

Ordinance amended at Public Hearing
on 12/15/21

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 21-098

AUTHORIZING A SALES AND USE TAX FOR AFFORDABLE HOUSING AND
BEHAVIORAL HEALTH; PROVIDING FOR ADMINISTRATION OF THE TAX

WHEREAS, by chapter 222, Laws of 2020, the state legislature authorized counties to impose by councilmanic action a sales and use tax of up to one-tenth of one percent for affordable housing and mental and behavioral health purposes; and

WHEREAS, on March 31, 2020, Governor Jay Inslee signed HB 1590 into law, with an effective date of June 11, 2020; and

WHEREAS, on April 14, 2021, Governor Jay Inslee signed ESHB 1070 into law, with an effective date of April 14, 2021, which clarified the allowable uses of HB 1590 funds; and

WHEREAS, as documented by Up for Growth in January 2020, from 2000 to 2017, there was an underproduction of housing units in Snohomish County for households earning below 80% of average median income; and

WHEREAS, according to the Washington State Department of Health, behavioral health needs have been exacerbated by the COVID-19 pandemic; and

WHEREAS, the Snohomish County Council finds that there is significant need for the housing and behavioral health facilities, operation and maintenance, and programs and services; and

WHEREAS, additional funds provided by a sales and use tax will help address the significant need in Snohomish County relating to housing affordability and behavioral health.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. A new chapter is added to Title 4 of the Snohomish County Code to read:

Chapter 4.XX

SALES AND USE TAX FOR AFFORDABLE HOUSING AND BEHAVIORAL HEALTH

Sections:

- | | |
|----------|--|
| 4.XX.010 | Imposition of sales and use tax. |
| 4.XX.020 | Rate of tax imposed. |
| 4.XX.030 | Collection and administration. |
| 4.XX.040 | Affordable housing and behavioral health program fund. |
| 4.XX.050 | Use of fund. |

- 1 4.XX.060 Reporting responsibilities.
- 2 4.XX.070 City sales and use tax credit.

3
4 **4.XX.010 Imposition of sales and use tax.**

5 Pursuant to RCW 82.14.530, there is hereby imposed a sales and use tax, as
6 the case may be, upon the occurrence of any taxable event as defined in chapters
7 82.08 and 82.12 RCW within the county. The tax shall be imposed upon and
8 collected from those persons who are taxable by the state under chapters 82.08 and
9 82.12 RCW. This sales and use tax shall be in addition to any other sales and use
10 tax imposed by the county.

11
12 **4.XX.020 Rate of tax imposed.**

13 The rate of tax imposed by SCC 4.XX.010 shall be one-tenth of one percent
14 of the selling price in the case of a sales tax, or value of the article used in the case
15 of a use tax.

16
17 **4.XX.030 Collection and administration.**

18 (1) The tax imposed by SCC 4.XX.010 shall be collected and administered in
19 accordance with RCW 82.14.530, and with the provisions of chapters 82.08, 82.12,
20 and 82.14 RCW. The county executive is authorized and directed to execute any
21 contracts with the state department of revenue that may be necessary to provide for
22 collection or administration of the tax.

23 (2) All revenues from the tax imposed by SCC 4.XX.010 shall be deposited
24 into the affordable housing and behavioral health program fund created by SCC
25 4.XX.040.

26
27 **4.XX.040 Affordable housing and behavioral health program fund.**

28 (1) There is hereby created the affordable housing and behavioral health
29 program fund. The resources of the fund shall consist of tax revenues deposited into
30 the fund pursuant to SCC 4.XX.030 plus any investment or other income to the fund.

31 (2) Appropriations of fund resources shall identify specific uses of the fund,
32 which may include programs or services of the human services department or other
33 county departments, provided that such uses must be consistent with SCC
34 4.XX.050.

35 (3) The director of the human services department shall serve as fund
36 manager and shall have the duties set out in SCC 4.05.050.

37
38 **4.XX.050 Use of fund.**

39 (1) The resources of the affordable housing and behavioral health program
40 fund shall be used solely for the purposes set forth in RCW 82.14.530.

41 (2) The resources of the fund may be used to supplant existing funding only
42 to the extent allowed in RCW 82.14.530.

43 (3) The resources of the fund may be used to offset reductions in state or
44 federal funds for the purposes described in RCW 82.14.530(2).

1 **4.XX.060 Reporting responsibilities.**

2 The director of the department of human services shall submit quarterly
3 reports and annual summary reports to the county executive and council on
4 programs supported with resources of the fund established by SCC 4.XX.040.
5

6 **4.XX.070 City sales and use tax credit.**

7 When a city has imposed a tax under RCW 84.14.530(1)(b) prior to the
8 county's imposition of SCC 4.XX.010, there shall be allowed against the tax imposed
9 by SCC 4.XX.010 a credit for the full amount of any sales or use tax imposed by a
10 city under RCW 84.14.530(1)(b) upon the same taxable event.
11

12 **Section 2. Implementation.** County offices and agencies shall take all necessary
13 steps to implement this ordinance as soon as possible in accordance with RCW 82.14.055.
14 The clerk of the council shall forthwith transmit a certified copy of this ordinance to the
15 department of revenue of the State of Washington.
16

17 PASSED this _____ day of _____, 2021.
18

19 SNOHOMISH COUNTY COUNCIL
20 Snohomish County, Washington
21

22 _____
23 Council Chair
24

25 ATTEST:

26 _____
27 Asst. Clerk of the Council
28

- 29
30 () APPROVED
31 () EMERGENCY
32 () VETOED
33

34 DATE: _____
35
36

37 _____
38 County Executive
39

40 ATTEST:
41

42 _____
43 Approved as to form only:
44

45 /s/ Rebecca E. Wendling 11.29.21
46 Deputy Prosecuting Attorney