

PROPOSED ORDINANCE NO. _____

AN ORDINANCE RELATING TO LOCAL SALES AND USE TAXES; AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF RCW 82.14.530 FOR HOUSING AND RELATED SERVICES; ADOPTING A NEW CHAPTER 3.14 OF THE SKAGIT COUNTY CODE, “ADDITIONAL SALES AND USE TAX FOR HOUSING AND RELATED SERVICES”; PROVIDING FOR THE ADMINISTRATION AND COLLECTION THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Skagit County lacks affordable, high-quality homes for all its residents; and

WHEREAS, one quarter of Skagit County renter households pay more than half of their income for housing, reducing their ability to pay for other necessities; and

WHEREAS, Chapter 24, Laws of 2015, relating to providing local governments with options to strengthen their communities by providing services and facilities for people with mental illness, developmental disabilities, and other vulnerable populations, and by increasing access to educational experiences through cultural organizations, was adopted during the 2015 Washington State Legislative Third Special Session; and

WHEREAS, Chapter 222, Laws of 2020, relating to allowing the local sales and use tax for affordable housing to be imposed by a councilmanic authority, was adopted during the 2020 Washington State Legislative Session; and

WHEREAS, Chapter 27, Laws of 2021, relating to modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities, was adopted during the 2021 Washington State Legislative Session; and

WHEREAS, the above laws are codified as RCW 82.14.530; and

WHEREAS, RCW 82.14.530 empowers the legislative authority of a county with the authority to fix and impose an additional sales and use tax for housing and related services; and

WHEREAS, the aforementioned sales and use tax shall be collected from those persons who are taxable by the state under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event; and

WHEREAS, a minimum of sixty percent of the funds collected must be used for:

constructing or acquiring affordable housing, which may include emergency, transitional, and supportive housing and new units of affordable housing within an existing structure, and facilities providing housing-related services, or acquiring land for these purposes; or

Constructing or acquiring behavioral health-related facilities, or acquiring land for these purposes; or

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; and

WHEREAS, the remainder of the moneys collected must be used for the operation, delivery, or evaluation of behavioral health treatment programs and services or housing-related services; and

WHEREAS, RCW 82.14.530 allows the legislative authority of the county to issue general obligation or revenue bonds, and may use, and is authorized to pledge, up to fifty percent of the moneys collected for repayment of such bonds; and

WHEREAS, the Board of Skagit County Commissioners' intent is to authorize this sales and use tax at the maximum rate established for counties under RCW 82.14.530; and

WHEREAS, if a city in Skagit County has imposed the tax authorized under RCW 82.14.530 prior to the effective date of this ordinance, a credit will be provided against Skagit County's tax for the full amount imposed by the city; and

WHEREAS, the Board of Skagit County Commissioners held a Public Hearing on September 9, 2021, which continued on September 30, 2021, and received public comment regarding this proposed sales and use tax and deliberated on the action to be taken.

NOW THEREFORE BE IT ORDAINED, that the Board of Skagit County Commissioners hereby adopts the chapter to be codified in Title 3 Skagit County Code as set forth in Exhibit A (attached). This Ordinance shall be effective upon signing, and the collection of the tax shall commence upon Department of Revenue authorization.

IN TESTIMONY WHEREOF, we hereunto set our hands and affix the official seal of our office.

DATED this ____ day of _____, 2021.

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Lisa Janicki, Chair

Peter Browning, Commissioner

Ron Wesen, Commissioner

Attest:

Clerk of the Board

Approved as to form:

Civil Deputy Prosecuting Attorney

Approved as to Content:

Department Head

Exhibit A

PROPOSED Skagit County Code Chapter 3.14

ADDITIONAL SALES AND USE TAX FOR HOUSING AND RELATED SERVICES

3.14.010. Intent. It is the intent of this Chapter for the County to authorize and collect the maximum capacity of sales and use tax allowable pursuant to RCW 82.14.530 as currently enacted or as may be amended. In the event there is a conflict between this Chapter and RCW 82.14.530, as currently enacted or as may be amended, RCW 82.14.530 shall control.

3.14.020. Imposition – Sales and Use Tax Statutory Authorization. Pursuant to RCW 82.14.530, there is hereby imposed a sales or use tax, as the case may be, upon every taxable event occurring within Skagit County. The tax shall be imposed upon and collected from those persons from whom the state sales or use tax is collected pursuant to RCW 82.08 or RCW 82.12. The tax imposed by SCC 3.14.020 is in addition to those already authorized by law.

3.14.030. Tax Rate. The tax rate established in this chapter effective from the date of this ordinance shall be the maximum tax rate Skagit County is authorized to collect and receive as codified in RCW 82.14.530, or as amended.

3.14.040. Credit Provision. Any required credit against the collected Sales and Use tax pursuant to this Chapter will be provided in accordance with RCW 82.14.530.

3.14.050. Administration and Collection of Tax. The Chairperson of the Board of County Commissioners is authorized and directed to execute any contracts with the state Department of Revenue that may be necessary to provide for the administration or collection of the sales and use tax authorized by this Chapter.

3.14.060. Use of Proceeds. The proceeds from the tax imposed by SCC 3.14.020 shall be used for the authorized purposes detailed in RCW 82.14.530, as currently enacted or as may be amended.

3.14.070. Severability. If any provision of this Chapter or its application to any person or circumstance is held invalid, the remainder of this Chapter or the application of the provisions to other persons or circumstances is not affected.