



City of Tukwila

Washington

Ordinance No. 2613

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AUTHORIZING THE MAXIMUM CAPACITY OF A LOCAL SALES AND USE TAX TO FUND INVESTMENTS IN AFFORDABLE AND SUPPORTIVE HOUSING, TO BE CODIFIED AT CHAPTER 3.14 OF THE TUKWILA MUNICIPAL CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Tukwila's Comprehensive Plan states that almost half of City residents are burdened by housing costs, paying more than 30% of their income for housing; and

WHEREAS, Goal 3.2 of Tukwila's Comprehensive Plan is that the City of Tukwila has safe, healthy, and affordable homes for all residents; and

WHEREAS, Goal 3.3 of Tukwila's Comprehensive Plan is that the City of Tukwila supports and collaborates with other jurisdictions and organizations to assess housing needs, coordinate funding, and preserve and create affordable housing opportunities; and

WHEREAS, an implementation strategy in Tukwila's Comprehensive Plan is to support and encourage legislation at the county, state, and federal levels that promotes affordable housing goals; and

WHEREAS, the Tukwila City Council, in accordance with Washington State Legislature Chapter 338, Laws of 2019, 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, the City of Tukwila intends to impose the maximum local sales and use tax authorized under Chapter 338, Laws of 2019 within one year of the date on which said law takes effect; and

WHEREAS, the Department of Revenue requires 30 days' notice of adoption of sales tax credits and the credit will then take effect on the first day of the month following the 30-day period; and

WHEREAS, the local sales and use tax will be credited against the state sales and use tax so that the total tax paid by the consumer will not increase; and

WHEREAS, the local sales and use tax revenue shall be spent on acquiring, rehabilitating, constructing affordable housing or supportive housing, or rental assistance and other related expenditures as authorized by Chapter 338, Laws of 2019; and

WHEREAS, Chapter 338, Laws of 2019 authorizes the City of Tukwila to issue general obligation or revenue bonds to carry out the purposes of the legislation and to pledge the revenue collected by the local sales and use tax to repay the bonds; and

WHEREAS, in 2019 the cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila and King County entered into an Interlocal Agreement that formed the South King Housing and Homelessness Partners (SKHPP); and

WHEREAS, the Executive Board of SKHHP is considering cooperative action and pooling public and private resources to address affordable housing needs in South King County; however, no decisions have been made at this time; and

WHEREAS, the City has determined it is in the best interest of the City and its residents to begin implementation of the tax and then later determine the process for the distribution of the funds collected by a resolution of the Tukwila City Council to meet the requirements of Chapter 338, Laws of 2019;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Chapter 3.14 of the Tukwila Municipal Code Established. A chapter of the Tukwila Municipal Code entitled “Sales and Use Tax for Affordable Housing,” to be codified as Tukwila Municipal Code (TMC) Chapter 3.14, is hereby established to read as follows:

**CHAPTER 3.14
SALES AND USE TAX FOR AFFORDABLE HOUSING**

- Sections:
- 3.14.010 Imposition of Sales and Use Tax for Affordable Housing
 - 3.14.020 Purpose of Tax
 - 3.14.030 Administration and Collection – Statutory Compliance

Section 2. Regulations Established. TMC Section 3.14.010, "Imposition of Sales and Use Tax for Affordable Housing," is hereby established to read as follows:

3.14.010 Imposition of Sales and Use Tax for Affordable Housing

A. There is imposed a sales and use tax as authorized by Washington State Legislature Chapter 338, Laws of 2019, which shall be codified in Chapter 82.14 RCW, upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the City of Tukwila. 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 TMC Section 3.14.010 shall be 0.0073 percent of the selling price or value of the article used.

C. The tax imposed under TMC Section 3.14.010 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 City of Tukwila at no cost to the City.

D. The Department of Revenue will calculate the maximum amount of tax distributions for the City of Tukwila based on the taxable retail sales in the City in State Fiscal Year 2019, and the tax imposed under TMC Section 3.14.010 will cease to be distributed to the City of Tukwila for the remainder of any State Fiscal Year in which the amount of tax exceeds the maximum amount of tax distributions for the City as properly calculated by the Department of Revenue. Distributions to the City of Tukwila that have ceased during a State Fiscal Year shall resume at the beginning of the next State Fiscal Year.

Section 3. Regulations Established. TMC Section 3.14.020, "Purpose of Tax," is hereby established to read as follows:

3.14.020 Purpose of Tax

A. The City may use the moneys collected by the tax imposed under TMC Section 3.14.010 or bonds issued only for the following purposes:

1. 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; and

2. Providing the operations and maintenance costs of new units of affordable or supportive housing; and

3. Providing rental assistance to tenants.

B. The housing and services provided under TMC Section 3.14.020 may only be provided to persons whose income is at or below 60 percent of the median income of the City.

C. In determining the use of funds under TMC Section 3.14.020, the City must consider the income of the individuals and families to be served, the leveraging of the resources made available under TMC Section 3.14.010, and the housing needs within the City.

D. The Finance Director 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 TMC Section 3.14.010.

E. The tax imposed by the City under TMC Section 3.14.010 will expire 20 years after the date on which the tax is first imposed. The Finance Director shall provide notice to the City Council and the Mayor of the expiration date of the tax each year beginning three years before the expiration date, and shall also promptly notify the City Council and the Mayor of any changes to the expiration date.

Section 4. Regulations Established. TMC Section 3.14.030, "Administration and Collection – Statutory Compliance," is hereby established to read as follows:

3.14.030 Administration and Collection – Statutory Compliance

The administration and collection of the tax imposed by Chapter 3.14 shall be in accordance with the provisions of Washington State Legislature Chapter 338, Laws of 2019, which shall be codified in Chapter 82.14 RCW.

Section 5. The Finance Director is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this ordinance and to execute, for and on behalf of the City of Tukwila, any necessary agreement with the Department of Revenue for the collection and administration of the tax enacted by this ordinance.


Section 6. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 7. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

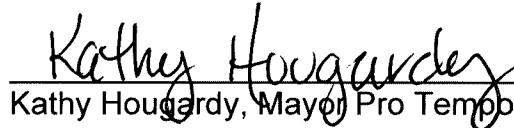
Section 8. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this 16th day of September, 2019.

ATTEST/AUTHENTICATED:



Christy O'Flaherty, MMC, City Clerk



Kathy Hougardy, Mayor Pro Tempore

APPROVED AS TO FORM BY:



Rachel B. Turpin, City Attorney

Filed with the City Clerk: 9-11-19
Passed by the City Council: 9-16-19
Published: 9-19-19
Effective Date: 9-24-19
Ordinance Number: 2613

City of Tukwila Public Notice of Ordinance Adoption for Ordinances 2613-2614.

On September 16, 2019 the City Council of the City of Tukwila, Washington, adopted the following ordinances, the main points of which are summarized by title as follows:

Ordinance 2613: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AUTHORIZING THE MAXIMUM CAPACITY OF A LOCAL SALES AND USE TAX TO FUND INVESTMENTS IN AFFORDABLE AND SUPPORTIVE HOUSING, TO BE CODIFIED AT CHAPTER 3.14 OF THE TUKWILA MUNICIPAL CODE; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

Ordinance 2614: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING A NEW SECTION OF THE TUKWILA MUNICIPAL CODE TO ESTABLISH PENALTIES FOR THE CRIME OF EXPOSING MINOR CHILDREN TO DOMESTIC VIOLENCE, TO BE CODIFIED AS TUKWILA MUNICIPAL CODE SECTION 8.06.050; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this ordinance will be provided upon request.

Christy O'Flaherty, MMC, City Clerk

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