
20 animal veterinarian conditional scholarship account, the fruit and  
21 vegetable inspection account, the future teachers conditional  
22 scholarship account, the game farm alternative account, the GET ready  
23 for math and science scholarship account, the Washington global  
24 health technologies and product development account, the grain  
25 inspection revolving fund, the industrial insurance rainy day fund,  
26 the juvenile accountability incentive account, the law enforcement  
27 officers' and firefighters' plan 2 expense fund, the local tourism  
28 promotion account, the multiagency permitting team account, the  
29 pilotage account, the produce railcar pool account, the regional  
30 transportation investment district account, the rural rehabilitation  
31 account, the stadium and exhibition center account, the youth  
32 athletic facility account, the self-insurance revolving fund, the  
33 children's trust fund, the Washington horse racing commission  
34 Washington bred owners' bonus fund and breeder awards account, the  
35 Washington horse racing commission class C purse fund account, the  
36 individual development account program account, the Washington horse  
37 racing commission operating account, the life sciences discovery  
38 fund, the Washington state heritage center account, the Washington  
39 affordable housing account, the reduced cigarette ignition propensity  
40 account, the center for childhood deafness and hearing loss account,

1 the school for the blind account, the Millerssylvania park trust fund,  
2 the public employees' and retirees' insurance reserve fund, and the  
3 radiation perpetual maintenance fund.

4 (c) The following accounts and funds must receive eighty percent  
5 of their proportionate share of earnings based upon each account's or  
6 fund's average daily balance for the period: The advanced right-of-  
7 way revolving fund, the advanced environmental mitigation revolving  
8 account, the federal narcotics asset forfeitures account, the high  
9 occupancy vehicle account, the local rail service assistance account,  
10 and the miscellaneous transportation programs account.

11 (d) Any state agency that has independent authority over accounts  
12 or funds not statutorily required to be held in the custody of the  
13 state treasurer that deposits funds into a fund or account in the  
14 custody of the state treasurer pursuant to an agreement with the  
15 office of the state treasurer shall receive its proportionate share  
16 of earnings based upon each account's or fund's average daily balance  
17 for the period.

18 (5) In conformance with Article II, section 37 of the state  
19 Constitution, no trust accounts or funds shall be allocated earnings  
20 without the specific affirmative directive of this section.

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