

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON, DECLARING ITS INTENT TO ADOPT LEGISLATION TO AUTHORIZE THE MAXIMUM CAPACITY OF THE SALES AND USE TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING AS PROVIDED BY SUBSTITUTE HOUSE BILL (SHB) 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO.

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved; and the Governor signed Substitute House Bill (SHB) 1406 (Chapter 338, Laws of 2019), hereafter referred to as "SHB 1406"; and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing, and for providing rental assistance to tenants; and

WHEREAS, the tax will be credited against state sales taxes already collected within the City of Olympia and thus will not result in higher sales and use taxes within the City of Olympia, and will provide an additional source of funding to address affordable housing needs in the City of Olympia; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent (60%) of the median income of the city imposing the tax; and

WHEREAS, the City of Olympia has a greater need for affordable housing units, and has determined that imposing the sales and use tax permitted by SHB 1406 to address this need will benefit Olympia's citizens; and

WHEREAS, the City of Olympia is a "Participating city" as defined in SHB 1406 that currently levies a "Qualifying local tax" as provided in RCW 82.14.530, and as such may impose the maximum rate of 0.0146 percent as provided in SHB 1406; and

WHEREAS, in order for a city or county to impose the tax, its legislative authority must adopt a resolution of intent to adopt legislation to authorize the maximum capacity of the tax permitted by SHB 1406 within six months of the date SHB 1406 took effect on July 28, 2019, and legislation to authorize the maximum capacity of the tax permitted in SHB 1406 within one year of the date of SHB 1406's effective date; and

WHEREAS, the adoption of the resolution of intent and legislation to impose the maximum capacity of the tax requires a simple majority approval of the enacting legislative authority; and

WHEREAS, the Olympia City Council originally stated its intent by resolution to impose the tax permitted by SHB 1406, and to adopt legislation to authorize the maximum capacity of the tax permitted by SHB 1406 on August 5, 2019; and

WHEREAS, the Olympia City Council enacted Ordinance No. 7200 to impose the maximum sales and use tax permitted by SHB 1406 on August 20, 2019, which ordinance was published on August 23, 2019, becoming effective five (5) days after publication; and

WHEREAS, the City of Olympia was advised by Thurston County that if the County were permitted to pass its ordinance first under SHB 1406, Thurston County could maximize the amount the County could receive from the State's share of the retail and use tax credit authorized under SHB 1406, but that such action would require the Olympia City Council to repeal Ordinance No. 7200; and

WHEREAS, in an effort to be a good regional partner to assist Thurston County in maximizing the amount that it could receive under SHB 1406 by adopting its ordinance before that of the City of Olympia, the Olympia City Council repealed Ordinance No. 7200 by enacting Ordinance No. 7204, which was passed on October 8, 2019, and published on October 10, 2019, becoming effective five (5) days after publication; and

WHEREAS, Olympia City Council wishes to restate its intent in this resolution on behalf of the City of Olympia to re-impose the tax permitted by SHB 1406, and to adopt legislation to authorize the maximum capacity of the tax permitted by SHB 1406;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL DOES HEREBY RESOLVE and declares its intent on behalf of the City of Olympia to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 as a "Participating city" currently levying a "Qualifying local tax" as provided in SHB 1406 and RCW 82.14.530.

PASSED BY THE OLYMPIA CITY COUNCIL this _____ day of October, 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY