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**Community & Economic  
Development & Trade Committee**

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**HB 1992**

**Brief Description:** Creating community preservation and development authorities.

**Sponsors:** Representatives Santos, Kenney and Hasegawa.

**Brief Summary of Bill**

- Creates community preservation and development authorities, and provides for their formation, powers, and duties.
- Creates the Community Preservation and Development Account in the State Treasury.
- Authorizes establishment of an initial community preservation and development authority.
- Provides a sales and use tax exemption for sales related to projects contained in a community preservation and development authority's strategic plan.

**Hearing Date:** 2/19/07

**Staff:** Meg Van Schoorl (786-7105).

**Background:**

Every year, federal, state and local governments undertake significant public facilities and infrastructure projects in communities around the state. While some of these projects only temporarily affect the surrounding community, others have a more lasting impact.

**Summary of Bill:**

Community preservation and development authorities (Authorities) are created to restore or enhance the health, safety and well-being of communities adversely impacted by construction and

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operation of multiple major public facilities, public works and capital projects with significant public funding. Their purposes include:

- to revitalize, enhance and preserve the unique character of impacted communities;
- to mitigate the adverse effects of multiple public projects;
- to restore the sense of community, reduce displacement of residents and businesses, stimulate economic vitality, enhance public service provisions, and improve residents' standard of living;
- to preserve historic buildings by returning them to economically productive uses; and,
- to raise the visibility of the consequences of public policy decisions and actions.

An Authority's formation requires the following sequential steps:

- The constituency of an impacted community proposes formation of an Authority to its state legislative delegation.
- The Legislature must find that the area within the proposed Authority's geographic boundaries meets the act's definitions of "community" and "impacted community."
- The Legislature may then authorize the Authority's formation and operation.

The bill directs that the Authority will be managed by a board of directors and provides board membership criteria, terms, and election processes. An Authority has the power to:

- accept public or private gifts, grants or loans;
- buy, own, lease and sell real and personal property;
- hold in trust, improve and develop land;
- incur debt in furtherance of its mission; and,
- lend its funds, property, credit or services.

However, an Authority has no power of eminent domain nor power to levy taxes or special assessments.

An Authority has the duty to:

- establish its specific geographic boundaries within its bylaws (and report any changes to the Legislature);
- solicit community input and develop a strategic preservation and development plan;
- identify a prioritized list of projects in the plan, including capital and operating components that address one or more of the purposes of this act;
- establish funding mechanisms to implement the plan; and
- demonstrate accountability by reporting as directed in the act to the Legislature and to its constituency at an annual town hall meeting.

The Legislature finds that there is a community that meets the definitions of "community" and "impacted community," is located in a city with more than 500,000 in population, has had at least two major public facilities sited in the area since 1995, and plans to initiate formation of an Authority by January 1, 2008. The Legislature authorizes formation and operation of this specific Authority.

The Community Preservation and Development Account is created in the State Treasury.

State and local government agencies must consult fully with an Authority and impacted community before making siting, design, and construction decisions for future major public

capital projects and must make every effort to minimize negative, cumulative effects of multiple projects.

Sales and use of tangible personal property, labor and services to an Authority in order to implement a project in its strategic plan are exempt from state and local sales and use taxes.

**Appropriation:** The sum of \$350,000 for Fiscal Year 2007 from the State General Fund to the Community Preservation and Development Account.

**Fiscal Note:** Requested on February 6, 2007.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed, except for section 12 which appropriates \$350,000 from the State General Fund to the Community Preservation and Development Fund and takes effect immediately.