
SUBSTITUTE SENATE BILL 6649

State of Washington

66th Legislature

2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Zeiger, Kuderer, Braun, and Wilson, C.)

READ FIRST TIME 02/06/20.

1 AN ACT Relating to establishing a local sales and use tax option
2 to fund emergency homeless shelters; and adding a new section to
3 chapter 82.14 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.14
6 RCW to read as follows:

7 (1)(a) A city or county legislative authority may authorize, fix,
8 and impose a sales and use tax in accordance with the terms of this
9 section.

10 (b) The rate of tax under this section equals three one-
11 hundredths of one percent of the selling price in the case of a sales
12 tax, or value of the article used, in the case of a use tax.

13 (2) A city or county must adopt a resolution of intent to adopt
14 legislation authorizing the tax under this section prior to imposing
15 the tax under this section.

16 (a) Adoption of the resolution of intent and legislation requires
17 simple majority approval of the enacting legislative authority.

18 (b) If a city or county has not adopted a resolution of intent in
19 accordance with the terms of this section, the city or county may not
20 authorize, fix, and impose the tax.

1 (3) (a) The tax imposed under this section must be credited
2 against the state portion of sales and use tax and must be deducted
3 from the amount of tax otherwise required to be collected or paid to
4 the department of revenue under chapter 82.08 or 82.12 RCW.

5 (b) The department must perform the collection of such taxes on
6 behalf of the county at no cost to the county.

7 (4) If a county imposes a tax authorized under this section and a
8 city located in that county has also imposed a tax authorized under
9 this section, the county must provide a credit against its tax for
10 the amount imposed by a city, not to exceed the full amount of tax
11 imposed by the county.

12 (5) The taxes authorized in this section are in addition to any
13 other taxes authorized by law and must be collected from persons who
14 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
15 occurrence of any taxable event within the county for a county's tax
16 and within a city for a city's tax.

17 (6) (a) By December 31, 2020, or within thirty days of a city or
18 county authorizing the tax under this section, whichever is later,
19 the department must calculate the maximum amount of tax distributions
20 for each city or county authorizing the tax under this section. The
21 maximum amount of tax distributions for each city or county equals
22 the taxable retail sales within the city or county in the current
23 fiscal year multiplied by the tax rate imposed under this section.

24 (b) The tax must cease to be distributed to a city or county for
25 the remainder of any fiscal year in which the amount of tax exceeds
26 the maximum amount in (a) of this subsection. The department must
27 remit any annual tax revenues above the maximum to the state
28 treasurer for deposit in the general fund. Distributions to a city or
29 county meeting the maximum amount must resume at the beginning of the
30 next fiscal year.

31 (7) To carry out the purposes of this section including, but not
32 limited to, financing loans or grants to nonprofit organizations or
33 public housing authorities, the legislative authority of the city or
34 county imposing the tax has the authority to issue general obligation
35 or revenue bonds within the limitations now or hereafter prescribed
36 by the laws of this state, and may use, and is authorized to pledge,
37 the moneys collected under this section for repayment of such bonds.

38 (8) A city or county may enter into an interlocal agreement with
39 one or more counties, cities, or public housing authorities in
40 accordance with chapter 39.34 RCW. The agreement may include, but is

1 not limited to, pooling the tax receipts received under this section,
2 pledging those taxes to bonds issued by one or more parties to the
3 agreement, and allocating the proceeds of the taxes levied or the
4 bonds issued in accordance with such interlocal agreement and this
5 section.

6 (9) The tax authorized under this section is subject to the
7 timing restrictions of RCW 82.14.055.

8 (10)(a) A city or county collecting a tax under this section must
9 use the revenues collected under this section exclusively for
10 operating and capital costs related to temporary and emergency
11 housing shelters for the homeless. A city or county may use revenues
12 collected under this section for contracts, loans, or grants to
13 nonprofit organizations or public housing authorities for services
14 related to temporary and emergency housing shelters for the homeless.

15 (b) The city's or county's expenditures for these purposes must
16 supplement, and not supplant, the city's previous expenditures for
17 these purposes.

18 (11) For purposes of this section, "homeless person" has the same
19 meaning as in RCW 43.185C.010.

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