

CLARK COUNTY STAFF REPORT

DEPARTMENT: County Council/County Manager

DATE: August 6th, 2019

REQUESTED ACTION:

During the July 17th Affordable Housing Work Session, the Council indicated desire to adopt a Resolution of Intent to Implement Substitute House Bill 1406 related to an affordable and supportive housing sales tax credited against the state sales tax. This resolution is the Resolution of Intent required by SHB 1406 prior to implementation of the sales and use tax.

Consent Hearing County Manager

BACKGROUND

In 2019, the Washington State Legislature enacted, and the Governor subsequently signed, Substitute House Bill 1406. The bill allows counties to implement a local sales tax to fund affordable or supportive housing. If adopted, the sales tax will be credited against the state sales tax; thus, there will not be an increase in taxation on Clark County citizens. However, implementation of the tax would generate approximately \$350,000 per year in revenue for the county to use towards affordable or supportive housing.

The maximum rate is 0.0146% in the unincorporated county. Until July 28, 2020, the County may only levy the tax in the unincorporated county and within the city limits of any city in which the City Council affirmatively votes to *not* levy the 1406 tax. After July 28, 2020, the County Council may vote to implement the tax in the city limits of any city that has not taken action to implement the tax within that city.

The County may use the revenue for any of the following:

- Bonding against the revenue for affordable or supportive housing;
- Acquiring, rehabilitating, or constructing affordable housing, or facilities providing supportive housing to individuals with mental or behavioral health disorders; or
- Operations and maintenance costs of new units of affordable or supportive housing.

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COUNCIL POLICY IMPLICATIONS

See "Background" above.

ADMINISTRATIVE POLICY IMPLICATIONS

Adoption of the Resolution of Intent does not have administrative policy implications. However, implementation of the SHB 1406 sales and use tax may have administrative implications regarding funding of internal costs to administer the program, depending on how the program is ultimately structured as decided by the County Council.

COMMUNITY OUTREACH

There was a Council Work Session on July 17th, 2019. There will be a subsequent properly noticed hearing to adopt the ordinance required by SHB 1406, if the Council decides to proceed with adopting the ordinance.

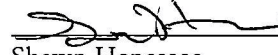
BUDGET IMPLICATIONS

YES	NO	
X		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

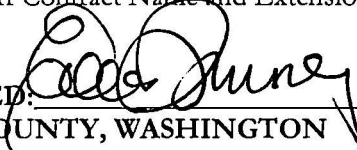
DISTRIBUTION:

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>


 Lindsey Shafar
 Senior Policy Analyst


 Shawn Hennessee
 County Manager

Primary Staff Contract Name and Extension: Lindsey Shafar, x4157

APPROVED: 
 CLARK COUNTY, WASHINGTON
 CLARK COUNTY COUNCIL

DATE: Aug. 6, 2019

SR# 97-19



APPROVED: _____
 Shawn Hennessee, County Manager

DATE: _____

24 resolution of intent to authorize the maximum capacity of the tax, and within twelve
25 months of the effective date of SHB 1406, or July 28, 2020, must adopt legislation to
26 authorize the maximum capacity of the tax; and

27 WHEREAS, this resolution constitutes the resolution of intent required by SHB
28 1406; and

29 WHEREAS, the County Council now desires its intent to impose a local sales and
30 use tax as authorized by SB 1406 as set forth herein;

31

32 NOW, THEREFORE,

33 BE IT ORDERED AND RESOLVED BY THE CLARK COUNTY
34 COUNCIL, STATE OF WASHINGTON, AS FOLLOWS:

35 Section 1. Resolution of Intent. The County Council declares its intent to adopt
36 legislation to authorize the maximum capacity of the sales and use tax authorized by SHB
37 1406 within one year of the effective date of SHB 1406, or by July 28, 2020.

38 Section 2. Effective Date. This resolution shall take effect immediately upon its
39 passage and adoption.

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41 ADOPTED on this 6th day of August 2019.

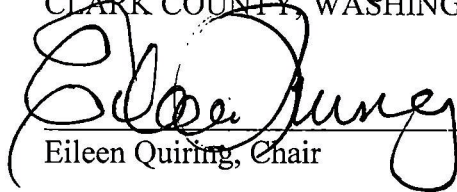
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Attest:



Clerk to the Council


CLARK COUNTY COUNCIL
CLARK COUNTY, WASHINGTON



Eileen Quiring, Chair

Approved as to Form Only:
ANTHONY GOLIK
Prosecuting Attorney

Temple Lentz, Councilor

By: 
Emily Sheldrick,
Deputy Prosecuting Attorney

Julie Olson, Councilor

John Blom, Councilor

Gary Medvigy, Councilor

