

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1590**

Chapter 222, Laws of 2020

66th Legislature  
2020 Regular Session

AFFORDABLE HOUSING SALES AND USE TAX--COUNCILMANIC AUTHORITY

EFFECTIVE DATE: June 11, 2020

Passed by the House March 9, 2020  
Yeas 52 Nays 44

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 6, 2020  
Yeas 27 Nays 21

CYRUS HABIB

**President of the Senate**

Approved March 31, 2020 10:44 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1590** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 31, 2020

**Secretary of State  
State of Washington**

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HOUSE BILL 1590

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AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

**State of Washington**                      **66th Legislature**                      **2019 Regular Session**

**By** Representatives Doglio, Dolan, Macri, Cody, Gregerson, Wylie, Appleton, Robinson, Ormsby, Frame, and Davis

Read first time 01/24/19. Referred to Committee on Housing, Community Development & Veterans.

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

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

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

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

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

1 selling price in the case of a sales tax, or value of the article  
2 used, in the case of a use tax.

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

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

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

17 (ii) The rate of tax under this section may not exceed one-tenth  
18 of one percent of the selling price in the case of a sales tax, or  
19 value of the article used, in the case of a use tax.

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

37 (c) If a county imposes a tax authorized under (a) of this  
38 subsection after a city located in that county has imposed the tax  
39 authorized under (b) of this subsection, the county must provide a  
40 credit against its tax for the full amount of tax imposed by a city.

1 (d) The taxes authorized in this subsection are in addition to  
2 any other taxes authorized by law and must be collected from persons  
3 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
4 the occurrence of any taxable event within the county for a county's  
5 tax and within a city for a city's tax.

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

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

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

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

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

22 (i) Persons with (~~mental illness~~) behavioral health  
23 disabilities;

24 (ii) Veterans;

25 (iii) Senior citizens;

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

28 (v) Unaccompanied homeless youth or young adults;

29 (vi) Persons with disabilities; or

30 (vii) Domestic violence survivors.

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

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

39 (4) A county that has not imposed the tax authorized under RCW  
40 82.14.460 prior to October 9, 2015, but imposes the tax authorized

1 under this section after a city in that county has imposed the tax  
2 authorized under RCW 82.14.460 prior to October 9, 2015, must enter  
3 into an interlocal agreement with that city to determine how the  
4 services and provisions described in subsection (2) of this section  
5 will be allocated and funded in the city.

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

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

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

Passed by the House March 9, 2020.  
Passed by the Senate March 6, 2020.  
Approved by the Governor March 31, 2020.  
Filed in Office of Secretary of State March 31, 2020.

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