AN ACT Relating to allowing the local sales and use tax for affordable housing to be imposed by a councilmanic authority; and amending RCW 82.14.530.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 82.14.530 and 2015 3rd sp.s. c 24 s 701 are each amended to read as follows:

(1)(a)(i) A county legislative authority may submit an authorizing proposition to the county voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose a sales and use tax in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. The rate of tax under this section may not exceed one-tenth 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.

(ii) As an alternative to the authority provided in (a)(i) of this subsection, a county legislative authority may impose, without a proposition approved by a majority of persons voting, a sales and use tax in accordance with the terms of this chapter. The rate of tax under this section may not exceed one-tenth 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.

(b)(i) If a county (with a population of one million five
hundred thousand or less has not imposed) does not impose the full
tax rate authorized under (a) of this subsection (within two years
of October 9, 2015) by September 30, 2020, any city legislative
authority located in that county may (submit):

(A) Submit an authorizing proposition to the city voters at a
special or general election and, if the proposition is approved by a
majority of persons voting, impose the whole or remainder of the
sales and use tax rate in accordance with the terms of this chapter.
The title of each ballot measure must clearly state the purposes for
which the proposed sales and use tax will be used;

(B) Impose, without a proposition approved by a majority of
persons voting, the whole or remainder of the sales and use tax rate
in accordance with the terms of this chapter.

(ii) The rate of tax under this section may not exceed one-tenth
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.

((ii) If a) (iii) A county with a population of greater than
one million five hundred thousand (has not imposed the full) may
impose the tax authorized under (a)(ii) of this subsection (within
three years of October 9, 2015, any city legislative authority) only
if the county plans to spend at least thirty percent of the moneys
collected under this section that are attributable to taxable
activities or events within any city with a population greater than
sixty thousand located in that county (may submit an authorizing
proposition to the city voters at a special or general election and,
if the proposition is approved by a majority of persons voting,
impose the whole or remainder of the sales and use tax rate in
accordance with the terms of this chapter. The title of each ballot
measure must clearly state the purposes for which the proposed sales
and use tax will be used. The rate of tax under this section may not
exceed one-tenth 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))
within that city's boundaries.

(c) If a county imposes a tax authorized under (a) of this
subsection after a city located in that county has imposed the tax
authorized under (b) of this subsection, the county must provide a
credit against its tax for the full amount of tax imposed by a city.
(d) The taxes authorized in this subsection are in addition to any other taxes authorized by law and must be collected from persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county for a county's tax and within a city for a city's tax.

(2)(a) Notwithstanding subsection (4) of this section, a minimum of sixty percent of the moneys collected under this section must be used for the following purposes:

(i) Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services; or

(ii) Constructing mental and behavioral health-related facilities; or

(iii) Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.

(b) The affordable housing and facilities providing housing-related programs in (a)(i) of this subsection may only be provided to persons within any of the following population groups whose income is at or below sixty percent of the median income of the county imposing the tax:

(i) Persons with behavioral health disabilities;

(ii) Veterans;

(iii) Senior citizens;

(iv) Homeless, or at-risk of being homeless, families with children;

(v) Unaccompanied homeless youth or young adults;

(vi) Persons with disabilities; or

(vii) Domestic violence survivors.

(c) The remainder of the moneys collected under this section must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

(3) A county that imposes the tax under this section must consult with a city before the county may construct any of the facilities authorized under subsection (2)(a) of this section within the city limits.

(4) A county that has not imposed the tax authorized under RCW 82.14.460 prior to October 9, 2015, but imposes the tax authorized
under this section after a city in that county has imposed the tax authorized under RCW 82.14.460 prior to October 9, 2015, must enter into an interlocal agreement with that city to determine how the services and provisions described in subsection (2) of this section will be allocated and funded in the city.

(5) To carry out the purposes of subsection (2)(a) and (b) of this section, the legislative authority of the county or city imposing the tax has the authority to issue general obligation or revenue bonds within the limitations now or hereafter prescribed by the laws of this state, and may use, and is authorized to pledge, up to fifty percent of the moneys collected under this section for repayment of such bonds, in order to finance the provision or construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers described in subsection (2)(a)(iii) of this section.

(6)(a) Moneys collected under this section may be used to offset reductions in state or federal funds for the purposes described in subsection (2) of this section.

(b) No more than ten percent of the moneys collected under this section may be used to supplant existing local funds.