

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, IMPOSING THE MAXIMUM LOCAL SALES AND USE TAX PURSUANT TO SUBSTITUTE HOUSE BILL 1406 (SHB 1406) (CHAPTER 338, LAWS OF 2019) TO BE USED TO CONSTRUCT AFFORDABLE HOUSING, SUPPORTIVE HOUSING SERVICES, AND PROVIDING RENTAL ASSISTANCE TO TENANTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO AND PROPERLY PERMITTED BY STATE LAW.**

**THE CITY COUNCIL OF THE CITY OF OLYMPIA, WASHINGTON DOES ORDAIN** as follows:

**Section 1. Findings.** The City Council (the "Council") of the City of Olympia, Washington (the "City"), makes the following findings and determinations:

1.1 SHB 1406 (Chapter 338, Laws of 2019) authorizes counties and cities to impose a sales and use tax of 0.0146, provided that the city is a "Participating city" that has imposed a voter approved "Qualifying local tax" as provided in RCW 82.14.530 at a minimum or at least half of the authorized rate, which City's proceeds shall be used to construct affordable and supportive housing and for housing-related purposes, including mental and behavioral health-related facilities, and for costs for operations, maintenance, delivery, and evaluation of mental health programs and services, or housing-related services, all as permitted by state law in RCW 82.14.530.

1.2 On October 24, 2017, the Council adopted Resolution No. M-1912 (the "Ballot Resolution") authorizing submission to the qualified voters of the City a proposition authorizing an additional sales and use tax of not more than one-tenth of one percent for the Olympia Home Fund for supportive housing and housing-related purposes, including mental and behavioral health-related facilities ("Proposition No. 1") as provided in RCW 82.14.530.

1.3 Proposition No. 1 was approved by the requisite number of City voters at the election held on February 13, 2018, and its passage was certified by the County Auditor on February 23, 2018, imposing a "Qualifying local tax" for purposes of SHB 1406 (Chapter 338, Laws of 2019) to provide funds to construct affordable and supportive housing and housing related services and for operations and maintenance.

1.4 The Council previously found that the City of Olympia had satisfied all prerequisites to impose the sales and use tax permitted by SHB 1406 (Chapter 338, Laws of 2019, effective July 28, 2019), including adopting Council Resolution No. M-2047 on August 5, 2019, declaring Council's intent to impose the sales and use tax permitted by SHB 1406 (Chapter 338, Laws of 2019) at the maximum rate of 0.0146 percent, as the City is a "Participating city" with an existing "Qualifying local tax" pursuant to SHB 1406.

1.5 Subsequently, on October 29, 2019, after finding that the City of Olympia has satisfied all prerequisites to impose the sales and use tax permitted by SHB 1406 (Chapter 338, Laws of 2019, effective July 28, 2019), the Council adopted Council Resolution No. M-2059, declaring again the Council's intent to impose the sales and use tax permitted by SHB 1406 (Chapter 338, Laws of 2019, effective July 28, 2019) at the maximum rate of 0.0146 percent, as the City is a "Participating city" with an existing "Qualifying local tax" pursuant to SHB 1406.

**Section 2. Sales and Use Tax Imposed.**

2.1 **Tax Imposed; Effective Date.** The sales and use tax shall be imposed at a rate of 0.0146 of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use

tax. The tax shall become effective on the earliest practicable date consistent with SHB 1406 (Chapter 338, Laws of 2019).

2.2 Use of Sales and Use Tax Receipts Pursuant to SHB 1406. City proceeds shall be used for acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services, and providing supportive housing, or funding the operations and maintenance costs of new units of affordable or supportive housing, or for providing rental assistance to tenants as required by SHB 1406.

2.3 Income Limitations. The housing and services provided pursuant to SHB 1406(6) may only be provided to persons whose income is at or below sixty percent (60%) of the median income of Thurston County, as the City of Olympia is located within said county and is imposing the tax.

2.4 Expiration of Tax. The tax imposed by the City under SHB 1406 (Chapter 338, Laws of 2019) shall expire twenty (20) years after the date on which the tax is first imposed.

**Section 3. Administration.** The City Clerk is directed to cause a certified copy of this Ordinance to be delivered to the State of Washington Department of Revenue, the State of Washington Department of Commerce, and any other public officers or agencies required by law. The City's Administrative Services Director and other appropriate officers are authorized and directed to enter into such contracts with and provide such notices to the State Department of Revenue or Department of Commerce, and other appropriate state or local agencies, for the collection and distribution of receipts of the tax imposed by this Ordinance as may be necessary or convenient consistent with SHB 1406 (Chapter 338, Laws of 2019), Chapter 82.14 RCW and other applicable law.

**Section 4. Ratification.** All actions taken in furtherance of and not inconsistent with this Ordinance are ratified and confirmed in all respects.

**Section 5. Severability.** If any provision of this Ordinance is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be severable from the remaining provisions of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance.

**Section 6. Publication and Effective Date.** Notification of passage of this Ordinance shall be published as provided by law, and shall take effect and be in full force five (5) days after publication.

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MAYOR

**ATTEST:**

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CITY CLERK

**APPROVED AS TO FORM:**



CITY ATTORNEY

**PASSED:**

**APPROVED:**

**PUBLISHED:**