

**ORDINANCE NO. 4159**

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, RELATING TO LOCAL SALES OR USE TAXES; AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF SUBSTITUTE HOUSE BILL 1406 (HEREINAFTER CHAPTER 338, LAWS OF 2019) FOR AFFORDABLE AND SUPPORTIVE HOUSING; ADOPTING A NEW CHAPTER 3.28A OF THE EDMONDS CITY CODE.

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WHEREAS, retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services; and

WHEREAS, a retail sale is a sale to the final consumer or end user of the property, digital product, or service; and

WHEREAS, if retail sales taxes were not collected when the user acquired the property, digital products, or services, then use taxes apply to the value of property, digital product, or service when used in this state; and

WHEREAS, the state, all counties, and all cities levy retail sales and use taxes; and

WHEREAS, the state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location; and

WHEREAS, by virtue of Chapter 338, Laws of 2019, county and city legislative authorities are authorized to implement a local sales tax to fund affordable or supportive housing; and

WHEREAS, under the new law, a "qualifying local tax" is defined as any of the following:

- the affordable housing levy (RCW 84.52.105),
- the sales and use tax for housing and related services (RCW 82.14.530),
- the sales and use tax for chemical dependency and mental health treatment services or therapeutic courts (RCW 82.14.460), or
- a voter-approved property tax levy used solely for affordable housing (RCW 84.55.050); and

WHEREAS, under the new law, the maximum rate of 0.0146 percent is available only to a city levying a qualifying local tax; and

WHEREAS, a county may not levy the tax within the limits of a city imposing the tax at 0.0146 percent;

WHEREAS, Edmonds does not presently have a qualifying local tax and this Ordinance would not impose a qualifying local tax; and

WHEREAS, Edmonds could still obtain the maximum rate of 0.0146 percent under the new law if a qualifying local tax is instated in Edmonds no later than July 28, 2020 (this would require separate additional action beyond the scope of this Ordinance); and

WHEREAS, under the new law, the rate of 0.0073 percent is available to a city, like Edmonds, without a qualifying local tax; and

WHEREAS, to impose the tax under the new law, a city legislative authority must adopt a resolution of intent within six months of July 28, 2019, and impose the tax within one year; and

WHEREAS, the City Council adopted a resolution of intent on August 20, 2019; and

WHEREAS, the tax imposed by this Ordinance is deducted against the state sales tax collected in the jurisdiction, so it does not increase the total sale and use tax paid by the final consumer or end user; and

WHEREAS, under this new tax, the amount a city may collect in any state fiscal year is limited based on taxable retail sales in the jurisdiction for state fiscal year 2019; and

WHEREAS, a city may bond against the revenue generated by this tax; and

WHEREAS, the revenue collected or bonds issued may only be used for: 1) acquiring, rehabilitating, or constructing affordable housing, including new units of affordable housing within an existing structure or facilities providing supportive housing services to individuals with mental or behavioral disorders; or 2) operations and maintenance costs of new units of affordable or supportive housing; and

WHEREAS, cities with a population of 100,000 or less may also use the revenue to provide rental assistance to tenants; and

WHEREAS, housing and services may only be provided to persons whose income is at or below 60 percent of the county median income; and

WHEREAS, a city may enter into an interlocal agreement with one or more other counties, cities, or housing authorities to provide affordable or supportive housing; and

WHEREAS, cities imposing the tax must submit annual reports on the collection and uses of the revenue to the Department of Commerce;

WHEREAS, the City Council desires, by this Ordinance, to levy and impose the tax authorized by Chapter 338, Laws 2019;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF EDMONDS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. A new chapter 3.28A of the Edmonds City Code, entitled “Sales and use tax for housing,” is hereby adopted to read as follows:

**Chapter 3.28A**  
**Sales and use tax for housing**

- 3.28A.010 Sales and use tax for housing - Definitions.**
- 3.28A.020 Sales and use tax for housing - Imposition.**
- 3.28A.030 Sales and use tax for housing - Rate.**
- 3.28A.040 Sales and use tax for housing - Deduction.**
- 3.28A.050 Sales and use tax for housing - Expiration.**
- 3.28A.060 Sales and use tax for housing - Reporting.**

**3.28A.010 Sales and use tax for housing - Definitions.**

A. "Participating city" is a city that imposes a sales and use tax in accordance with the terms of Chapter 338, Laws of 2019.

B. “Taxable event” means any retail sale, or any use, upon which a state tax is imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or may hereafter be amended. However, the term does not include a retail sale taxable pursuant to RCW 82.08.150, as now or hereafter amended.

**3.28A.020 Sales and use tax for housing - Imposition.**

The City of Edmonds is a Participating city. Pursuant to Chapter 338, Laws 2019, there is authorized, fixed and imposed a sales and use tax on every Taxable event. 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.

**3.28A.030 Sales and use tax for housing - Rate.**

The rate of the tax imposed by ECC 3.28A.020 shall be the maximum rate permitted cities under Chapter 338, Laws of 2019.

**3.28A.040 Sales and use tax for housing - Deduction.**

The tax imposed under this chapter must be deducted from the amount of tax otherwise required to be collected or paid to the Department of Revenue under Chapters 82.08 or 82.12 RCW.

**3.28A.050 Sales and use tax for housing - Expiration.**

The tax imposed by this chapter expires twenty years after the date on which the tax is first imposed.

**3.28A.060 Sales and use tax for housing - Reporting.**

The Development Services Director shall report annually to the Department of Commerce on the collection and use of the revenue from the tax imposed by this chapter.

Section 2. Severability. If any section, subsection, clause, sentence, or phrase of this ordinance should be held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 3. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

APPROVED:

  
MAYOR DAVE EARLING

ATTEST/AUTHENTICATED:

  
CITY CLERK, SCOTT PASSEY

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

BY   
JEFF TARADAY

FILED WITH THE CITY CLERK:	August 30, 2019
PASSED BY THE CITY COUNCIL:	September 3, 2019
PUBLISHED:	September 6, 2019
EFFECTIVE DATE:	September 11, 2019
ORDINANCE NO.	1459

**SUMMARY OF ORDINANCE NO. 1459**

of the City of Edmonds, Washington

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On the 3rd day of September, 2019, the City Council of the City of Edmonds, passed Ordinance No. 4159. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, RELATING TO LOCAL SALES OR USE TAXES; AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF SUBSTITUTE HOUSE BILL 1406 (HEREINAFTER CHAPTER 338, LAWS OF 2019) FOR AFFORDABLE AND SUPPORTIVE HOUSING; ADOPTING A NEW CHAPTER 3.28A OF THE EDMONDS CITY CODE.

The full text of this Ordinance will be mailed upon request.

DATED this 3rd day of September, 2019.

  
CITY CLERK, SCOTT PASSEY

# Everett Daily Herald

## Affidavit of Publication

State of Washington }

County of Snohomish } ss

Dicy Sheppard being first duly sworn, upon oath deposes and says: that he/she is the legal representative of the Everett Daily Herald a daily newspaper. The said newspaper is a legal newspaper by order of the superior court in the county in which it is published and is now and has been for more than six months prior to the date of the first publication of the Notice hereinafter referred to, published in the English language continually as a daily newspaper in Snohomish County, Washington and is and always has been printed in whole or part in the Everett Daily Herald and is of general circulation in said County, and is a legal newspaper, in accordance with the Chapter 99 of the Laws of 1921, as amended by Chapter 213, Laws of 1941, and approved as a legal newspaper by order of the Superior Court of Snohomish County, State of Washington, by order dated June 16, 1941, and that the annexed is a true copy of EDH872631 ORD 4159 as it was published in the regular and entire issue of said paper and not as a supplement form thereof for a period of 1 issue(s), such publication commencing on 09/06/2019 and ending on 09/06/2019 and that said newspaper was regularly distributed to its subscribers during all of said period.

The amount of the fee for such publication is \$50.40

Dicy Sheppard

Subscribed and sworn before me on this

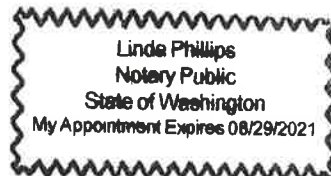
17<sup>th</sup> day of September,

2019.

Linda Phillips

Notary Public in and for the State of Washington.

City of Edmonds - LEGAL ADS | 14101416  
SCOTT



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of the City of Edmonds, Washington

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The full text of this Ordinance will be mailed upon request.

DATED this 3rd day of September, 2019,  
CITY CLERK, SCOTT PASSEY

Published: September 6, 2019.

EDH872631