Paul Barden
Ron Sims Bruce Laing
Cynthia Sullivan
Lois North Audrey Gri
Greg Nickels

August 20, 1990

Introduced by <u>Brian Derdowski</u>

Proposed No: <u>90-709</u>

MOTION NO: __8027__

A MOTION committing King County to requesting the 1991 Regular Session of the Legislature of the State of Washington to authorize a reasonable affordable housing exemption for first time home buyers from the voter approved Real Estate Excise Tax Program and requesting the King County Executive to provide the necessary staff to assist the Legislature in formulating such an exemption.

WHEREAS, Laws 1990 1st. Ex. Sess., Ch. 5 authorizes counties to submit for voter approval a real estate excise tax of up to one percent for the acquisition and maintenance of open space lands; and

WHEREAS, King County Council Motion No. 7916 requested that the Citizen's Oversight Committee on Open Space to explore and recommend methods to exempt affordable housing transactions from the tax; and

WHEREAS, The Citizen's Oversight Committee has conducted a series of four public meetings in June, 1990 at which the provision of an exemption from the tax for first-time home buyers was recommended by members of the general public; and

WHEREAS, The Citizen's Oversight Committee in its report on the proposed tax entitled "The Real Estate Environmental Endowment" (TREE), has recommended an exemption from the proposed real estate excise tax for certain first time home buyers, those being persons who generally meet the requirements of the Washington State Housing Finance Commissions for participation in its mortgage revenue bond programs; and

WHEREAS, current Washington State enabling legislation authorizing the real estate excise tax for open space does not provide measures of relief from the tax for first time home buyers and such provision will require successful passage of an amendment to RCW 82.46 in the 1991 Regular Session of the State Legislature; and

WHEREAS, it is the express intent of the Council of King County to insure affordable housing opportunities for first time home buyers in King County;

NOW, THEREFORE BE IT MOVED by the Council of King County:

A. The King County Council requests the Washington State Legislature to pass, in its 1991 Regular Session by statute or, if necessary, by constitutional amendment, an exemption to the real estate excise tax for first time home buyers based on the requirements used by the Washington State Housing Finance Commission for its mortgage revenue bond programs, which are indexed yearly to each counties' affordable housing market and personal income levels and currently includes the following general guidelines for King County:

1. The home purchased is intended to be used as a principle residence.

2. The purchaser has had no present ownership interest in a principle residence at any time during the 3 years prior to the purchase.

3. The home is a single family residence.

4. The purchase price is less than $125,000.

5. The maximum income of the purchaser shall be 20% above the limit established by the Washington State Housing Finance Commission.

B. King County is committed to pursue passage of the above exemption an exemption to the real estate excise tax for acquisition of conservation areas during the 1991 Regular Session of the Washington State Legislature, in conjunction with other counties, in which voters approve a similar tax for open space, that also wish to provide relief from the tax for first time home buyers.

C. The Washington State Legislature is also requested to consider whether the buyer or the seller should be assessed this tax.

D.   The King County Executive is requested to join with the County Council in providing sufficient staff resources to pursue the proposed amendment.

PASSED this _30th_ day of _August_, 1990.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Lois North
Chair

ATTEST:

Gerald A. Peter
Clerk of the Council