
SECOND SUBSTITUTE HOUSE BILL 1938

State of Washington

66th Legislature

2019 Regular Session

By House Finance (originally sponsored by Representatives Steele, Barkis, and Chapman)

READ FIRST TIME 03/09/19.

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 eligible project. The
14 remittance received by the participating local jurisdiction under
15 this section must be credited against the sales and use tax due to
16 the state under chapters 82.08 and 82.12 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 and use tax remittance, the
5 participating local jurisdiction must apply to the department in a
6 form and manner prescribed by the department and provide the
7 following information about the eligible project:

8 (a) The total amount of construction costs for the eligible
9 project;

10 (b) The total amount of sales and use tax paid on the eligible
11 project; and

12 (c) Any other information required by the department to determine
13 the amount of remittance due to the local jurisdiction.

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

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