

RESOLUTION 1955

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, IMPOSING PURSUANT TO RCW 82.14.030 AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT FOR HOUSING AND RELATED SERVICES AS AUTHORIZED BY RCW 82.14.530; ADDING A NEW CHAPTER 3.11 TO THE NORTH BEND MUNICIPAL CODE; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of North Bend has a critical need for additional funding to provide affordable housing and housing-related services for the homeless or people in danger of becoming homeless; and

WHEREAS, housing affordability is a growing problem in the City of North Bend which requires prompt attention to reduce human suffering for the City's residents; and

WHEREAS, RCW 82.14.530 authorizes the imposition of an additional sales and use tax of one-tenth of one percent to be used for funding affordable housing; and

WHEREAS, under HB 1590, passed by the state legislature as Chapter 222, Laws of 2020 (the "Act"), counties were given the exclusive right to impose the tax until September 30, 2020 and cities were given the right to impose the tax thereafter as long as the county had not already done so; and

WHEREAS, the North Bend City Council previously adopted amendments to Chapter 3 of the North Bend Municipal Code that imposed a sales and use tax to be deducted from the amount of tax otherwise required to be collected or paid to the Washington State Department of Revenue under Chapter 82.08 or 82.12 RCW; and

WHEREAS, the Act and RCW 82.14.530(1)(a) authorize the governing body of a county to impose a local sales and use tax, for construction of affordable housing and mental and behavioral health-related facilities and funding the operations and maintenance costs of new affordable housing units or new evaluation and treatment centers, in an amount not to exceed "one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax"; and

WHEREAS, the Act and RCW 82.14.530(1)(b)(i)(i)(B) further provide that if a county does not impose the full tax rate for affordable housing authorized under RCW 82.14.530(1)(a) by September 30, 2020, any city legislative authority located in that county may impose, without a proposition approved by a majority of persons voting, the whole or

remainder of such sales and use tax in accordance with the terms of Chapter 82.14 RCW; and

WHEREAS, the King County Council did not impose an affordable housing sales and use tax under RCW 82.14.530(1)(a) in any amount by September 30, 2020; and

WHEREAS, Chapter 82.14 RCW and specifically RCW 82.14.030 authorize the governing body of a city (i.e., the North Bend City Council) to impose a sales and use tax “by resolution or ordinance for the purposes authorized by this chapter [Chapter 82.14 RCW]”; and

WHEREAS, the Act and RCW 82.14.530(1)(c) provide that if a county imposes a tax authorized under RCW 82.14.530(1)(a) after a city located in that county has imposed the tax authorized under RCW 82.14.530(1)(b), the county must provide a credit against its tax for the full amount of tax imposed by a city; and

WHEREAS, King County has announced a meeting for October 13, 2020 for the purposes of imposing the additional sales and use tax authorized by Chapter 82.14 RCW; and

WHEREAS, the North Bend City Council has determined that the tax should be imposed and that the proceeds will be used for those purposes benefiting North Bend residents as authorized by RCW 82.14.530, including constructing affordable housing, constructing mental and behavioral health-related facilities, and funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Additional Sales and Use Tax Imposed. A new Chapter 3.11 is hereby added to the North Bend Municipal Code imposing the one-tenth of one percent sales and use tax authorized by RCW 82.14.530 to read as follows:

3.11.010 Additional Sales and Use Tax for Housing and Related Services.

A. There is hereby imposed an additional sales and use tax, separate and apart from any other sales and use tax imposed by this chapter, upon every taxable event occurring in the City, for housing and related services as authorized by RCW 82.14.530.

B. As used in this section, the term “taxable event” has the meaning set forth in RCW 82.14.020.

C. The rate of the sales and use tax imposed by this section shall be one-tenth of one percent of the selling price, in the case of a sales tax, or the value of the article used, in the case of a use tax.

D. The tax shall be imposed upon and collected from those persons from whom the state sales tax or use tax is collected pursuant to RCW 82.08 and 82.12.

E. Moneys collected from the tax shall be used solely for those housing and related services authorized by RCW 82.14.530, as the same now exists or as hereafter amended.

F. As provided in RCW 82.14.530, if King County subsequently imposes a sales and use tax for housing and related services as authorized by such statute, the County shall provide a credit against its tax for the full amount of the tax imposed by the City.

Section 2. Repeal of Resolution. In the event that the King County Council fails to impose a sales and use tax for housing and related services as authorized by RCW 82.14.530, the Administration is directed to prepare a resolution repealing this Resolution in its entirety and present it to the North Bend City Council for its review and possible adoption.

Section 3. Severability. If any section, sentence, clause or phrase of this Resolution should be held to be invalid or unconstitutional by a court, board or tribunal of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution.

Section 4. Effective Date. This Resolution shall take effect immediately upon its passage; provided, however that the commencement of collection of the additional sales tax shall occur consistent with dates imposed pursuant to the Act.

PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A SPECIAL MEETING THEREOF, THIS 12TH DAY OF OCTOBER, 2020.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Rob McFarland, Mayor

Michael R. Kenyon, City Attorney

ATTEST/AUTHENTICATED:

Effective: October 12, 2020
Posted: October 13, 2020
Published: October 23, 2020

Susie Oppedal, City Clerk