

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 01/13/2020

AGENDA ITEM:	
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON, AUTHORIZING THE MAXIMUM CAPACITY OF A LOCAL SALES AND USE TAX; CREATING THE AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX CREDIT FUND; ADDING A NEW CHAPTER 3.105 TO THE MARYSVILLE MUNICIPAL CODE	
PREPARED BY:	DIRECTOR APPROVAL:
Sandy Langdon, Finance Director	
DEPARTMENT:	
Finance	
ATTACHMENTS:	
Draft Ordinance	
BUDGET CODE:	AMOUNT:
SUMMARY:	

The 2019 Legislative authorized a sales tax credit for assistance in providing affordable and supportive housing for a 20-year period. The credit is funded by the state’s portion of the sales and use tax and is not an addition to the current sales tax rate. The rate is either .0073% or .0146% if the city has a qualifying local tax. The City qualifies for .0073%, an estimate of \$90,000 annually.

Allowed uses of funds:

- (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; or
- (2) Funding the operations and maintenance costs of new units of affordable or supportive housing; or
- (3) Providing rental assistance to tenants (at or below 60% of the median income of the county or city).

In September 2019, this program was presented to council and Resolution 2475 was approved to acknowledge interest in the program. In order to receive funds an Ordinance adopting the sales tax needs to be approved prior to 7/27/2020. The credit will be effective no sooner than 30 days after notice to the Department of Revenue.

<p>RECOMMENDED ACTION: Staff recommends</p> <p>Approve Ordinance</p> <p>RECOMMENDED MOTION</p> <p>I move to approve Ordinance _____ authorizing the maximum capacity of a local sales and use tax; creating the Affordable and Supportive Housing Sales Tax Credit Fund; adding a new Chapter 3.105 to the Marysville Municipal Code</p>
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[DRAFT]
CITY OF MARYSVILLE
Marysville, Washington

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON, AUTHORIZING THE MAXIMUM CAPACITY OF A LOCAL SALES AND USE TAX; CREATING THE AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX CREDIT FUND; ADDING A NEW CHAPTER 3.105 TO THE MARYSVILLE MUNICIPAL CODE.

WHEREAS, during the 2019 Washington State Legislature passed Substitute House Bill 1406 that was signed into law as Chapter 338, Laws of 2019 and codified at RCW 82.14.540; and

WHEREAS, state law authorizes cities and counties to impose a sales and use tax to encourage investments in affordable and supportive housing; and

WHEREAS, the City Council adopted Resolution 2475 on September 10, 2019 declaring the City's intent to adopt legislation to authorize the maximum capacity of the tax authorized by RCW 82.14.540; and

WHEREAS, to collect the tax, a city must adopt an ordinance authorizing the tax within one year of the effective date of the Substitute House Bill 1406, or July 28, 2020; and

WHEREAS, assistance in providing affordable and supportive housing enhances public health and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON, DO ORDAIN AS FOLLOWS:

SECTION 1. A new chapter 3.105 is added to the Marysville Municipal Code as set forth in Exhibit A.

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

SECTION 3. Upon approval by the city attorney, the city clerk or the code reviser are authorized to make necessary corrections to this ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

SECTION 4. Effective Date. This ordinance shall become effective five days after the date of its publication by summary.

PASSED by the City Council and APPROVED by the Mayor this _____ day of _____, 20_____.

CITY OF MARYSVILLE

By _____
JON NEHRING, MAYOR

Attest:

By _____
_____, DEPUTY CITY CLERK

Approved as to form:

By _____
JON WALKER, CITY ATTORNEY

Date of publication: _____

Effective Date (5 days after publication): _____

EXHIBIT A

Chapter 3.105

AFFORDABLE AND SUPPORTIVE HOUSING SALES TAX CREDIT FUND

Sections:

- 3.105.010 Imposition.
- 3.105.020 Purpose of Fund.
- 3.105.030 Operation of Fund.

3.105.010 Imposition.

The sales and use tax authorized by RCW 82.14.540 is imposed at the maximum rate authorized by the statute of 0.0073 percent of the selling price or value of the article used. The imposition and collection of the tax and the use of its proceeds will comply with the requirements of RCW 82.14.540.

3.105.020 Purpose of Fund.

The affordable and supportive housing tax credit fund is created to carry out the permitted uses authorized by RCW 82.14.540.

3.105.030 Operation of Fund.

The moneys collected under this section may be used only for the following purposes and in conformance with RCW 82.14.540:

- (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; or
- (2) Funding the operations and maintenance costs of new units of affordable or supportive housing; or
- (3) providing rental assistance to tenants.

3.105.040 Expiration of Tax

The tax imposed by this chapter expires twenty (20) years after the date on which the tax is first imposed.