

**ORDINANCE NO. 2922**

AN ORDINANCE OF THE CITY OF ISSAQUAH, WASHINGTON, IMPOSING AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT FOR HOUSING AND RELATED SERVICES AS AUTHORIZED BY RCW 82.14.530; ADDING A NEW SECTION 3.04.026 TO THE ISSAQUAH MUNICIPAL CODE; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

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WHEREAS, the City of Issaquah has a critical need for additional funding to provide affordable housing and housing-related services for the homeless or people in danger of becoming homeless; and

WHEREAS, housing affordability and homelessness are growing problems in the City of Issaquah which require prompt attention to reduce human suffering for the City's residents; and

WHEREAS, RCW 82.14.530 authorizes the imposition of an additional sales and use tax of one-tenth of one percent to be used for funding affordable housing; and

WHEREAS, under HB 1590, passed by the state legislature as Chapter 222, Laws of 2020, counties were given the exclusive right to impose the tax until September 30, 2020 and cities were given the right to impose the tax thereafter as long as the county had not already done so; and

WHEREAS, King County did not impose the additional sales and use tax by September 30, 2020; and

WHEREAS, the Issaquah City Council has determined that the tax should be imposed and that the proceeds will be used for those purposes authorized by RCW 82.14.530, including constructing affordable housing, constructing mental and behavioral health-related

facilities, and funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF ISSAQUAH, WASHINGTON, DO  
ORDAIN AS FOLLOWS:

Section 1. Additional Sales and Use Tax Imposed. A new Section 3.04.026 is hereby added to the Issaquah Municipal Code imposing the one-tenth of one percent sales and use tax authorized by RCW 82.14.530 and to read as follows:

**3.04.026 Additional Sales and Use Tax for Housing and Related Services.**

A. There is hereby imposed an additional sales and use tax, separate and apart from any other sales and use tax imposed by this chapter, upon every taxable event occurring in the City, for housing and related services as authorized by RCW 82.14.530.

B. As used in this section, the term “taxable event” has the meaning set forth in RCW 82.14.020.

C. The rate of the sales and use tax imposed by this section shall be one-tenth of one percent of the selling price, in the case of a sales tax, or the value of the article used, in the case of a use tax.

D. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to RCW 82.08 and 82.12.

E. Moneys collected from the tax shall be used solely for those housing and related services authorized by RCW 82.14.530, as the same now exists or as hereafter amended.

F. As provided in RCW 82.14.530, if King County subsequently imposes a sales and use tax for housing and related services as authorized by such statute, the County shall provide a credit against its tax for the full amount of the tax imposed by the City.

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court, board or tribunal of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after publication, provided, that the additional sales and use tax imposed by Section 1 shall apply only to taxable events occurring on and after January 1, 2021.

This ordinance and the sales and use tax imposed herein shall be automatically repealed if (a) a memorandum of understanding providing at least \$2 Million of funding for Issaquah Transit Oriented Development Project tenant improvements is signed with King County or (b) if King County does not enact a county-wide one-tenth of one percent housing and related services tax on or before December 31, 2020.

Passed by the City Council of the City of Issaquah this 5th day of October, 2020.

Approved by the Mayor of the City of Issaquah this 5th day of October, 2020.

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*Mary Lou Pauly*  
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MARY LOU PAULY, MAYOR

ATTEST/AUTHENTICATED

DocuSigned by:  
*Christine L. Eggers*  
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CHRISTINE L. EGGERS, CITY CLERK

APPROVED AS TO FORM:

DocuSigned by:

*James E. Haney*

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JAMES E. HANEY, CITY ATTORNEY

PUBLISHED: Oct. 8, 2020  
EFFECTIVE DATE: Oct. 13, 2020  
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