

## **ORDINANCE NO. 2021-**

**AN ORDINANCE** adding Chapter 3.124: Additional Sales and Use Tax for Housing and Related Services, to the Yakima Municipal Code

**WHEREAS**, the City of Yakima has a critical need for additional funding to provide affordable housing and housing-related services for its residents; and

**WHEREAS**, housing affordability and homelessness are growing problems in the City of Yakima which require prompt attention to reduce human suffering for the City's residents; and

**WHEREAS**, HB 1590, passed as Chapter 222, Laws of 2020, RCW 82.14.530, and HB 1070, passed as Chapter 27, Laws of 2021, authorize the imposition of an additional sales and use tax of one-tenth of one percent to be used for funding affordable housing, transitional housing, other housing opportunities and services; and

**WHEREAS**, Yakima County was 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**, Yakima County did not impose the additional sales and use tax by September 30, 2020; and

**WHEREAS**, the City Council has determined that the tax should be imposed and that the proceeds will be used for those purposes outlined in RCW 82.14.530, now and as hereafter amended, which include, but are not limited to, construction and acquisition of affordable housing, emergency housing, transitional housing, and operation and maintenance costs associated with housing and housing-related programs; and

**WHEREAS**, the City Council of the City of Yakima finds that it is in the best interest of the City of Yakima and its residents to impose a one tenth of one percent sales and use tax on taxable events within the City of Yakima, the proceeds of which will go towards housing and related services as allowed by RCW 82.14.530; now, therefore,

### **BE IT ORDAINED BY THE CITY OF YAKIMA:**

**Section 1.** Chapter 3.124 Sales and Use Tax for Housing and Related Services is hereby added to the Yakima Municipal Code to read as follows:

#### **Chapter 3.124 SALES AND USE TAX FOR HOUSING AND RELATED SERVICES**

##### **Sections:**

- 3.124.010 Purpose and Intent
- 3.124.020 Imposition of Sales and Use Tax
- 3.124.030 Taxable Event
- 3.124.040 Rate
- 3.124.050 Persons Subject to Tax
- 3.124.060 Uses of Proceeds from Tax
- 3.124.070 Credit Claimed

**3.124.010 Purpose and Intent.**

The City Council enacts this Chapter with the intent to help strengthen our community by ensuring that everyone has access affordable housing and related services, regardless of their income, by providing a local-controlled source of revenue to accomplish the specific objectives of state law, as identified by the Washington state legislature.

**3.124.020 Imposition of Sales and Use Tax.**

There is hereby imposed an additional sales and use tax, separate and apart from any other sales and use tax imposed, upon every taxable event occurring in the City, for housing and related services as authorized by RCW 82.14.530, as the same now exists or as is hereafter amended.

**3.124.030 Taxable Event.**

As used in this Chapter, the term "taxable event" has the meaning set forth in RCW 82.14.020, as the same now exists or as is hereafter amended.

**3.124.040 Rate.**

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.

**3.124.050 Persons Subject to Tax.**

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

**3.124.060 Use of Proceeds from Tax.**

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 is hereafter amended.

**3.124.070 Credit Claimed.**

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

**Section 2.** This ordinance shall be in full force and effect thirty (30) days after its passage, approval, and publication as provided in the City Charter; provided, that the additional sales and use tax imposed by Section 1 shall apply only to taxable events occurring on and after April 1, 2022. The City shall notify the Department of Revenue of the imposition of the tax, pursuant to state law.

**Section 3.** If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared invalid or unconstitutional for any reason, such decision shall not affect the validity of the remaining portions of this ordinance.

**PASSED BY THE CITY COUNCIL**, signed and approved this \_\_\_\_ day of \_\_\_\_, 2021.

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Patricia Byers, Mayor

ATTEST:

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Sonya Claar Tee, City Clerk

Publication Date:\_\_\_\_\_

Effective Date:\_\_\_\_\_