

HOUSE BILL REPORT

HB 2110

As Reported by House Committee On: Finance

Title: An act relating to modifying the definition of affordable workforce housing for the purposes of permitted lodging tax revenue expenditures.

Brief Description: Modifying the definition of affordable workforce housing for the purposes of permitted lodging tax revenue expenditures.

Sponsors: Representatives Ryu and Santos.

Brief History:

Committee Activity:

Finance: 2/26/19, 2/27/19 [DP].

Brief Summary of Bill

- Modifies the definition of "affordable workforce housing" for the purposes of allowed lodging tax expenditures

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives Tarleton, Chair; Walen, Vice Chair; Chapman, Frame, Macri, Morris, Orwall, Springer and Wylie.

Minority Report: Do not pass. Signed by 4 members: Representatives Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Stokesbary and Vick.

Staff: Richelle Geiger (786-7139).

Background:

Lodging Tax.

Cities and counties are permitted to adopt a local sales tax on charges for lodging at hotels, motels, rooming houses, private campgrounds, recreational vehicle parks, and similar facilities for a continuous period of less than one month. The lodging tax is also known as the hotel-motel tax.

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.

The lodging tax is a credit against the state retail sales tax rate of 6.5 percent. The maximum tax rate is 2 percent. All 281 cities and 39 counties that levy the lodging tax have adopted the maximum rate.

Cities and counties may use local lodging tax revenue for expenditures provided in statute including, but not limited to: tourism promotion, the acquisition and operation of tourism-related facilities, and revenue bonds for affordable workforce housing within a half-mile of a transit station. "Affordable workforce housing" is defined as housing for a single person, family, or unrelated persons living together whose income is between 30 percent and 80 percent of the median income, adjusted for household size, for the county where the housing is located.

Summary of Bill:

The definition for "affordable workforce housing" is modified to mean housing for a single person, family, or unrelated persons living together whose income is at or below 80 percent of the median income, adjusted for household size, for the county where the housing is located.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) When this policy was first enacted, it made sense to put a lower bound on the median income of qualifying affordable workforce housing. Now, some workers do not earn 30 percent of the county median income. This bill will make it easier to provide affordable workforce housing to those who need it most.

Elected officials, experts, and stakeholders unanimously agree that the single greatest priority facing our communities is constructing and preserving affordable housing. This bill will help achieve that goal.

(Opposed) None.

Persons Testifying: Representative Ryu, prime sponsor; and Celia Jackson, King County.

Persons Signed In To Testify But Not Testifying: None.