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**HOUSE BILL 1966**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By Representative Steele**

1 AN ACT Relating to creating a local infrastructure investment  
2 program to support the development of affordable housing, workforce  
3 housing, and revitalization efforts; and adding a new chapter to  
4 Title 39 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply  
7 throughout this chapter unless the context clearly requires  
8 otherwise.

9 (1) "Affordable housing" means residential housing units for  
10 rental occupancy that are rented or owned by a person or household  
11 whose monthly household costs, including utilities other than  
12 telephone, do not exceed the monthly income threshold defined through  
13 the ordinance process provided in section 3 of this act.

14 (2) "Department" means the department of revenue.

15 (3) "Eligible project" means an affordable housing project, a  
16 workforce housing project, or revitalization effort within a  
17 revitalization district. The eligible project may be housing, mixed-  
18 use, industrial, commercial, or a combination of multiple development  
19 types.

20 (4) "Local infrastructure" has the same meaning as provided for  
21 "public improvements" in RCW 39.104.020.

1 (5) "Participating local jurisdiction" means a city or county  
2 that establishes a local infrastructure investment program.

3 (6) "Revitalization effort" means a project that promotes the  
4 continued economic growth of a participating local jurisdiction, as  
5 defined through the ordinance process provided in section 3 of this  
6 act.

7 (7) "Workforce housing" means residential housing units for  
8 rental occupancy that are rented or owned by a person who meets the  
9 requirements defined through the ordinance process provided in  
10 section 3 of this act.

11 NEW SECTION. **Sec. 2.** (1) A participating local jurisdiction  
12 that builds approved local infrastructure to support the development  
13 of affordable housing or workforce housing or to support  
14 revitalization efforts within a revitalization district may receive a  
15 remittance that is the equivalent of a 4.37 percent sales or use tax  
16 on the construction of such local infrastructure.

17 (2) The remittance may be claimed once per project. The  
18 remittance received by the participating local jurisdiction under  
19 this section must be credited against the sales tax due to the state  
20 under chapter 82.08 RCW on the same sales.

21 NEW SECTION. **Sec. 3.** (1) To commence a local infrastructure  
22 investment program, a participating local jurisdiction must adopt an  
23 ordinance establishing the following parameters for their program:

- 24 (a) The local income threshold used to define affordable housing;
- 25 (b) The local requirements used to define workforce housing;
- 26 (c) The local definition of revitalization effort; and
- 27 (d) The geographic boundaries of the revitalization district.

28 (2) The participating local jurisdiction must hold a public  
29 hearing on the proposed local infrastructure investment program  
30 before passage of the ordinance establishing the program. The public  
31 hearing must be attended by at least a majority of the whole  
32 governing body. The public hearing is subject to the notice  
33 requirements in section 4 of this act.

34 NEW SECTION. **Sec. 4.** (1) Prior to adopting the ordinance  
35 creating the local infrastructure investment program, the  
36 participating local jurisdiction must provide public notice.

1 (2) Notice of the public hearing must be published in a legal  
2 newspaper of general circulation within the participating local  
3 jurisdiction at least 10 days before the public hearing and posted in  
4 at least six conspicuous public places located in the participating  
5 local jurisdiction.

6 (3) Notice must also be sent by United States mail to the  
7 property owners within the participating local jurisdiction at least  
8 30 days prior to the hearing.

9 NEW SECTION. **Sec. 5.** (1) The city or county must notify the  
10 department that a local infrastructure investment program has been  
11 established, in a form prescribed by the department.

12 (2) To collect the sales tax remittance, the participating local  
13 jurisdiction must notify the department using a web-based platform of  
14 the following information about the investment:

15 (a) The amount of money spent on the eligible infrastructure  
16 investment; and

17 (b) A brief description of the type of infrastructure investment  
18 and the eligible project it will support.

19 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act  
20 constitute a new chapter in Title 39 RCW.

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