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HOUSE BILL 1992

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives Santos, Kenney and Hasegawa

Read first time 02/02/2007.      Referred to Committee on Community & Economic Development & Trade.

1            AN ACT Relating to community preservation and development  
2 authorities; adding a new section to chapter 82.08 RCW; adding a new  
3 section to chapter 82.12 RCW; adding a new chapter to Title 43 RCW;  
4 creating new sections; making appropriations; and declaring an  
5 emergency.

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

7            NEW SECTION.    **Sec. 1.**    INTENT.    Major public facilities, public  
8 works, and capital projects with significant public funding generally  
9 aim to accrue broad benefits to the people of Washington.    However,  
10 frequently overlooked or inadequately addressed is the interest of the  
11 stakeholder community that bears the disproportionate cost of the broad  
12 public benefit by absorbing a deleterious impact upon itself.    These  
13 impacts may include dislocation, displacement, and the overall  
14 disintegration of an identifiable existing community and its historical  
15 and cultural character.    The legislature finds that the preservation  
16 and restoration of the character of such a community, and the  
17 community's historical and cultural character, are important public  
18 policy goals that can be achieved through the creation of community  
19 preservation and development authorities.

1        NEW SECTION.    **Sec. 2.**    DEFINITIONS.    The definitions in this  
2 section apply throughout this chapter unless the context clearly  
3 requires otherwise.

4        (1) "Community" means a group of people who reside or work in a  
5 well-defined geographic area and who currently or historically share a  
6 distinct cultural identity or local history.

7        (2) "Community preservation and development authority" or  
8 "authority" means an authority created by members of an impacted  
9 community.

10       (3) "Constituency" means the general membership of the community  
11 preservation and development authority, which shall be open to all  
12 persons eighteen years of age and over who are residents, property  
13 owners, employees, business persons, or community participants within  
14 its boundaries.

15       (4) "Impacted community" means a community that has been or has the  
16 potential to be adversely impacted by the construction of, or ongoing  
17 operation of, multiple major public facilities, public works, and  
18 capital projects with significant public funding.

19       (5) "Major public facilities project, public works project, or  
20 capital project with significant public funding" means any capital  
21 project whose total cost exceeds ten million dollars. On July 1, 2009,  
22 and on July 1 of each odd-numbered year thereafter, the capital project  
23 cost threshold shall be adjusted by the capital project cost adjustment  
24 factor for inflation established by the office of financial management.

25       NEW SECTION.    **Sec. 3.**    PURPOSE.    (1) Community preservation and  
26 development authorities are hereby created to restore or enhance the  
27 health, safety, and well-being of communities adversely impacted by the  
28 construction of, or ongoing operation of, multiple major public  
29 facilities, public works, and capital projects with significant public  
30 funding.

31       (2) Community preservation and development authorities have the  
32 following purposes:

33       (a) To revitalize, enhance, and preserve the unique character of  
34 impacted communities;

35       (b) To mitigate the adverse effects of multiple major public  
36 facilities projects, public works projects, or capital projects with

1 significant public funding, or a secure community transition facility  
2 as defined in RCW 71.09.020(14);

- 3 (c) To restore a local area's sense of community;
- 4 (d) To reduce the displacement of community members and businesses;
- 5 (e) To stimulate the community's economic vitality;
- 6 (f) To enhance public service provisions;
- 7 (g) To improve the standard of living of community members;
- 8 (h) To preserve historic buildings or areas by returning them to  
9 economically productive uses that are compatible with or enhance their  
10 historic character; and
- 11 (i) To raise the visibility of the consequences of public policy  
12 decisions and actions.

13 NEW SECTION. **Sec. 4.** FORMATION. (1) The constituency of an  
14 impacted community may propose formation of a community preservation  
15 and development authority to the state legislative delegation  
16 representing the area in which the community is located.

17 (2) Formation of the community preservation and development  
18 authority is subject to legislative authorization in law. The  
19 legislature must first find that the area within the authority's  
20 proposed geographic boundaries meets the definitions of "community" and  
21 "impacted community" contained in section 2 of this act. The  
22 legislature may then act to authorize the formation and operation of  
23 the community preservation and development authority in law.

24 (3) The affairs of a community preservation and development  
25 authority shall be managed by a board of directors, including the  
26 following members:

- 27 (a) Two members who own, operate, or represent businesses within  
28 the community;
- 29 (b) Two members who are involved in providing nonprofit community  
30 or social services within the community;
- 31 (c) Two members who are involved in the arts and entertainment  
32 within the community;
- 33 (d) Two members with significant knowledge of the community's  
34 culture and history; and
- 35 (e) One member who is involved in a nonprofit or public planning  
36 organization that directly serves the impacted community.

1 (4) No member of the board shall hold office for more than four  
2 years. Board positions shall be numbered one through nine, and the  
3 terms staggered as follows:

4 (a) Board members elected to positions one through five shall serve  
5 two-year terms, and if reelected, may serve no more than one additional  
6 two-year term.

7 (b) Board members initially elected to positions six through nine  
8 shall serve a three-year term only.

9 (c) Board members elected to positions six through nine after the  
10 initial three-year term shall serve two-year terms, and if reelected,  
11 may serve no more than one additional two-year term.

12 (5) With respect to an authority's initial board of directors: The  
13 state legislative delegation and the constituency proposing formation  
14 of the authority shall jointly establish a committee to develop a list  
15 of candidates to stand for election. The board of directors shall be  
16 elected by the constituency of the authority during a meeting convened  
17 for that purpose by the state legislative delegation.

18 (6) With respect to subsequent elections of an authority's board of  
19 directors: A list of candidates shall be developed by the authority's  
20 existing board of directors and the election shall be held during the  
21 annual local town hall meeting as required in section 6(5)(c) of this  
22 act.

23 NEW SECTION. **Sec. 5. POWERS.** (1) A community preservation and  
24 development authority shall have the power to:

25 (a) Accept gifts, grants, loans, or other aid from public or  
26 private entities;

27 (b) Contract and enter into partnerships with individuals,  
28 associations, corporations, and local, state, and federal governments;

29 (c) Buy, own, lease, and sell real and personal property;

30 (d) Hold in trust, improve, and develop land;

31 (e) Invest, deposit, and reinvest its funds;

32 (f) Incur debt in furtherance of its mission;

33 (g) Lend its funds, property, credit, or services for corporate  
34 purposes; and

35 (h) Exercise such additional powers as may be authorized by law.

36 (2) A community preservation and development authority shall have

1 no power of eminent domain nor any power to levy taxes or special  
2 assessments.

3 NEW SECTION. **Sec. 6.** DUTIES. A community preservation and  
4 development authority shall have the duty to:

5 (1) Establish specific geographic boundaries for the authority  
6 within its bylaws;

7 (2) Solicit input from members of its community and develop a  
8 strategic preservation and development plan to restore or enhance the  
9 health, safety, and well-being of the impacted community and to  
10 preserve and recapture its cultural and historical identity;

11 (3) Include within the strategic plan a prioritized list of  
12 projects identified and supported by the community, including capital  
13 or operating components that address one or more of the purposes under  
14 section 3 of this act;

15 (4) Establish funding mechanisms to support projects and programs  
16 identified in the strategic plan including but not limited to grants  
17 and loans;

18 (5) Demonstrate ongoing accountability for its actions by:

19 (a) Reporting to the appropriate committees of the legislature, one  
20 year after formation and every biennium thereafter, on the authority's  
21 strategic plan, activities, accomplishments, and any recommendations  
22 for statutory changes;

23 (b) Reporting any changes in the authority's geographic boundaries  
24 to the appropriate committees of the legislature when the legislature  
25 next convenes in regular session;

26 (c) Convening a local town hall meeting with its constituency on an  
27 annual basis to: (i) Report its activities and accomplishments from  
28 the previous year; (ii) present and receive input regarding its  
29 proposed strategic plan and activities for the upcoming year; and (iii)  
30 hold board member elections; and

31 (d) Maintaining books and records as appropriate for the conduct of  
32 its affairs.

33 NEW SECTION. **Sec. 7.** LEGISLATIVE AUTHORIZATION. The legislature  
34 finds that a community that meets the definitions contained in section  
35 2(1) and (4) of this act is located in a city or cities in which the  
36 total population of the city or cities is greater than five hundred

1 thousand; has had at least two major public facilities projects sited  
2 in the area since 1995; and will commence formation of a community  
3 preservation and development authority under this chapter by January 1,  
4 2008. In accordance with section 4(2) of this act, the legislature  
5 authorizes the formation and operation of the community preservation  
6 and development authority.

7 NEW SECTION. **Sec. 8.** TREASURY ACCOUNT. The community  
8 preservation and development authority account is created in the state  
9 treasury. Moneys in the account may be spent only after appropriation.  
10 Expenditures from the account may be used only for projects under this  
11 chapter.

12 NEW SECTION. **Sec. 9.** PUBLIC AGENCY RESPONSIBILITIES. Prior to  
13 making siting, design, and construction decisions for future major  
14 public facilities, public works projects, or capital projects with  
15 significant public funding, state and local government agencies must:

16 (1) Communicate and consult fully with the community preservation  
17 and development authority and impacted community, including assessing  
18 the compatibility of the proposed project with the strategic plan  
19 adopted by the authority; and

20 (2) Make every effort to ensure that any negative, cumulative  
21 effects of multiple projects upon the impacted community are minimized.

22 NEW SECTION. **Sec. 10.** A new section is added to chapter 82.08 RCW  
23 to read as follows:

24 SALES TAX EXEMPTION. (1) The tax levied by RCW 82.08.020 does not  
25 apply to sales of tangible personal property and labor and services to  
26 a community preservation and development authority if the sales are  
27 made in order to implement a project identified in the authority's  
28 strategic plan.

29 (2) A person taking the exemption under this section must keep  
30 records necessary for the department to verify eligibility under this  
31 section. The exemption is available only when the buyer provides the  
32 seller with an exemption certificate in a form and manner prescribed by  
33 the department. The seller shall retain a copy of the certificate for  
34 the seller's files.

1 (3) "Community preservation and development authority" has the  
2 meaning provided in section 2 of this act.

3 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.12 RCW  
4 to read as follows:

5 USE TAX EXEMPTION. The provisions of this chapter do not apply in  
6 respect to the use of tangible personal property and labor and services  
7 by a community preservation and development authority if the sales are  
8 made in order to implement a project identified in the authority's  
9 strategic plan. "Community preservation and development authority" has  
10 the meaning provided in section 2 of this act.

11 NEW SECTION. **Sec. 12.** STATE GENERAL FUND APPROPRIATION. The sum  
12 of three hundred fifty thousand dollars, or as much thereof as may be  
13 necessary, is appropriated for the fiscal year ending June 30, 2007,  
14 from the general fund to the community preservation and development  
15 authority account for the purposes of this act.

16 NEW SECTION. **Sec. 13.** COMMUNITY PRESERVATION AND DEVELOPMENT  
17 ACCOUNT APPROPRIATION. The sum of three hundred fifty thousand  
18 dollars, or as much thereof as may be necessary, is appropriated for  
19 the biennium ending June 30, 2009, from the community preservation and  
20 development authority account to the department of community, trade,  
21 and economic development for the purposes of section 7 of this act.

22 NEW SECTION. **Sec. 14.** STATE BUILDING CONSTRUCTION ACCOUNT  
23 APPROPRIATION. The sum of thirty million dollars, or as much thereof  
24 as may be necessary, is appropriated for the biennium ending June 30,  
25 2009, from the state building construction account to the department of  
26 community, trade, and economic development for the purposes of section  
27 7 of this act.

28 NEW SECTION. **Sec. 15.** Captions used in this act constitute no  
29 part of the law.

30 NEW SECTION. **Sec. 16.** Sections 1 through 9 of this act constitute  
31 a new chapter in Title 43 RCW.

1        NEW SECTION.   **Sec. 17.**   EMERGENCY CLAUSE.   Section 12 of this act  
2   is necessary for the support of state government by providing funding  
3   for vital community projects and takes effect immediately.

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