

SHB 2437 - H AMD 1159

By Representative Robinson

ADOPTED 02/27/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14
4 RCW to read as follows:

5 (1)(a) A county legislative authority may authorize, fix, and
6 impose a sales and use tax in accordance with the terms of this
7 chapter. The rate of the tax under this section may not exceed 0.03
8 percent of the selling price in the case of a sales tax, or value of
9 the article used, in the case of a use tax.

10 (b)(i) If a county with a population of one million five hundred
11 thousand or less has not imposed the full tax rate authorized under
12 (a) of this subsection by July 1, 2020, any city legislative
13 authority in that county may authorize, fix, and impose the sales and
14 use tax in accordance with the terms of this chapter. The rate of tax
15 under this section may not exceed 0.03 percent of the selling price
16 in the case of a sales tax, or value of the article used, in the case
17 of a use tax.

18 (ii) If a county with a population of greater than one million
19 five hundred thousand has not imposed the full tax rate authorized
20 under (a) of this subsection by July 1, 2021, any city legislative
21 authority in that county may authorize, fix, and impose the sales and
22 use tax in accordance with the terms of this chapter. The rate of tax
23 under this section may not exceed 0.03 percent of the selling price
24 in the case of a sales tax, or value of the article used, in the case
25 of a use tax.

26 (c) The effective date of a tax imposed under this section must
27 be the first day of a state fiscal year.

28 (d) If a county imposes a tax authorized under (a) of this
29 subsection after a city located in that county has imposed the tax
30 authorized under (b) of this subsection, the county must provide a
31 credit against its tax for the full amount of tax imposed by the
32 city.

1 (e) If a county or city has not imposed the tax under this
2 subsection by July 1, 2023, the county or city may not authorize,
3 fix, and impose the tax.

4 (2) The tax imposed under subsection (1) of this section must be
5 deducted from the amount of tax otherwise required to be collected or
6 paid to the department of revenue under chapter 82.08 or 82.12 RCW.
7 The department must perform the collection of such taxes on behalf of
8 the county or city at no cost to the county or city.

9 (3) A county or city imposing a tax under subsection (1) of this
10 section must provide annual matching funds for the purposes in
11 subsection (6) of this section. The matching funds must not be
12 derived from the state-subsidized portion of any state loan or grant,
13 any local tax that is credited against state retail sales and use
14 taxes, or any other state funds. The amount of the matching funds is
15 determined by the rate imposed as follows:

16 (a) If the rate imposed is 0.0125 percent or less, the matching
17 funds must equal at least ten percent of the annual maximum amount of
18 tax distributions as calculated in subsection (4) of this section;

19 (b) If the rate imposed is greater than 0.0125 percent but no
20 more than 0.025 percent, the matching funds must equal at least
21 fifteen percent of the annual maximum amount of tax distributions as
22 calculated in subsection (4) of this section; and

23 (c) If the rate imposed is greater than 0.025 percent, the
24 matching funds must equal at least thirty-five percent of the annual
25 maximum amount of tax distributions as calculated in subsection (4)
26 of this section.

27 (4) By December 31, 2018, or within thirty days of a county or
28 city authorizing the tax under subsection (1) of this section,
29 whichever is later, the department must calculate the maximum amount
30 of tax distributions for each county and city authorizing the tax
31 under subsection (1) of this section as follows:

32 (a) The maximum amount for a county equals the taxable retail
33 sales within the county in state fiscal year 2018 multiplied by the
34 tax rate imposed under subsection (1) of this section. If a county
35 imposes a tax authorized under subsection (1) of this section after a
36 city located in that county has imposed the tax, the taxable retail
37 sales within the city in state fiscal year 2018 must be subtracted
38 from the taxable retail sales within the county for the calculation
39 of the maximum amount.

1 (b) The maximum amount for a city equals the taxable retail sales
2 within the city in state fiscal year 2018 multiplied by the tax rate
3 imposed under subsection (1) of this section.

4 (5) The tax must cease to be distributed to a county or city for
5 the remainder of any fiscal year in which the amount of tax exceeds
6 the maximum amount in subsection (4) of this section. The department
7 must remit any annual tax revenues above the maximum to the state
8 treasurer for deposit in the general fund. Distributions to a county
9 or city meeting the maximum amount must resume at the beginning of
10 the next fiscal year.

11 (6) The moneys collected or bonds issued under this section may
12 only be used for the following purposes:

13 (a) Acquiring, rehabilitating, or constructing affordable
14 housing, which may include new units of affordable housing within an
15 existing structure or facilities providing supportive housing
16 services;

17 (b) Funding the operations and maintenance costs of new units of
18 affordable or supportive housing; or

19 (c) Providing rental assistance to tenants.

20 (7) The housing and services provided pursuant to subsection (6)
21 of this section may only be provided to persons whose income is at or
22 below sixty percent of the median income of the county imposing the
23 tax.

24 (8) In determining the use of funds under subsection (6) of this
25 section, a county or city must consider the income of the individuals
26 and families to be served, the leveraging of the resources made
27 available under this section, and the housing needs within the
28 jurisdiction of the taxing authority.

29 (9) To carry out the purposes of this section including, but not
30 limited to, financing loans or grants to nonprofit organizations or
31 public housing authorities, the legislative authority of the county
32 or city imposing the tax has the authority to issue general
33 obligation or revenue bonds within the limitations now or hereafter
34 prescribed by the laws of this state, and may use, and is authorized
35 to pledge, the moneys collected under this section for repayment of
36 such bonds.

37 (10) A county with a population of greater than one million five
38 hundred thousand imposing a tax under this section must distribute
39 funds in an equitable manner throughout the county in furtherance of
40 a regional implementation plan. The county legislative authority must

1 refer the plan to a regional committee for review and recommendation
2 pursuant to, and consistent with, county charter regional committee
3 provisions. The county must produce an annual report on the
4 geographic distribution of funds across the county, including the
5 location of affordable or supportive housing by jurisdiction, and
6 identify barriers, if any, to distributing funds in certain
7 communities.

8 (11) A county or city may enter into an interlocal agreement with
9 one or more counties, cities, or public housing authorities in
10 accordance with chapter 39.34 RCW. The agreement may include, but is
11 not limited to, pooling the tax receipts received under this section,
12 pledging those taxes to bonds issued by one or more parties to the
13 agreement, and allocating the proceeds of the taxes levied or the
14 bonds issued in accordance with such interlocal agreement and this
15 section.

16 (12) Counties and cities imposing the tax under this section must
17 report annually to the housing finance commission on the collection
18 and use of the revenue. The commission must adopt rules prescribing
19 content of such reports. By December 1, 2019, and annually
20 thereafter, and in compliance with RCW 43.01.036, the housing finance
21 commission must submit a report annually to the appropriate
22 legislative committees with regard to such uses.

23 (13) The tax imposed by a county or city under this section
24 expires twenty years after the date on which the tax is first
25 imposed."

26 Correct the title.

EFFECT: Removes the statutory reference to behavioral health organizations under RCW 71.24.385. Requires a county with a population of greater than one million five hundred thousand to distribute taxes collected under this act equitably throughout the county and produce an annual report on the geographic distribution of funds.

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