

**ORDINANCE NO. 2020-004**  
**AN ORDINANCE ADOPTING LEGISLATION TO AUTHORIZE  
A SALES AND USE TAX FOR AFFORDABLE AND SUPPORTIVE  
HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE  
BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS  
RELATED THERETO**

**WHEREAS**, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406:(Chapter 338, Laws of2019) ("SHB 1406"); and

**WHEREAS**, SHB 1406 authorizes the governing body of a city or county to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing, and for the operations and maintenance costs of affordable or supportive housing, and, if eligible, for providing rental assistance to tenants; and

**WHEREAS**, This tax is not a new tax, rather the tax will be credited against state sales taxes collected within Kittitas County, and, therefore, will not result in higher sales and use taxes within the County and will represent an additional source of funding to address housing needs in Kittitas County; and

**WHEREAS**, the tax must be used to assist persons whose income is at or below sixty percent of the County's median income; and

**WHEREAS**, Kittitas County has higher than state average rates of poverty and unemployment coupled with an increasing demand for affordable housing. The demand for housing is increasing both as our resident population grows and wage/income disparity fails to keep up with housing costs. Workforce housing is an increasing concern for area businesses, as are housing and services needs for our aging population and those with special needs or family situational issues. The attraction of Kittitas County as a vacation destination both for short-term holiday renters and vacation-home buyers further pressures the availability of affordable housing options by reducing housing stock that might otherwise support long-term residential tenants; and

**WHEREAS**, the County has determined that imposing the sales and use tax to address this need will benefit its citizens; and

**WHEREAS**, in order for the county to impose the tax, the County first adopted resolution No. 2019-164 declaring the County's intent to levy a portion of the State's sales tax within six months of the effective date of the SHB 1406, and

**WHEREAS**, within twelve months of the effective date of SHB 1406, the governing body must adopt legislation authorizing the maximum capacity of the tax; and

**WHEREAS**, in the spirit of cooperation, the County has consulted with officials from each of the cities to determine their intent to levy the tax prior to determining the percentage of tax the County would levy; and

**WHEREAS**, Kittitas County currently levies a "qualifying local tax," and

**WHEREAS**, the Kittitas County Board of Commissioners now desires to adopt legislation imposing a local sales and use tax as authorized by SHB 1406 as set forth herein;

**NOW, THEREFORE, BE IT ORDAINED, BY THE BOARD OF COUNTY COMMISSIONERS OF KITTITAS COUNTY, WASHINGTON, THAT:**

Section 1. Tax Imposed

There is hereby imposed by this ordinance the maximum capacity of the sales and use tax (.0146 percent) authorized by SHB 1406 in Kittitas County. For unincorporated Kittitas County, and the cities of Kittitas, Roslyn, Cle Elum, and South Cle Elum, which do not intend on levying their portion of the sales and use tax, the maximum capacity is .0146 percent. The city of Ellensburg is already levying the maximum tax, and so the County will levy none for qualifying events within the city limits.

Section 2. Applicability of Tax

The tax shall be imposed upon and collected from those persons from whom the state sales or use tax is collected pursuant to Chapters 82.08 and 82.12 RCW. The rate of tax imposed by this ordinance shall be applied to the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

Section 3. Administration and Collection

The tax imposed by this ordinance shall be administered and collected in accordance with Chapter 82.14.050 RCW. The Chair of the Board of the Kittitas County Commissioners is hereby authorized to, and directed to, execute and sign contracts with the Washington State Department of Revenue that may be necessary to provide for the administration or collection of the tax. The Budget and Finance Manager will submit a copy of the approved ordinance to the Department of Revenue.

Section 5. Use of Funds.

Monies collected shall be used for allowable expenditures authorized by 82.14 RCW as amended by Substitute House Bill 1406, now codified under RCW 82.14.540.

Section 6. Administration of Fund.

The funds will be collected and accounted for separately in the Fund #112 Affordable Housing as established by the County Auditor and shall be administrated by the Board of County Commissioners.

Section 7. Effective Date.

This ordinance is effective the date of signing.

Section 8. Severability.

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

PASSED by the following vote this 21<sup>st</sup> day of July, 2020 by the Board of Kittitas County Commissioners meeting in regular session at Ellensburg, Washington then signed by its membership and attested to by its Clerk in authorization of such passage:


APPROVED AS TO FORM

BOARD OF COUNTY COMMISSIONERS  
KITTITAS COUNTY, WASHINGTON


\_\_\_\_\_  
Deputy Prosecutor/Prosecutor  
WSBA #

  
\_\_\_\_\_  
Commissioner



  
\_\_\_\_\_  
Commissioner

Jay-Cover  
Deputy Clerk of the Board 1

  
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Commissioner