

**ATTACHMENT B**  
CITY OF REDMOND  
ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, REPEALING ORDINANCE NO. 2974 AND ADOPTING A NEW ORDINANCE RELATING TO LOCAL SALES AND USE TAXES; AUTHORIZING THE MAXIMUM CAPACITY OF THE TAX AUTHORIZED UNDER THE PROVISIONS OF SUBSTITUTE HOUSE BILL 1406 FOR AFFORDABLE HOUSING; AND OTHER MATTERS RELATED THERETO

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WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019) ("SHB 1406"); 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] for the operations and maintenance costs of affordable or supportive housing, [*FOR COUNTIES of 400,000 or less, or CITIES of 100,000 or less: or, if eligible, for providing rental assistance to tenants*]; and

WHEREAS, THIS TAX IS NOT A NEW TAX, rather the tax will be credited against state sales taxes collected within the City of Redmond and, therefore, will not result in higher sales and use taxes within the City of Redmond and will represent an additional source of funding to address housing needs in the City of Redmond; and

WHEREAS, the tax must be used to assist persons whose income is at or below sixty percent of the City of Redmond's median income; and

WHEREAS, the City of Redmond has identified the housing need for persons of all ages, incomes, abilities and family sizes, and has determined that imposing the sales and use tax to address this need will benefit its citizens; and

WHEREAS, in order for a city to impose the tax, the City first adopted Resolution No. XXXX declaring the County's intent to levy a portion of the State's sales tax within six months of the effective date of SHB 1406, or January 28, 2020; and

WHEREAS, within twelve months of the effective date of SHB 1406, the governing body must adopt to authorize the maximum capacity of the tax; and

WHEREAS, the City Council now desires to adopt legislation imposing a local sales and use tax as authorized by SHB 1406 as set forth herein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1.      Tax Imposed. The City Council declares its intent to adopt legislation to authorize the maximum capacity of the sales and use tax (0.0073 percent) authorized by SHB 1406.

Section 2.      Administration and Collection. The tax imposed by this ordinance shall be administered and collected in accordance

with Chapter 82.14.050 RCW. The Council is hereby authorized to and directed to execute and sign contracts with the Washington State Department of Revenue that may be necessary to provide for the administration or collection of tax.

Section 3.      Use of Funds.    The funds collected shall be used for allowable expenditures authorized by 52.14 RCW as amended by Substitute House Bill 1406.

Section 4.      Repeal of Ordinance.    Ordinance No. 2974 is hereby repealed.

Section 5.      Effective Date.    This ordinance shall take effect five days after its publication, or publication of a summary thereof, in the City's official newspaper, or as otherwise provided by law.

Passed by majority vote of the \_\_\_\_\_ in open meeting this  
\_\_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF REDMOND

\_\_\_\_\_  
JOHN MARCHIONE, MAYOR

ATTEST:

\_\_\_\_\_  
CHERYL XANTHOS, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
JAMES E. HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
SIGNED BY THE MAYOR:  
PUBLISHED:  
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