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**SUBSTITUTE HOUSE BILL 1938**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Housing, Community Development & Veterans (originally sponsored by Representatives Steele, Barkis, and Chapman)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to creating a local infrastructure investment  
2 program to support the development of affordable housing, workforce  
3 housing, and revitalization efforts; and adding a new chapter to  
4 Title 39 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The definitions in this section apply  
7 throughout this chapter unless the context clearly requires  
8 otherwise.

9 (1) "Affordable housing" and "workforce housing" mean residential  
10 housing units that are rented or owned by a person or household whose  
11 income is at or below eighty percent of the median income for the  
12 county in which the housing is located.

13 (2) "Department" means the department of revenue.

14 (3) "Eligible project" means an affordable housing project, a  
15 workforce housing project, or revitalization effort within a  
16 revitalization district. The eligible project may be housing, mixed-  
17 use, industrial, commercial, or a combination of multiple development  
18 types.

19 (4) "Local infrastructure" has the same meaning as provided for  
20 "public improvements" in RCW 39.104.020.

1 (5) "Participating local jurisdiction" means a city or county  
2 that establishes a local infrastructure investment program.

3 (6) "Revitalization effort" means a project that promotes the  
4 continued economic growth of a participating local jurisdiction, as  
5 defined through the ordinance process provided in section 3 of this  
6 act.

7 NEW SECTION. **Sec. 2.** (1) A participating local jurisdiction  
8 that builds approved local infrastructure to support the development  
9 of affordable housing or workforce housing or to support  
10 revitalization efforts within a revitalization district may receive a  
11 remittance that is the equivalent of a 4.37 percent sales or use tax  
12 on the construction of such housing developed under this program.

13 (2) The remittance may be claimed once per project. The  
14 remittance received by the participating local jurisdiction under  
15 this section must be credited against the sales tax due to the state  
16 under chapter 82.08 RCW on the same sales.

17 NEW SECTION. **Sec. 3.** (1) To commence a local infrastructure  
18 investment program, a participating local jurisdiction must adopt an  
19 ordinance establishing the local definition of revitalization effort  
20 and the geographic boundaries of the revitalization district.

21 (2) The participating local jurisdiction must hold a public  
22 hearing on the proposed local infrastructure investment program  
23 before passage of the ordinance establishing the program. The public  
24 hearing must be attended by at least a majority of the whole  
25 governing body. The public hearing is subject to the notice  
26 requirements in section 4 of this act.

27 NEW SECTION. **Sec. 4.** (1) Prior to adopting the ordinance  
28 creating the local infrastructure investment program, the  
29 participating local jurisdiction must provide public notice.

30 (2) Notice of the public hearing must be published in a legal  
31 newspaper of general circulation within the participating local  
32 jurisdiction at least ten days before the public hearing and posted  
33 in at least six conspicuous public places located in the  
34 participating local jurisdiction.

35 (3) Notice must also be sent by United States mail to the  
36 property owners within the participating local jurisdiction at least  
37 thirty days prior to the hearing.

1        NEW SECTION.    **Sec. 5.**    (1) The city or county must notify the  
2 department that a local infrastructure investment program has been  
3 established, in a form prescribed by the department.

4        (2) To collect the sales tax remittance, the participating local  
5 jurisdiction must notify the department using a web-based platform of  
6 the following information about the investment:

7        (a) The amount of money spent on the eligible infrastructure  
8 investment; and

9        (b) A brief description of the type of infrastructure investment  
10 and the eligible project it will support.

11       NEW SECTION.    **Sec. 6.**    Sections 1 through 5 of this act  
12 constitute a new chapter in Title 39 RCW.

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