
SUBSTITUTE SENATE BILL 6328

State of Washington

66th Legislature

2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Warnick, Hawkins, Kuderer, Zeiger, Fortunato, and Wilson, C.)

READ FIRST TIME 02/04/20.

1 AN ACT Relating to creating a local infrastructure investment
2 program to support the development of affordable housing, workforce
3 housing, and revitalization efforts; and adding a new chapter to
4 Title 39 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires
8 otherwise.

9 (1) "Affordable workforce housing" means residential housing
10 units that are rented or owned by a moderate income person or
11 household with an income at or below one hundred ten percent of the
12 median income for the county in which the housing is located.

13 (2) "Department" means the department of revenue.

14 (3) "Eligible city or county" means any county located east of
15 the crest of the Cascade mountains with a population greater than
16 forty thousand but no more than one hundred twenty-five thousand and
17 the cities within those counties.

18 (4) "Eligible project" means an affordable workforce housing
19 project or revitalization effort within a revitalization district
20 that is wholly located within the limits of an urban growth area as
21 defined in RCW 36.70A.110. An eligible project may be housing, mixed-

1 use, industrial, commercial, or a combination of multiple development
2 types that is wholly located within the limits of an urban growth
3 area or limited areas of more intense rural development as described
4 in RCW 36.70A.110 and WAC 365-196-425 as of the effective date of
5 this section. In counties and cities fully planning under RCW
6 36.70A.040, an eligible project must be located within the limits of
7 the urban growth area or in a location consistent with the
8 jurisdiction's comprehensive land use plan as defined in RCW
9 36.70A.030. In counties and cities not fully planning under RCW
10 36.70A.040, an eligible project must be located within the limits of
11 a city or town or in a location consistent with a locally adopted
12 development plan.

13 (5) "Local infrastructure" has the same meaning as provided for
14 "public improvements" in RCW 39.104.020.

15 (6) "Participating local jurisdiction" means a city or county
16 that establishes a local infrastructure investment program.

17 (7) "Revitalization effort" means a project that promotes the
18 continued economic growth of a participating local jurisdiction, as
19 defined through the ordinance process provided in section 3 of this
20 act.

21 NEW SECTION. **Sec. 2.** (1) A participating local jurisdiction
22 that builds approved local infrastructure to support the development
23 of affordable workforce housing or to support revitalization efforts
24 within a revitalization district may receive a remittance that is the
25 equivalent of a 4.37 percent sales or use tax on the construction of
26 such housing developed under the local infrastructure investment
27 program.

28 (2) The remittance may be claimed once per project. The
29 remittance received by the participating local jurisdiction under
30 this section must be credited against the sales and use tax due to
31 the state under chapters 82.08 and 82.12 RCW on the same sales.

32 NEW SECTION. **Sec. 3.** (1) To commence a local infrastructure
33 investment program, a participating local jurisdiction must adopt an
34 ordinance establishing the local definition of revitalization effort
35 and the geographic boundaries of the revitalization district.

36 (2) The participating local jurisdiction must hold a public
37 hearing on the proposed local infrastructure investment program
38 before passage of the ordinance establishing the program. The public

1 hearing must be attended by at least a majority of the whole
2 governing body. The public hearing is subject to the notice
3 requirements in section 4 of this act.

4 NEW SECTION. **Sec. 4.** (1) Prior to adopting the ordinance
5 creating the local infrastructure investment program, the
6 participating local jurisdiction must provide public notice.

7 (2) Notice of the public hearing must be published in a legal
8 newspaper of general circulation within the participating local
9 jurisdiction at least ten days before the public hearing and posted
10 in at least six conspicuous public places located in the
11 participating local jurisdiction.

12 (3) Notice must also be sent by United States mail to the
13 property owners within the participating local jurisdiction at least
14 thirty days prior to the hearing.

15 NEW SECTION. **Sec. 5.** (1) A participating local jurisdiction
16 must submit an application for the remittance to the department
17 before initiation of the eligible project. The application must be
18 made to the department in a form and manner prescribed by the
19 department. The application must provide information about the
20 estimated amount of sales and use tax to be paid on the eligible
21 project; the estimated date when construction will be completed; and
22 any other information required by the department to determine the
23 estimated amount of remittance.

24 (2) (a) The department must rule on the application within sixty
25 days. Applications must be approved on a first-in-time basis.

26 (b) The department may not approve any application after June 30,
27 2027.

28 (c) The department must report on the utilization of the program
29 to the appropriate committees of the legislature by November 1, 2026.

30 (3) Upon completion of the eligible project, an eligible city or
31 county may claim the remittance by submitting a request to the
32 department, in a form and manner prescribed by the department, that
33 provides the following information about the eligible project:

34 (a) The total amount of construction costs for the eligible
35 project;

36 (b) The total amount of sales and use tax paid on the eligible
37 project; and

1 (c) Any other information required by the department to determine
2 the amount of remittance due to the local jurisdiction.

3 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
4 constitute a new chapter in Title 39 RCW.

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