
SENATE JOINT MEMORIAL 8019

State of Washington

55th Legislature

1998 Regular Session

By Senators Winsley and Prentice

Read first time 01/19/98. Referred to Committee on Financial Institutions, Insurance & Housing.

1 TO THE HONORABLE WILLIAM J. CLINTON, PRESIDENT OF THE UNITED
2 STATES, AND TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
3 OF REPRESENTATIVES, AND TO THE SENATE AND HOUSE OF REPRESENTATIVES OF
4 THE UNITED STATES, IN CONGRESS ASSEMBLED:

5 We, your Memorialists, the Senate and House of Representatives of
6 the State of Washington, in legislative session assembled, respectfully
7 represent and petition as follows:

8 WHEREAS, The policy of the state of Washington is to assure the
9 health, safety, and welfare of its citizens; and

10 WHEREAS, An adequate supply of tax-exempt private activity bond
11 volume cap is essential and critically important in financing
12 affordable, decent first-time home ownership opportunities and low-
13 income and moderate-income rental housing in this state and the nation,
14 as well as several other critically important purposes that contribute
15 to the well-being of the citizens of the state; and

16 WHEREAS, An adequate supply of low-income housing tax credits is
17 essential and critically important to financing affordable, decent,
18 rental housing units that contribute to the well-being of the citizens
19 of the state; and

20 WHEREAS, The United States Congress, in the Tax Reform Act of 1986,
21 established restrictions on tax-exempt private activity municipal

1 bonds, effective January 1, 1988, that imposed a limit, based on each
2 state's population, not to exceed the greater of fifty dollars per
3 capita per calendar year, but failed to include an automatic
4 inflationary multiplier to ensure that the purchasing power of this
5 resource did not become diluted; and

6 WHEREAS, The amount of tax-exempt private activity bonding for this
7 state is inadequate to meet the tax-exempt private activity financing
8 demands of the state of Washington, and its agencies and political
9 subdivisions; and

10 WHEREAS, The United States Congress, in the Tax Reform Act of 1986,
11 established restrictions on the Low-Income Housing Tax Credit that
12 imposed a limit based on each state's population to be equal to one
13 dollar and twenty-five cents per capita per calendar year, but failed
14 to include an automatic inflationary multiplier to ensure that the
15 purchasing power of this resource did not become diluted; and

16 WHEREAS, Since 1987 the effects of annual inflation have diluted
17 the purchasing power of Washington's tax-exempt private activity
18 bonding cap and the low-income housing tax credits by forty-six
19 percent; and

20 WHEREAS, Such loss has been devastating to the ability of this
21 state and the nation to provide adequate, affordable housing
22 opportunities to its lower-income constituents by reducing nearly in
23 half the number of single-family housing units and multifamily rental
24 housing units available and affordable to the ever-increasing number of
25 lower-income, first-time home buyers and renters in Washington, thus
26 causing many of these families to remain in substandard or expensive
27 housing, among other negative impacts; and

28 WHEREAS, If the state and its agencies and political subdivisions
29 continue to be unable to provide adequate levels of tax-exempt private
30 activity bond financing and low-income housing tax credit financing for
31 these purposes, the health, safety, and welfare of the citizens of the
32 state of Washington will be further negatively impacted;

33 NOW, THEREFORE, Your Memorialists respectfully pray that the United
34 States Congress increase immediately the tax-exempt private activity
35 bond volume cap and the allocation of low-income housing tax credits
36 available to each state, including Washington, to levels that would
37 fully restore the tax-exempt private activity bond volume cap
38 purchasing power and the low-income housing tax credit purchasing power
39 of each state, including Washington, to levels that would offset the

1 diluted effects of inflation since 1987, and index increases for these
2 resources to inflation in future years.

3 BE IT RESOLVED, That copies of this Memorial be immediately
4 transmitted to the Honorable William J. Clinton, President of the
5 United States, the President of the United States Senate, the Speaker
6 of the House of Representatives, and each member of Congress from the
7 State of Washington.

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