
HOUSE BILL 1070

State of Washington

67th Legislature

2021 Regular Session

By Representatives Ryu and Macri

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1 AN ACT Relating to modifying allowed uses of local tax revenue
2 for affordable housing and related services to include the
3 acquisition and construction of affordable housing and facilities;
4 amending RCW 82.14.530 and 67.28.180; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.14.530 and 2020 c 222 s 1 are each amended to
7 read as follows:

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

17 (ii) As an alternative to the authority provided in (a)(i) of
18 this subsection, a county legislative authority may impose, without a
19 proposition approved by a majority of persons voting, a sales and use
20 tax in accordance with the terms of this chapter. The rate of tax
21 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 does not impose the full tax rate authorized
4 under (a) of this subsection by September 30, 2020, any city
5 legislative authority located in that county may:

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

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

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

18 (iii) A county with a population of greater than one million five
19 hundred thousand may impose the tax authorized under (a) (ii) of this
20 subsection only if the county plans to spend at least thirty percent
21 of the moneys collected under this section that are attributable to
22 taxable activities or events within any city with a population
23 greater than sixty thousand located in that county within that city's
24 boundaries.

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

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

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

37 (i) Constructing or acquiring affordable housing, which may
38 include emergency, transitional, and supportive housing and new units
39 of affordable housing within an existing structure, and facilities
40 providing housing-related services; or

1 (ii) Constructing (~~(mental and)~~) behavioral health-related
2 facilities; or

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

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

11 (i) Persons with behavioral health disabilities;

12 (ii) Veterans;

13 (iii) Senior citizens;

14 (iv) (~~(Homeless,)~~) Persons who are homeless or at-risk of being
15 homeless(~~(, families with children)~~);

16 (v) Unaccompanied homeless youth or young adults;

17 (vi) Persons with disabilities; or

18 (vii) Domestic violence survivors.

19 (c) The remainder of the moneys collected under this section must
20 be used for the operation, delivery, or evaluation of (~~(mental and)~~)
21 behavioral health treatment programs and services or housing-related
22 services.

23 (3) A county that imposes the tax under this section must consult
24 with a city before the county may construct any of the facilities
25 authorized under subsection (2)(a) of this section within the city
26 limits.

27 (4) A county that has not imposed the tax authorized under RCW
28 82.14.460 prior to October 9, 2015, but imposes the tax authorized
29 under this section after a city in that county has imposed the tax
30 authorized under RCW 82.14.460 prior to October 9, 2015, must enter
31 into an interlocal agreement with that city to determine how the
32 services and provisions described in subsection (2) of this section
33 will be allocated and funded in the city.

34 (5) To carry out the purposes of subsection (2)(a) and (b) of
35 this section, the legislative authority of the county or city
36 imposing the tax has the authority to issue general obligation or
37 revenue bonds within the limitations now or hereafter prescribed by
38 the laws of this state, and may use, and is authorized to pledge, up
39 to fifty percent of the moneys collected under this section for
40 repayment of such bonds, in order to finance the provision or

1 construction of affordable housing, facilities where housing-related
2 programs are provided, or evaluation and treatment centers described
3 in subsection (2)(a)(iii) of this section.

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

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

9 **Sec. 2.** RCW 67.28.180 and 2015 c 102 s 3 are each amended to
10 read as follows:

11 (1) Subject to the conditions set forth in subsections (2) and
12 (3) of this section, the legislative body of any county or any city,
13 is authorized to levy and collect a special excise tax of not to
14 exceed two percent on the sale of or charge made for the furnishing
15 of lodging that is subject to tax under chapter 82.08 RCW.

16 (2) Any levy authorized by this section is subject to the
17 following:

18 (a) Any county ordinance or resolution adopted pursuant to this
19 section must contain, in addition to all other provisions required to
20 conform to this chapter, a provision allowing a credit against the
21 county tax for the full amount of any city tax imposed pursuant to
22 this section upon the same taxable event.

23 (b)(i) In the event that any county has levied the tax authorized
24 by this section and has, prior to June 26, 1975, either pledged the
25 tax revenues for payment of principal and interest on city revenue or
26 general obligation bonds authorized and issued pursuant to RCW
27 67.28.150 (~~((through—[and]))~~) and 67.28.160 or has authorized and
28 issued revenue or general obligation bonds pursuant to the provisions
29 of RCW 67.28.150 (~~((through—[and]))~~) and 67.28.160, such county is
30 exempt from the provisions of (a) of this subsection, to the extent
31 that the tax revenues are pledged for payment of principal and
32 interest on bonds issued at any time pursuant to the provisions of
33 RCW 67.28.150 (~~((through—[and]))~~) and 67.28.160. However, so much of
34 such pledged tax revenues, together with any investment earnings
35 thereon, not immediately necessary for actual payment of principal
36 and interest on such bonds may be used: (A) In any county with a
37 population of one million five hundred thousand or more, for
38 repayment either of limited tax levy general obligation bonds or of
39 any county fund or account from which a loan was made, the proceeds

1 from the bonds or loan being used to pay for constructing,
2 installing, improving, and equipping stadium capital improvement
3 projects, and to pay for any engineering, planning, financial, legal
4 and professional services incident to the development of such stadium
5 capital improvement projects, regardless of the date the debt for
6 such capital improvement projects was or may be incurred; (B) in any
7 county with a population of one million five hundred thousand or
8 more, for repayment or refinancing of bonded indebtedness incurred
9 prior to January 1, 1997, for any purpose authorized by this section
10 or relating to stadium repairs or rehabilitation, including but not
11 limited to the cost of settling legal claims, reimbursing operating
12 funds, interest payments on short-term loans, and any other purpose
13 for which such debt has been incurred if the county has created a
14 public stadium authority to develop a stadium and exhibition center
15 under RCW 36.102.030; or (C) in other counties, for county-owned
16 facilities for agricultural promotion until January 1, 2009, and
17 thereafter for any purpose authorized in this chapter.

18 (ii) A county is exempt under this subsection with respect to
19 city revenue or general obligation bonds issued after April 1, 1991,
20 only if such bonds mature before January 1, 2013. If any county
21 located east of the crest of the Cascade mountains has levied the tax
22 authorized by this section and has, prior to June 26, 1975, pledged
23 the tax revenue for payment of principal and interest on city revenue
24 or general obligation bonds, the county is exempt under this
25 subsection with respect to revenue or general obligation bonds issued
26 after January 1, 2007, only if the bonds mature before January 1,
27 2035. Such a county may only use funds under this subsection (2)(b)
28 for constructing or improving facilities authorized under this
29 chapter, including county-owned facilities for agricultural
30 promotion.

31 (iii) As used in this subsection (2)(b), "capital improvement
32 projects" may include, but not be limited to a stadium restaurant
33 facility, restroom facilities, artificial turf system, seating
34 facilities, parking facilities and scoreboard and information system
35 adjacent to or within a county owned stadium, together with
36 equipment, utilities, accessories and appurtenances necessary
37 thereto. The stadium restaurant authorized by this subsection (2)(b)
38 must be operated by a private concessionaire under a contract with
39 the county.

1 (c)(i) No city within a county exempt under (b) of this
2 subsection may levy the tax authorized by this section so long as
3 said county is so exempt.

4 (ii) No city within a county with a population of one million
5 five hundred thousand or more may levy the tax authorized by this
6 section.

7 (iii) However, in the event that any city in a county described
8 in (c)(i) or (ii) of this subsection (2) has levied the tax
9 authorized by this section and has, prior to June 26, 1975,
10 authorized and issued revenue or general obligation bonds pursuant to
11 the provisions of RCW 67.28.150 (~~((through [and]))~~) and 67.28.160, such
12 city may levy the tax so long as the tax revenues are pledged for
13 payment of principal and interest on bonds issued at any time
14 pursuant to the provisions of RCW 67.28.150 (~~((through [and]))~~) and
15 67.28.160.

16 (3) Any levy authorized by this section by a county that has a
17 population of one million five hundred thousand or more is subject to
18 the following:

19 (a) Taxes collected under this section in any calendar year
20 before 2013 in excess of five million three hundred thousand dollars
21 may only be used as follows:

22 (i) Seventy percent from January 1, 2001, through December 31,
23 2012, for art museums, cultural museums, heritage museums, the arts,
24 and the performing arts. Moneys spent under this subsection (3)(a)(i)
25 must be used for the purposes of this subsection (3)(a)(i) in all
26 parts of the county.

27 (ii) Thirty percent from January 1, 2001, through December 31,
28 2012, for the following purposes and in a manner reflecting the
29 following order of priority: Stadium purposes as authorized under
30 subsection (2)(b) of this section; acquisition of open space lands;
31 youth sports activities; and tourism promotion. If all or part of the
32 debt on the stadium is refinanced, all revenues under this subsection
33 (3)(a)(ii) must be used to retire the debt.

34 (b) From January 1, 2013, through December 31, 2015, all revenues
35 under this section must be used to retire the debt on the stadium,
36 until the debt on the stadium is retired. On and after the date the
37 debt on the stadium is retired, and through December 31, 2015, all
38 revenues under this section in a county of one million five hundred
39 thousand or more must be deposited in the special account under (e)
40 of this subsection.

1 (c) From January 1, 2016, through December 31, 2020, all revenues
2 under this section must be deposited in the stadium and exhibition
3 center account under RCW 43.99N.060.

4 (d) On and after January 1, 2021, the revenues under this section
5 must be used as follows:

6 (i) At least thirty-seven and one-half percent of the revenues
7 under this section must be deposited in the special account under (e)
8 of this subsection.

9 (ii) At least thirty-seven and one-half percent of the revenues
10 under this section must be used:

11 (A) For contracts, loans, or grants to nonprofit organizations or
12 public housing authorities for affordable workforce housing within
13 one-half mile of a transit station, as described under RCW 9.91.025
14 or for housing, facilities, or services for homeless youth; or

15 (B) To repay:

16 (I) General obligation bonds issued pursuant to RCW 67.28.150 to
17 finance such contracts, loans, or grants; or

18 (II) Revenue bonds issued pursuant to RCW 67.28.160 to finance a
19 fund to make such contracts, loans, or grants; or

20 (III) Revenue bonds issued pursuant to RCW 67.28.160 to finance
21 projects authorized by an authority under chapter 43.167 RCW to
22 promote sustainable workplace opportunities near a community impacted
23 by the construction or operation of tourism-related facilities.

24 (iii) The remainder must be used for capital or operating
25 programs that promote tourism and attract tourists to the county.

26 (e) At least forty percent of the revenues distributed pursuant
27 to (a)(i) of this subsection must be deposited in a special account.
28 The account may only be used for the purposes of (a)(i) of this
29 subsection.

30 (f) School districts and schools may not receive revenues
31 distributed pursuant to (a)(i) of this subsection.

32 (g) Moneys distributed to art museums, cultural museums, heritage
33 museums, the arts, and the performing arts, and moneys distributed
34 for tourism promotion must be in addition to and may not be used to
35 replace or supplant any other funding by the legislative body of the
36 county.

37 (h) For the purposes of this section:

38 (i) "Affordable workforce housing" means housing for a single
39 person, family, or unrelated persons living together whose income is
40 (~~between thirty percent and eighty~~) at or below 80 percent of the

1 median income, adjusted for household size, for the county where the
2 housing is located; and

3 (ii) "Tourism promotion" includes activities intended to attract
4 visitors for overnight stays, arts, heritage, and cultural events,
5 and recreational, professional, and amateur sports events. Moneys
6 allocated to tourism promotion in a county with a population of one
7 million or more must be allocated to local public organizations and
8 nonprofit organizations formed for the express purpose of tourism
9 promotion in the county. Such organizations must use moneys from the
10 taxes to promote events in all parts of the county.

11 (i) No taxes collected under this section may be used for the
12 operation or maintenance of a public stadium that is financed
13 directly or indirectly by bonds to which the tax is pledged.
14 Expenditures for operation or maintenance include all expenditures
15 other than expenditures that directly result in new fixed assets or
16 that directly increase the capacity, life span, or operating economy
17 of existing fixed assets.

18 (j) No ad valorem property taxes may be used for debt service on
19 bonds issued for a public stadium that is financed by bonds to which
20 the tax is pledged, unless the taxes collected under this section are
21 or are projected to be insufficient to meet debt service requirements
22 on such bonds.

23 (k) If a substantial part of the operation and management of a
24 public stadium that is financed directly or indirectly by bonds to
25 which the tax is pledged is performed by a nonpublic entity or if a
26 public stadium is sold that is financed directly or indirectly by
27 bonds to which the tax is pledged, any bonds to which the tax is
28 pledged shall be retired. This subsection (3)(k) does not apply in
29 respect to a public stadium under chapter 36.102 RCW transferred to,
30 owned by, or constructed by a public facilities district under
31 chapter 36.100 RCW or a stadium and exhibition center.

32 (l) The county may not lease a public stadium that is financed
33 directly or indirectly by bonds to which the tax is pledged to, or
34 authorize the use of the public stadium by, a professional major
35 league sports franchise unless the sports franchise gives the right
36 of first refusal to purchase the sports franchise, upon its sale, to
37 local government. This subsection (3)(l) does not apply to contracts
38 in existence on April 1, 1986.

39 (4) If a court of competent jurisdiction declares any provision
40 of subsection (3) of this section invalid, then that invalid

1 provision is null and void and the remainder of this section is not
2 affected.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect immediately.

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