



Project title: *Adopt a Resolution in support of HB 1406*

City Council Agenda Item Cover Sheet

Council Bill #

Consideration: *Adopt a Resolution in support of HB 1406*

Project: *n/a*

Agenda dates requested:

Partner/Supplier : *n/a*

10/30/2019

Location: *n/a*

Briefing

Preceding action: *General Government Subcommittee Recommendation*

X Proposed action

Fund: *n/a*

Consent

Action

Ordinance

Public hearing

Fiscal summary statement:

..... Yes X No

n/a

Budget amendment:

..... Yes X No

Project summary statement:

PowerPoint presentation:

..... Yes X No

Attachments:

Resolution

The Washington State Legislature passed Substitute House Bill 1406 and the Governor signed in to law to encourage investment in affordable or supportive Housing. The Bill authorizes the governing body of a county or city to collect a portion of local sales tax, that is credited against the 6.5% state sales tax that is already collected in that jurisdiction. This is not a new or additional tax, it is a reallocation (or credit) of a portion of the sales tax that is already collected. This Bill would allow the City of Everett to collect 0.0073 % of the sales tax. In order to collect such tax, Council must pass a resolution prior to January 27, 2020.

Department(s) involved:

Admin and Legal

Contact person:

Julie Frauenholtz

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Recommendation (exact action requested of Council):

Adopt a resolution of the City of Everett of intent to adopt legislation to authorize the maximum capacity of the tax authorized in Chapter 82.14 RCW.

Initialed by:

.....
Department head

.....
Administration

.....
Council President



RESOLUTION NO. _____

A RESOLUTION of the City of Everett of intent to adopt legislation to authorize the maximum capacity of the tax authorized in Chapter 82.14 RCW

WHEREAS,

- A. The Washington State Legislature passed Substitute House Bill (SHB) 1406 and the Governor signed, thus enacting into public law, Chapter 338 Laws of 2019.
- B. A new Section is added to Chapter 82.14 Revised Code of Washington (RCW), local Retail Sales and Use Taxes to encourage investments in affordable and supportive housing.
- C. 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.
- D. The imposed sale tax is a credit against the state sales tax collected or paid to the Washington State Department of Revenue from within in the jurisdiction and will not result in higher sales and use taxes within the County and will represent an additional source of funding to address housing needs in Snohomish County.
- E. The City of Everett recognizes the need for affordable housing.
- F. In order for a city or county to impose the tax, within six months of the effective date of SHB 1406, or January 27, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or July 27, 2020, must adopt legislation to authorize the maximum capacity of the tax.
- G. This resolution constitutes the resolution of intent required by SHB 1406.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City of Everett hereby declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax authorized by SHB 1406 within twelve months of the effective date of SHB 1406 or by July 27, 2020.

Councilmember introducing resolution

Passed and approved this _____ day of _____, 2019.

Council President