



Finance Committee

Briefing on Legislative House Bill 1406 - a Change in Sales Tax Related to Investments in Affordable and Supportive Housing

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Title

Briefing on Legislative House Bill 1406 - a Change in Sales Tax Related to Investments in Affordable and Supportive Housing

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on Legislative House Bill 1406.

Report

Issue:

Whether to receive a briefing on Legislative House Bill 1406.

Staff Contact:

Nanci Lien, Fiscal Services Director, 360.753.8465

Presenter(s):

Nanci Lien, Fiscal Services Director

Background and Analysis:

As part of the 2019 legislative session, the Washington State Legislature passed House Bill 1406. When signed into law, the bill will allow counties and cities authorization to implement a local sales tax to help fund affordable or supportive housing. This is not a new tax, but basically a "transfer" of a portion of the State's sales tax to counties and cities who enact the new law. The change will result in no overall increase in sales tax and no impact to the consumer. Housing and services funded by the new tax are limited to persons whose income is at or below the City median income. Based on 2017 sales tax proceeds, the Association of Washington Cities projects the City of Olympia's annual tax will be approximately \$330,152.

Staff will brief Finance Committee on the legislative bill, City requirements, limitations on uses, and provide revenue projections and timelines for distribution.

Neighborhood/Community Interests (if known):

N/A

Options:

Information only.

Financial Impact:

If enacted, the tax will provide additional resources for use in funding affordable or supportive housing.

Attachments:

None