

SENATE BILL REPORT

HB 2110

As of March 25, 2019

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: Passed House: 3/05/19, 59-39.

Committee Activity: Housing Stability & Affordability: 3/20/19.

Brief Summary of Bill

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

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Staff: Jeff Olsen (786-7428)

Background: 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. 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 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.

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.

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.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Currently there is a challenge with the supply of workforce housing. Local governments need more options to address the shortage of workforce housing. By removing the floor, this bill allows resources to be used for those with the greatest need.

Persons Testifying: PRO: Representative Cindy Ryu, Prime Sponsor; Celia Jackson, King County.

Persons Signed In To Testify But Not Testifying: No one.