

ORDINANCE NO. 731

AN ORDINANCE OF THE LAKEWOOD CITY COUNCIL 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 3.25 OF THE LAKEWOOD MUNICIPAL CODE, "SALES AND USE TAX - CREDIT AGAINST PRIOR TAX"; AUTHORIZING THE CITY MANAGER TO CONTRACT WITH THE STATE OF WASHINGTON TO COLLECT THE TAX IMPOSED BY THIS ORDINANCE; REQUESTING COMPLIANCE WITH RCW 82.14.055; DIRECTING THE CITY CLERK TO TRANSMIT THE ADOPTED ORDINANCE TO THE DEPARTMENT OF REVENUE; AND REQUESTING THE CITY MANAGER TO REPORT ANNUALLY TO THE DEPARTMENT OF COMMERCE ON THE COLLECTION AND USE OF REVENUES RECEIVED.

FINDINGS

Whereas, Chapter 388, Laws of 2019, relating to encouraging investments in affordable housing was adopted in the 2019 session; and

Whereas, the Lakewood City Council adopted Resolution No. 2019-19 declaring the City's intent to adopt legislation pursuant to Chapter 338, Laws of 2019 to authorize a local sales and use tax credited against the state sales and use tax for affordable or supportive housing as established for cities under that statute; and

Whereas, to collect the tax, a city must adopt an ordinance authorizing the tax within one year of the effective date of the bill, or July 28, 2020; and

Whereas, the City is prepared to coordinate the development of a plan for use of resources consistent with Chapter 338, Laws of 2019;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Adoption of City Council Findings. The Findings of the City Council are adopted as part of this Ordinance.

Section 2. A new Chapter 3.25 of the Lakewood Municipal Code, "Sales and Use Tax – Credit Against Prior Tax," is hereby adopted as shown in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 3. The City Manager is hereby requested to contract with the Washington State Department of Revenue to collect the local sales and use tax established by Chapter 338, Laws of 2019 and this Ordinance.

Section 4. City departments are requested to take all necessary steps to implement this Ordinance as soon as possible in accordance with RCW 82.14.055. The City Clerk shall forthwith transmit a copy of this adopted Ordinance to the Washington State Department of Revenue.


Section 5. The City Manager is hereby requested to report annually to the Department of Commerce on the collection and use of the revenues received as provided in Chapter 338, Laws of 2019.

Section 6. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 7. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after final passage.


ADOPTED by the City Council of the City of Lakewood this 2nd day of March, 2020.

CITY OF LAKEWOOD



Don Anderson, Mayor

Attest:


Briana Schumacher, City Clerk

Approved as to Form:



Heidi Ann Wachter, City Attorney

EXHIBIT A
NEW CHAPTER LMC 3.25
Sales and Use Tax – Credit Against Prior Tax

Sections:

- 3.25.010 Affordable and Supportive Housing Sales Tax Credit - Definitions.**
- 3.25.020 Affordable and Supportive Housing Sales Tax Credit - Imposition.**
- 3.25.030 Affordable and Supportive Housing Sales Tax Credit - Rate.**
- 3.25.040 Affordable and Supportive Housing Sales Tax Credit - Deduction.**
- 3.25.050 Affordable and Supportive Housing Sales Tax Credit - Expiration.**

3.25.010 Affordable and Supportive Housing Sales Tax Credit - Definitions.

"Nonparticipating City," "Nonparticipating County," "Participating City," "Participating County," and "Qualifying Local Tax" shall have the definitions provided in Section 1, Chapter 338, Laws of 2019.

3.25.020 Affordable and Supportive Housing Sales Tax Credit - Imposition.

Lakewood is a Participating City under Chapter 338, Laws of 2019. There is authorized, fixed and imposed a sales and use tax on every taxable event, as defined in RCW 82.14.020, identified in Chapter 338, Laws of 2019, as appropriate for taxation by a participating city that has not adopted a qualifying local 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 and may only be used for affordable and supportive housing purposes as provided in Chapter 338, Laws of 2019.

3.25.030 Affordable and Supportive Housing Sales Tax Credit - Rate.

The rate of the tax imposed by LMC 3.25.020 shall be the maximum rate permitted cities that have not adopted a qualifying local tax under Chapter 338, Laws of 2019.

3.25.040 Affordable and Supportive Housing Sales Tax Credit - Deduction.

The tax imposed under this Section 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.

3.25.050 Affordable and Supportive Housing Sales Tax Credit - Expiration.

The tax imposed by this Chapter expires 20 years after the date on which the tax is first imposed.