

ORDINANCE NO. 728

AN ORDINANCE OF THE UNIVERSITY PLACE CITY COUNCIL AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF RCW 82.14.540; ADOPTING A NEW CHAPTER 4.90 OF THE UNIVERSITY PLACE MUNICIPAL CODE; CREATING A NEW SECTION 4.40.330 UPMC, AND ADOPTING IMPLEMENTING PROVISIONS; RELATING TO AFFORDABLE AND SUPPORTIVE HOUSING

WHEREAS, in 2019, Washington State enacted Substitute House Bill 1406 (SHB 1406 also referred to herein as Chapter 338, Laws of 2019), now codified as RCW 82.14.540, a revenue sharing program with local governments for affordable housing which is intended to encourage investments in affordable and/or supportive housing; and

WHEREAS, the University Place City Council, in accordance with RCW 82.14.540, 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, to collect the tax, a city must adopt an ordinance authorizing the tax within one year of the effective date of the bill, or July 28, 2020; and

WHEREAS, the City Council 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 subsequent legislation of the City Council to meet the requirements of RCW 82.14.540;

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

Section 1. Creation of Chapter 4.90 UPMC. A new Chapter 4.90 of the University Place Municipal Code, "Sales and Use Tax for Affordable Housing," is hereby adopted as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 2. Creation of Section 4.40.330 UPMC. A new section 4.40.330 of the University Place Municipal Code entitled "Affordable Housing Sales Tax Fund," is created to read as follows:

A. There is hereby established a special revenue fund, to be known as the "Affordable Housing Sales Tax Fund," into which shall be deposited all monies received from a portion of sales and use taxes otherwise required to be collected and paid to the department of revenue pursuant RCW 82.14.540.

B. This fund has been established to receive that portion of sales and use tax credited back to the city for use in the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of new units of affordable or supportive housing, and if eligible, for providing rental assistance to tenants.

C. Any unexpended funds remaining in the affordable housing sales tax fund at the end of a budget period shall not be transferred to the general fund or otherwise lapse, but funds shall be carried forward from year to year until expended for a purpose set forth in subsection B of this section.

Section 3. Authorization to Contract with Department of Revenue. The City Manager or designee is hereby requested to contract with the Washington State Department of Revenue to collect the local sales and use tax established by RCW 82.14.540 and this Ordinance.

Section 4. Implementation Authorized. City departments are requested to take all necessary steps to implement this Ordinance as soon as possible in accordance with RCW 82.14.055. The City Clerk shall forthwith transmit a copy of this adopted Ordinance to the Washington State Department of Revenue.

Section 5. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 6. Effective Date. This Ordinance shall be in full force and effect five (5) days after final passage.

PASSED BY THE CITY COUNCIL ON JUNE 1, 2020.


Caroline Belleci, Mayor

ATTEST:


Emmetta J. Genetia, City Clerk

APPROVED AS TO FORM:


Matthew S. Kaser, City Attorney

Published: 06/03/20

Effective Date: 06/08/20

EXHIBIT A
NEW CHAPTER 4.90 UPMC Sales and Use Tax for Affordable Housing

4.90.010 Affordable and Supportive Housing Sales Tax Credit - Imposition.

A. As authorized by RCW 82.14.540, there is imposed a sales and use tax, upon every taxable event, as defined in Chapter 82.14 RCW, occurring within the City of University Place. 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 this Chapter shall be 0.0073 percent of the selling price or value of the article used.

C. The tax imposed under this Chapter 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 University Place at no cost to the City.

D. Moneys collected under this Chapter must be used solely for those purposes set forth within RCW 82.14.540 which include, but are not limited to: 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 funding the operation and maintenance of new units of affordable housing or supportive housing or for providing rental assistance to tenants and other affordable and supportive housing purposes.

4.90.020 Administration and Collection — Statutory Compliance

A. The administration and collection of the tax imposed by this Chapter shall be in accordance with the provisions of RCW 82.14.540.

B. 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 this Chapter.

4.90.030 Affordable and Supportive Housing Sales Tax Credit - Expiration.

The tax imposed by this Chapter expires 20 years after the date on which the tax is first imposed.