

SSB 5746 - S AMD 346

By Senator Fortunato

NOT ADOPTED 03/11/2019

1 On page 9, after line 12, insert the following:

2 "NEW SECTION. **Sec. 7.** A new section is added to chapter 36.70A
3 RCW to read as follows:

4 (1) A city or county required or choosing to plan under RCW
5 36.70A.040 may designate American dream zones within a designated
6 urban growth area in which to permit development of residential
7 housing for low-income households. A city or county may only permit
8 single-family residential housing within these American dream zones.

9 (2) A new American dream zone may be approved in a city or county
10 planning under RCW 36.70A.040 if the following criteria are met:

11 (a) Any permits granted within the zone are limited to the
12 development of owner occupied single-family residential detached
13 dwellings serving low-income households;

14 (b) Each dwelling developed within the zone is exempt from impact
15 fees under RCW 82.02.050;

16 (c) The city or county does not charge cumulative permitting fees
17 for each dwelling within the zone that equal more than one thousand
18 two hundred fifty dollars;

19 (d) Provisions are included to ensure that each dwelling
20 developed within the zone remains reserved for low-income households;
21 and

22 (e) In selecting potential zones, the city or county coordinates
23 with the Washington state department of ecology and the department of
24 commerce to identify possible sites for healthy housing remediation.

25 (3) "Low-income household," as used in this section, means a
26 single person, family, or unrelated persons living together whose
27 adjusted income is less than eighty percent of the median family
28 income adjusted for household size, for the city or county where the
29 project is located.

30 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.08
31 RCW to read as follows:

1 (1) A city or county may receive a distribution equal to the
2 state portion of the tax levied by RCW 82.08.020 in respect to:

3 (a) Charges for labor and services rendered in respect to the
4 constructing of dwellings in designated American dream zones, as
5 provided in section 7 of this act;

6 (b) Sales of tangible personal property that will be incorporated
7 as an ingredient or component of such dwellings during the course of
8 the constructing; or

9 (c) Charges made for labor and services rendered in respect to
10 installing, during the course of constructing such dwellings,
11 fixtures not otherwise eligible for the exemption under RCW
12 82.08.02565.

13 (2)(a) The department must at least once annually remit to the
14 city or county an estimated amount, as determined by the department,
15 of state taxes collected during the prior calendar year with respect
16 to section 7 of this act.

17 (b) The department must determine eligibility under this section
18 based on information provided by the city or county and through audit
19 and other administrative records.

20 (c) The city or county must, on an annual basis, submit an
21 application, in a form and manner as required by the department by
22 rule, containing any information the department deems necessary in
23 determining remittance amounts under this section.

24 NEW SECTION. **Sec. 9.** A new section is added to chapter 82.12
25 RCW to read as follows:

26 (1) The provisions of this chapter do not apply with respect to
27 the use of:

28 (a) Tangible personal property that will be incorporated as an
29 ingredient or component in constructing of dwellings in designated
30 American dream zones, as provided in section 7 of this act; or

31 (b) Labor and services rendered in respect to installing, during
32 the course of constructing such dwellings, fixtures not otherwise
33 eligible for the exemption under RCW 82.08.02565.

34 (2) The definitions and eligibility requirements and conditions
35 in section 8 of this act apply to this section.

36 (3) This section is exempt from the provisions of RCW 82.32.805
37 and 82.32.808.

development of homes in American Dream zones. Distributes the state portion of certain sales and use taxes from the construction of homes in American Dream zones to counties and cities. Provides a business and occupation tax credit of 4 percent of the gross selling price on the sale of eligible homes.

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