

# TOWN OF WOODWAY

## ORDINANCE 2020-616

AN ORDINANCE OF THE TOWN OF WOODWAY AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF RCW 82.14.540, ADOPTING A NEW CHAPTER 3.18 OF THE WOODWAY MUNICIPAL CODE; CREATING A NEW SECTION 3.24.075 WOODWAY MUNICIPAL CODE, AND ADOPTING IMPLEMENTING PROVISIONS; RELATING TO AFFORDABLE AND SUPPORTIVE HOUSING; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE AND AUTHORIZING SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, in 2019, Washington State enacted Substitute House Bill 1406 (SHB 1406 also referred to herein as Chapter 338, Laws of 2019), now codified as RCW 82.14.540, a revenue sharing program with local governments for affordable housing which is intended to encourage investments in affordable and/or supportive housing; and

WHEREAS, the Town Council of the Town of Woodway, in accordance with RCW 82.14.540, has adopted a resolution of intent to adopt legislation to authorize the maximum capacity of a sales and use tax within six months of the effective date of Chapter 338, Laws of 2019; and

WHEREAS, to collect the tax, a Town must adopt an ordinance authorizing the tax within one year of the effective date of the bill, or July 28, 2020; and

WHEREAS, the Town Council has determined it is in the best interest of the Town and its residents to begin implementation of the tax and then later determine the process for the distribution of the funds collected by subsequent legislation of the Town Council to meet the requirements of RCW 82.14.540;

NOW, THEREFORE, the Town Council of the Town of Woodway does hereby ordain as follows:

Section 1. Creation of WMC Chapter 3.10. A new Chapter 3.10 of the Woodway Municipal Code, "Sales and Use Tax for Affordable Housing," is hereby adopted as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 2. Creation of WMC Section 3.24.035. A new section 3.24.035 of the Woodway Municipal Code entitled "Affordable housing sales tax fund," is created to read as follows:

- A. The affordable housing sales tax fund (fund number 107), a special revenue fund, is established to receive that portion of sales and use tax credited back to the Town for use the acquisition, construction, or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and

maintenance costs of new units of affordable or supportive housing, and, if eligible, for providing rental assistance to tenants.

- B. Revenue Sources. All money received from a portion of sales and use taxes otherwise required to be collected and paid to the Washington State Department of Revenue pursuant RCW 82.14.540.
- C. Any unexpended funds remaining in the affordable housing sales tax fund at the end of a budget period shall not be transferred to the general fund or otherwise lapse, but funds shall be carried forward from year to year until expended for a purpose set forth in subsection A of this section.

Section 3. Authorization to Contract with Department of Revenue. The Mayor or Mayor's designee is hereby requested to contract with the Washington State Department of Revenue to collect the local sales and use tax established by RCW 82.14.540 and this Ordinance.

Section 4. Implementation Authorized. Town departments are requested to take all necessary steps to implement this Ordinance as soon as possible in accordance with RCW 82.14.055. The Town Clerk-Treasurer shall forthwith transmit a copy of this adopted Ordinance to the Washington State Department of Revenue.

Section 5. Severability. If any part or portion of this Ordinance is declared invalid for any such reason, such declaration of invalidity shall not affect any remaining portion.

Section 6. Effective Date. This Ordinance shall take effect 5 days after date of publication by ordinance title only.

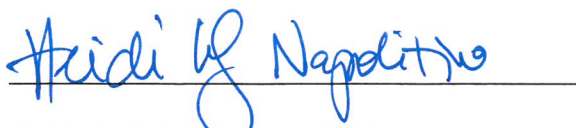
PASSED this 15<sup>th</sup> day of June 2020 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

A handwritten signature in black ink, reading "Carla A. Nichols", written over a horizontal line.

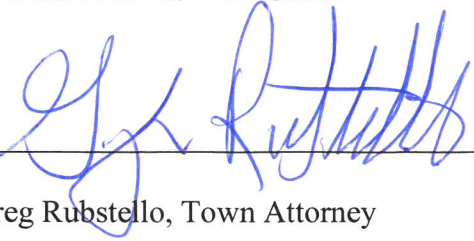
Carla A. Nichols, Mayor

ATTEST:

A handwritten signature in blue ink, reading "Heidi K. S. Napolitano", written over a horizontal line.

Heidi K. S. Napolitano, Clerk-Treasurer

APPROVED AS TO FORM:



---

Greg Rubstello, Town Attorney

Date Passed by the Town Council: 15 June 2020

Date Published: 19 June 2020

Effective Date: 24 June 2020

# TOWN OF WOODWAY

## ORDINANCE 2020-616 | EXHIBIT A

### NEW WOODWAY MUNICIPAL CODE CHAPTER CHAPTER 3.10: SALES AND USE TAX FOR AFFORDABLE HOUSING

#### Sections:

- 3.10.010 Affordable and Supportive Housing Sales Tax Credit - Imposition.
- 3.10.020 Administration and Collection – Statutory Compliance.
- 3.10.030 Affordable and Supportive Housing Sales Tax Credit – Expiration.

#### **3.10.010 AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX CREDIT - IMPOSITION.**

- A. As authorized by RCW 82.14.540, there is imposed a sales and use tax, upon every taxable event, as defined in Chapter 82. 14 RCW, occurring within the Town of Woodway. The tax shall be imposed upon and collected from those persons from whom the State sales tax or use tax is collected pursuant to Chapter 82. 08 and 82. 12 RCW.
- B. The rate of the tax imposed by this Chapter shall be 0.0073 percent of the selling price or value of the article used.
- C. The tax imposed under this Chapter shall be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapter 82.08 or 82. 12 RCW. The Department of Revenue will perform the collection of such taxes on behalf of the Town of Woodway at no cost to the Town.
- D. Moneys collected under this Chapter must be used solely for those purposes set forth within RCW 82.14.540, which includes, but is not limited to: acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385, or funding the operation and maintenance of new units of affordable housing or supportive housing or for providing rental assistance to tenants and other affordable and supportive housing purposes.

#### **3.10.020 ADMINISTRATION AND COLLECTION – STATUTORY COMPLIANCE**

- A. The administration and collection of the tax imposed by this Chapter shall be in accordance with the provisions of RCW 82.14.540.
- B. The Town’s Clerk-Treasurer must report annually to the Washington State Department of Commerce, in accordance with the Department’s rules, on the collection and use of the revenue from the tax imposed under this Chapter.

#### **3.10.030 AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX CREDIT – EXPIRATION.**

The tax imposed by this Chapter expires 20 years after the date on which the tax is first imposed.