
**Housing, Community Development &
Veterans Committee**

HB 1590

Brief Description: Allowing the local sales and use tax for affordable housing to be imposed by a councilmanic authority.

Sponsors: Representatives Doglio, Dolan, Macri, Cody, Gregerson, Wylie, Appleton, Robinson, Ormsby, Frame and Davis.

Brief Summary of Bill

- Authorizes county or city legislative authorities to impose the local sales and use tax for housing and related services and eliminates the requirement that the imposition of the tax be subject to the approval of a majority of county or city voters at a general or special election.

Hearing Date: 2/5/19

Staff: Cassie Jones (786-7303).

Background:

Sales and Use Tax.

Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

Local Sales and Use Tax for Housing and Related Services.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

County legislative authorities may implement a 0.1 percent sales and use tax, if approved by a majority of voters, in order to fund housing and related services. A city legislative authority may implement the whole or remainder of the tax if the county has not opted to implement the full tax within two years of October 9, 2015, in a county with a population of less than 1.5 million, or three years of October 9, 2015, in a county with a population of over 1.5 million. City voters must approve the sales and use tax by a majority of persons voting.

A minimum of 60 percent of revenues collected must be used for constructing affordable housing, affordable housing units, facilities providing housing-related services, or mental and behavior health-related services, or to fund the operations and maintenance costs of newly constructed affordable housing, facilities providing housing-related services, or evaluation and treatment centers. The affordable housing and facilities providing housing-related programs must serve any of the following individuals with income below 60 percent of area median income: individuals with mental illness, veterans, senior citizens, homeless families with children, unaccompanied homeless youth, persons with disabilities, or domestic violence victims. The remainder of the moneys collected must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

Summary of Bill:

A county or city legislative authority may impose the local sales and use tax for housing and related services. The requirement that county or city voters approve the tax by a majority of persons voting is eliminated.

Appropriation: None.

Fiscal Note: Requested on January 30, 2019.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.