

**TOWN OF YARROW POINT, WASHINGTON  
ORDINANCE NO. 704**

**AN ORDINANCE OF THE TOWN OF YARROW POINT,  
WASHINGTON, ADOPTING LEGISLATION TO AUTHORIZE A  
SALES AND USE TAX FOR AFFORDABLE HOUSING IN  
ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406  
(CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS  
RELATED THERETO; ADDING A NEW CHAPTER 3.30 TO  
TITLE 3 OF THE YARROW POINT MUNICIPAL CODE;  
PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN  
EFFECTIVE DATE.**

**WHEREAS**, in the 2019 Regular Session, the Washington State Legislature approved Substitute House Bill 1406 (Chapter 338, Laws of 2019) (“SHB1406”) and codified as RCW 82.14.540; 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

**WHEREAS**, the tax will be credited against sales and use taxes collected within the Town of Yarrow Point (the “Town”) by the State of Washington and, therefore, will not result in higher sales and use taxes within the Town and will represent an additional source of funding to address housing needs in the Town; and

**WHEREAS**, revenue received from the sales and use tax must be used to assist persons whose income is at or below 60% of King County’s median income; and

**WHEREAS**, the Town has determined that there is a demand and need for affordable housing and that imposing the sales and use tax to address this need will benefit its citizens; and

**WHEREAS**, in order for a city or county to impose the sales and use tax permitted by SHB 1406, within six months of the effective date of SHB 1406, or by January 28, 2020, the governing body must have adopted a resolution of intent to authorize the maximum capacity of the tax, and within twelve months of the effective date of SHB 1406, or by July 29, 2020, must adopt legislation authorizing the maximum capacity of the tax; and

**WHEREAS**, on November 12, 2019, the Town Council adopted Resolution No. 347 declaring its intent to adopt legislation to authorize the maximum sales and use tax as authorized by SHB 1406; and

**WHEREAS**, SHB 1406 allows cities and counties to enter into interlocal agreement with one or more other counties, cities, or housing authorities to pool the sales and use tax receipts and allocate the proceeds of the taxes levied under SHB 1406; and

**WHEREAS**, the Town is a member Town of and a party to the interlocal agreement establishing A Regional Coalition of Housing (“ARCH”), a joint board established for the purpose of pooling revenue for investment in housing; and

**WHEREAS**, the interlocal agreement establishing ARCH authorizes the City of Bellevue (as the administering agency for ARCH) to establish and maintain a centralized Housing Trust Fund Account for the purpose of administering the contributions of ARCH members for affordable housing projects and programs; and

**WHEREAS**, the Town Council desires to allocate the sales and use tax receipts authorized by SHB 1406 to ARCH, to be pooled with other sources of revenue in accordance with terms of the exiting interlocal agreement, for administration through the ARCH Housing Trust Fund Account, with contributions to be released only when directed by the Town; and

**WHEREAS**, this ordinance constitutes the legislation required to authorize a sales and use tax in the maximum amount in accordance with SHB 1406; and

**WHEREAS**, the Town Council now desires to impose a local sales and use tax as authorized by SHB 1406, as set forth herein, and to adopt a new Chapter 3.30 to Title 3 of the Yarrow Point Municipal Code to adopt and impose said sales and use tax;

**NOW, THEREFORE BE IT RESOLVED THAT THE TOWN COUNCIL OF THE TOWN OF YARROW POINT ORDAINS AS FOLLOWS:**

Section 1. Findings. The Town Council hereby adopts the forgoing recitals as findings in support of this Ordinance.

Section 2. Adoption. A new Chapter 3.30 of the Yarrow Point Municipal Code, entitled “Sales and Use Tax for Affordable Housing,” is hereby adopted to read as follows:

Chapter 3.30 Affordable Housing Sales Tax Credit

Sections:

- 3.30.010 Purpose.
- 3.30.020 Definitions.
- 3.30.030 Imposition of Sales and Use Tax for Affordable Housing.
- 3.30.040 Reporting.
- 3.30.050 Expiration.

**3.30.10 Purpose.**

The purpose of this chapter is to impose a local sales and use tax for the acquisition, construction or rehabilitation of affordable housing or facilities providing supportive housing as authorized by RCW 82.14.540.

**3.30.020 Definitions.**

A. "Participating town" is a town that imposes a sales and use tax in accordance with the terms of RCW 82.14.540.

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.

**3.30.030 Imposition of Sales and Use Tax for Affordable Housing.**

A. Imposition. The Town of Yarrow Point is a Participating town. Pursuant to RCW 82.14.540, 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.

B. Rate. The rate of the tax imposed by Chapter 3.30 YPMC shall be the maximum rate permitted cities under RCW 82.14.540.

C. 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.

**3.30.040 Reporting.**

The Clerk-Treasurer or designee shall report on the collection and use of the revenue from the tax imposed by this chapter annually, the Department of Commerce.

**3.30.050 Expiration**

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

Section 3. Use of Tax Receipts; Pooling Sales and Use Tax Receipts. Revenue received by the Town from the sales and use tax authorized in Section 2 of this Ordinance shall be used for the purposes authorized in RCW 82.14.540(6), including acquiring, rehabilitating and/or constructing affordable housing, providing supportive housing services, and funding the operations and maintenance costs of new units of affordable or supportive housing.

Sales and use tax receipts received by the Town as authorized by RCW 82.14.540 are hereby authorized to be remitted to ARCH in accordance with terms of the existing ARCH interlocal agreement, for administration through the ARCH Housing Trust Fund Account, with contributions to be released only when directed by the Mayor who is authorized to execute such documents as necessary to carry out the terms of this Section.

Section 4. The Clerk-Treasurer is authorized to provide any necessary notice to the Department of Revenue to effectuate the tax enacted by this ordinance and to execute, for and on

behalf of the Town of Yarrow Point, any necessary agreement with the Department of Revenue for the collection and administration of the tax enacted by this ordinance.

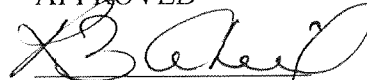
Section 5. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 6. Corrections. The Town Clerk-Treasurer and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

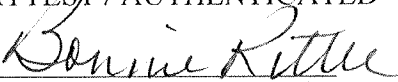
Section 7. Effective Date and Publication. The summary of this ordinance consisting of its title shall be published in the official newspaper of the Town. This ordinance shall take effect five (5) days after the date of publication and shall apply to all final plat applications submitted after the effective date. Any final plat application submitted prior to the effective date shall follow the regulations that were in place at the time of submittal.

**PASSED** by the Council of the Town of Yarrow Point this 14<sup>th</sup> day of July, 2020.


APPROVED

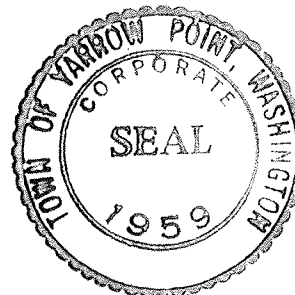
  
Mayor Dicker Cahill

ATTEST / AUTHENTICATED

  
Clerk-Treasurer Bonnie Ritter

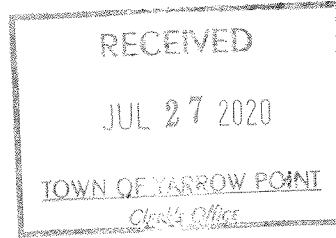
APPROVED AS TO FORM:

  
SCOTT MISSALL, TOWN ATTORNEY  
OGDEN MURPHY WALLACE, PLLC



# The Seattle Times

Town Of Yarrow Point  
Town Clerk  
4030 95th Ave NE



Yarrow Point, WA 98004

Re: Advertiser Account # 101357

Agency Account #: 0

Ad #: 951932

Agency Name:

## Affidavit of Publication

STATE OF WASHINGTON  
Counties of King and Snohomish

The undersigned, on oath states that he/she is an authorized representative of The Seattle Times Company, publisher of The Seattle Times of general circulation published daily in King and Snohomish Counties, State of Washington. The Seattle Times has been approved as a legal newspaper by others of the Superior Court of King and Snohomish Counties.

The notice, in the exact form annexed, was published in the regular and entire issue of said paper or papers and distributed to its subscribers during all of the said period.

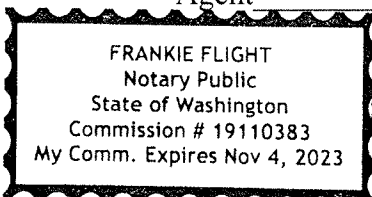
Newspaper and Publication Date(s)	
Seattle Times	07/17/20

**Debbie Collantes**

Agent

Signature

*Debbie Collantes*



Subscribed and sworn to before me on 07/23/20

DATE

**Frankie Flight**

(Notary Signature) Notary Public in and for the State of Washington, residing at Seattle