



**LYNNWOOD**  
WASHINGTON

**ORDINANCE NO. 3357**

**AN ORDINANCE OF THE CITY OF LYNNWOOD, WASHINGTON,  
AUTHORIZING AND IMPOSING A SALES AND USE TAX FOR  
AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH  
SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019),  
AND OTHER MATTERS RELATED THERETO; AND PROVIDING FOR  
SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE**

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13       WHEREAS, in the 2019 Regular Session, the Washington State Legislature approved, and  
14 the Governor signed, Substitute House Bill 1406 (Chapter 338, Laws of 2019, and codified at RCW  
15 82.14.540) (“SHB 1406”); and

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17       WHEREAS, SHB 1406 authorizes the governing body of a city or county to impose a local  
18 sales and use tax (sales tax) for the acquisition, construction or rehabilitation of affordable  
19 housing or facilities providing supportive housing, for the operations and maintenance costs of  
20 affordable or supportive housing, and for cities with a population of 100,000 or less, for providing  
21 rental assistance to certain low-income tenants; and

22  
23       WHEREAS, the tax will be credited against the State of Washington’s portion of sales taxes  
24 collected within the City of Lynnwood (“the City”) and will not result in higher sales and use taxes  
25 within the City or alter the City’s share of sales tax revenue as established by the Lynnwood City  
26 Council or Lynnwood’s electorate, and will represent an additional source of funding to address  
27 housing needs; and

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29       WHEREAS, SHB 1406 specifies that the sales tax credit revenue must be used to assist  
30 persons whose income is at or below sixty percent of median income; and

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32       WHEREAS, the City has an insufficient supply of housing affordable to and/or supportive  
33 to low-income households and the City Council has determined that imposing the sales and use  
34 tax authorized by SHB 1406 to address this need will benefit the community; and

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36       WHEREAS, in order for a city or county to impose the sales tax permitted by SHB  
37 1406, the governing body must adopt a resolution of intent to authorize the maximum capacity  
38 of the tax by January 28, 2020, and adopt legislation authorizing the maximum capacity of the  
39 tax by July 28, 2020; and

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41 WHEREAS, on July 25, 2019, the City Council Finance Committee reviewed the provisions  
42 of SHB 1406 and recommended that the City Council authorize the sales tax credit; and  
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44 WHEREAS, on December 9, 2019, the City Council adopted Resolution 2019-11 declaring  
45 its intent to authorize the maximum capacity of the tax as authorized by SHB 1406; and  
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47 WHEREAS, this ordinance constitutes the legislation required to authorize the maximum  
48 capacity of the sales and use tax as authorized by SHB 1406; and  
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50 WHEREAS, as of the date of this ordinance, the City of Lynnwood has not levied a  
51 "qualifying local tax" as defined by SHB 1406, and may therefore impose the tax authorized at a  
52 rate of 0.0073 percent; and  
53

54 WHEREAS, revenue will be placed in a new Special Revenue Fund known as "SHB 1406  
55 Affordable Housing" and can only be used for purposes authorized by SHB 1406; and  
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57 WHEREAS, SHB 1406 allows cities and counties, as they desire, to enter into interlocal  
58 agreements with other counties, cities or public housing authorities to pool the sales and use tax  
59 receipts and allocate the proceeds of the taxes levied under SHB 1406; and  
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61 WHEREAS, the City Council has determined that passage of this ordinance is in the interest  
62 of the public's health, safety, and welfare, now therefore:  
63

64 **THE CITY COUNCIL OF THE CITY OF LYNNWOOD DO ORDAIN AS FOLLOWS:**  
65

66 **Section 1.** Tax Imposed. The City Council hereby authorizes and imposes the  
67 maximum capacity and rate of the sales and use tax authorized by SHB 1406 (0.0073 percent) in  
68 the City of Lynnwood.  
69

70 **Section 2.** Applicability of Tax. The tax imposed by this ordinance shall be imposed  
71 upon and collected from those persons from whom the state sales or use tax is collected pursuant  
72 to Chapters 82.08 and 82.12 RCW. In accordance with SHB 1406, the tax imposed by this  
73 ordinance shall be deducted from the amount of tax otherwise required to be collected or paid  
74 to the Department of Revenue under Chapters 82.08 and 82.12 RCW.  
75

76 **Section 3.** Administration and Collection. The tax imposed by this ordinance shall be  
77 administered and collected in accordance with RCW 82.14.540 and other applicable law. The  
78 Mayor of the City of Lynnwood is authorized to and directed to execute contract(s) with the  
79 Washington State Department of Revenue necessary to provide for the administration,  
80 collection, and remittance of the sales and use tax revenue.  
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82 **Section 4.** Use of Revenues. Revenues received from the tax imposed by this  
83 ordinance shall be used solely for the acquisition, construction or rehabilitation of affordable

84 housing or facilities providing supportive housing, for the operations and maintenance costs of  
85 affordable or supportive housing, for providing rental assistance to tenants, or for any other  
86 purpose authorized by SHB 1406, as the same now exists or as hereafter amended or superseded.  
87

88 **Section 5.** Administration of Fund. Revenues received from the tax imposed by this  
89 ordinance shall be collected and held in a new Special Revenue Fund added to the City of  
90 Lynnwood budget, entitled "SHB 1406 Affordable Housing," and shall be administered by the  
91 finance director through the City's budget.  
92

93 **Section 6.** Amendment of 2019-2020 Biennial Budget. The 2019-2020 Biennial  
94 Budget, adopted by Ordinance 3315 and subsequently amended by Ordinance 3341 and 3349, is  
95 amended to establish special revenue fund, Fund 146, for the purposes specified by this  
96 Ordinance. Fund 146 revenues and expenditures during the 2019-2020 budget period will be  
97 specified by subsequent Council action.  
98

99 **Section 7.** Reporting. In accordance with SHB 1406, the City shall report annually to  
100 the Washington State Department of Commerce on the collection and use of the revenues  
101 collected from the tax imposed by this ordinance.  
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103 **Section 8.** Expiration of Tax. Unless changed or amended by future action of the City  
104 Council, the tax imposed by this ordinance shall expire twenty years from the effective date of  
105 this ordinance.  
106

107 **Section 9.** Effective Date. The provisions of this ordinance shall be effective five days  
108 after publication.  
109

110 **Section 10.** Severability. If any section, subsection, sentence, clause, phrase or word  
111 of this ordinance should be held to be invalid or unconstitutional by a court of competent  
112 jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or  
113 constitutionality of any other section, subsection, sentence, clause, phrase or word of this  
114 ordinance.  
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116 **Section 11.** Summary Publication. Publication of this ordinance shall be by summary  
117 publication consisting of the ordinance title.  
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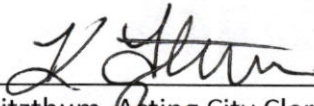
119 PASSED BY THE CITY COUNCIL this 26<sup>th</sup> day of May.  
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121 APPROVED:

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123 \_\_\_\_\_  
124 Nicola Smith, Mayor  
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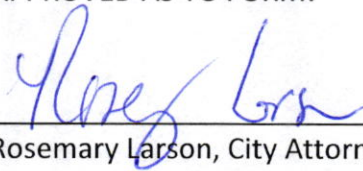
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ATTEST/AUTHENTICATED:



Karen Fitzthum, Acting City Clerk

APPROVED AS TO FORM:



Rosemary Larson, City Attorney

PASSED BY THE CITY COUNCIL: 05/26/2020  
PUBLISHED: 06/08/2020  
EFFECTIVE DATE: 06/13/2020



On the 26<sup>th</sup> day of May 2020 the City Council of the City of Lynnwood, Washington, passed ordinance 3357. A summary of the content of this ordinance, consisting of the title, provides as follows:

**ORDINANCE NO 3357**

**AN ORDINANCE OF THE CITY OF LYNNWOOD, WASHINGTON, AUTHORIZING AND IMPOSING A SALES AND USE TAX FOR AFFORDABLE AND SUPPORTIVE HOUSING IN ACCORDANCE WITH SUBSTITUTE HOUSE BILL 1406 (CHAPTER 338, LAWS OF 2019), AND OTHER MATTERS RELATED THERETO; AND PROVIDING FOR SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE.**

The full text of this ordinance will be mailed upon request.

DATED this 8<sup>th</sup> day of June 2020.

A handwritten signature in blue ink that reads 'D. Karber'.

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Debbie Karber, Deputy City Clerk

# Everett Daily Herald

## Affidavit of Publication

State of Washington }

County of Snohomish } ss

Dicy Sheppard being first duly sworn, upon oath deposes and says: that he/she is the legal representative of the Everett Daily Herald a daily newspaper. The said newspaper is a legal newspaper by order of the superior court in the county in which it is published and is now and has been for more than six months prior to the date of the first publication of the Notice hereinafter referred to, published in the English language continually as a daily newspaper in Snohomish County, Washington and is and always has been printed in whole or part in the Everett Daily Herald and is of general circulation in said County, and is a legal newspaper, in accordance with the Chapter 99 of the Laws of 1921, as amended by Chapter 213, Laws of 1941, and approved as a legal newspaper by order of the Superior Court of Snohomish County, State of Washington, by order dated June 16, 1941, and that the annexed is a true copy of EDH900387 ORDINANCE NO 3357 as it was published in the regular and entire issue of said paper and not as a supplement form thereof for a period of 1 issue(s), such publication commencing on 06/08/2020 and ending on 06/08/2020 and that said newspaper was regularly distributed to its subscribers during all of said period.

The amount of the fee for such publication is \$31.65.

Dicy Sheppard

Subscribed and sworn before me on this

15<sup>th</sup> day of June,  
2020.



Linda Phillips

Notary Public in and for the State of Washington.



CITY OF LYNNWOOD

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The full text of this ordinance will be mailed upon request.  
DATED this 8th day of June 2020.

Published: June 8, 2020. Debbie Karber, Deputy City Clerk  
EDH900387