

SENATE BILL REPORT

HB 2110

As Reported by Senate Committee On:
Housing Stability & Affordability, February 28, 2020

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; 2/17/20, 58-40.

Committee Activity: Housing Stability & Affordability: 3/20/19, 3/25/19 [DP, DNP]; 2/26/20, 2/28/20 [DPA, DNP].

Brief Summary of Amended Bill

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

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: Do pass as amended.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Darneille and Saldaña.

Minority Report: Do not pass.

Signed by Senators Zeiger, Ranking Member; Fortunato, Assistant Ranking Member; Warnick.

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.

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.

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.

Summary of Amended 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. Facilities for homeless youth, in addition to services, is added as an allowable use of the lodging tax revenues.

EFFECT OF HOUSING STABILITY & AFFORDABILITY COMMITTEE AMENDMENT(S): Adds facilities for homeless youth as an allowable use of lodging tax revenues.

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 (Regular Session 2019): 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.

Staff Summary of Public Testimony on House Bill (Regular Session 2020): *The committee recommended a different version of the bill than what was heard.* PRO: This bill drops the current 30 percent median income floor down to zero, allowing funds to support low-income working families. Many working families are not making 30 percent of area median income, especially in the Seattle area. This change allows the flexibility to help 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.