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12/31

ORDINANCE No. 960

AN ORDINANCE CREATING A CHAPTER ENTITLED “REDIRECTION OF EXISTING SALES AND USE TAX REVENUES FOR AFFORDABLE HOUSING” WITHIN THE CLALLAM COUNTY CODE, AUTHORIZING REDIRECTION OF EXISTING SALES AND USE TAX REVENUES FOR AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019)

WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) (“SHB 1406”); and

WHEREAS, SHB 1406 authorizes the governing body of a city or county to use a portion of existing sales and use tax revenues for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, for the operations and maintenance costs of affordable or supportive housing, and for providing rental assistance to tenants; and

WHEREAS, this is **NOT A NEW TAX**, instead this tax will be credited against state sales taxes collected within the County and, therefore, will not result in increased or additional sales and use tax rates within the County and will represent an additional source of funding to address housing needs in the County; and

WHEREAS, in order for a city or county to redirect the tax revenues, within six months of the effective date of SHB 1406, or no later than January 28, 2020, the governing body must adopt a resolution of intent to authorize the maximum capacity of the tax. This Board adopted such a Resolution on September 10, 2019.

WHEREAS, the County Board of Commissioners now desires to adopt a legislation redirecting a portion of the existing local sales and use tax as authorized by SHB 1406 as set forth therein;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF CLALLAM COUNTY (“the Board”) AS FOLLOWS:

Section 1. Section .010, entitled Amount of Sales or Use Tax Redirected is created to read as follows:

- a) There is hereby redirected by this Ordinance the maximum capacity of the sales and use tax (.0146 percent) authorized by SHB 1406 within unincorporated Clallam County.
- b) Because the City Councils for Sequim and Forks each did adopt a resolution of intent to redirect their share of sales and use tax revenue, and neither City placed a “qualifying tax” on the ballot at the November 2019 general election, for all taxable events occurring within the Cities of Sequim and Forks those Cities are authorized to redirect .0073 percent for SHB 1406 purposes while the County is also authorized to redirect .0073 percent for SHB 1406 purposes.
- c) The County is not entitled to redirect any portion of existing sales and use tax revenue streams that accrue within the city limits of the City of Port Angeles or are received or earned by the City of Port Angeles pursuant to any interlocal agreement between the County and the City of Port Angeles relating to the collection of sales or use tax in the unincorporated Port Angeles Urban Growth Area to SHB 1406 purposes because the electors of Port Angeles approved a “qualifying tax” at the November 2019 general election.

Section 2. Section .020, entitled Applicability of Tax is created to read as follows:

The tax shall be not be a new tax but shall be a redirection of a portion of the tax already imposed upon and collected from those persons from whom the state sales or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW. The rate of tax redirected by this ordinance shall be applied to the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

Section 3 Section .030, entitled Administration and Collection is created to read as follows:

The tax redirected by this ordinance shall be administered and collected in accordance with Chapter 82.14.050. The Chair of the Board of Clallam County Commissioners or his designee is hereby authorized to and directed to execute and sign with the Washington State Department of Revenue such agreements that may be necessary to implement this Ordinance.

Section 4. Section .040, entitled Use of Funds is created to read as follows:

Monies collected pursuant to this Ordinance shall be used for any allowable expenditure authorized by Chapter 82.14 as amended by Chapter 338, Session Laws of 2019, also known as Substitute House Bill 1406.

Section 5 Section .050, entitled Administration of Fund is created to read as follows:

The funds collected pursuant to this Ordinance shall be collected in a Special Revenue Fund to be known as "Affordable Housing Sales Tax," and shall be administered in the same manner as all other Special Revenue funds of Clallam County.

Section 6. Section .060, entitled Effective Date is created to read as follows:

This Ordinance shall come into effect on February 1, 2020, meaning no portion of any applicable sales or use tax paid as a result of taxable event (as defined in Ch. 82.12 RCW and Ch. 82.08 RCW) shall be deposited into the "Affordable Housing Sales Tax" Special Revenue Fund unless that taxable event occurred on or after February 1, 2020.

ADOPTED this thirty-first day of December 2019

BOARD OF CLALLAM COUNTY COMMISSIONERS



Mark Ozias, Chair



Randy Johnson



Bill Peach

ATTEST:



Loni Gores, CMC, Clerk of the Board