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**SUBSTITUTE HOUSE BILL 2030**

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**State of Washington                      61st Legislature                      2009 Regular Session**

**By** House Local Government & Housing (originally sponsored by Representatives Hunt and Williams)

READ FIRST TIME 02/20/09.

1            AN ACT Relating to creating a capitol city district; adding a new  
2 section to chapter 43.34 RCW; and creating a new section.

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

4            NEW SECTION.    **Sec. 1.** (1) The legislature finds that for more than  
5 one hundred fifty years the capitol of the state and its capitol  
6 campus, the seat of state government, has been located in one city.  
7 That city, and the core of its downtown area, has been host to the  
8 millions of state citizens that have visited the state capital, lived  
9 in the city during its sixty legislatures, and has housed many of the  
10 state's office buildings and workers. The legislature also finds that  
11 it is in the state's interest to help insure that the core of its host  
12 city is maintained as a vibrant and desirable capitol location and that  
13 the city can and does provide adequate parking, temporary and permanent  
14 housing, transportation, markets, arts, tourism, and dining  
15 opportunities for the city's citizens and workers, including state  
16 employees, tourists, and visitors to the state capitol and its host  
17 city.

18            (2) The legislature further finds that while the state has made  
19 periodic payments to the city for fire service coverage of the capitol

1 campus and the approximately forty percent of the core city that is  
2 owned or used by state government, no payment or revenue sharing in  
3 lieu of the lost tax base has been regularly provided to compensate the  
4 capital city for its lost revenue. In recognition of this oversight,  
5 it is the intent of the legislature to create a capital city district  
6 to share revenue generated in the core city and on the capitol campus.  
7 The city must use these revenues to provide capital investment  
8 amenities that will enhance the core city and capitol campus area for  
9 the citizens of the city as well as for all visitors to our beautiful  
10 capitol campus and its grounds and buildings.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.34 RCW  
12 to read as follows:

13 (1) A city in which the state capitol is located may designate by  
14 ordinance one capital city district that includes the capitol campus,  
15 along with the core downtown retail and service areas and traffic  
16 corridors that are most impacted by the location of the capitol campus  
17 and state buildings adjacent to the capitol campus.

18 (2) The district may levy a sales and use tax of 0.9 percent, which  
19 must be a credit against the state's portion of the sales and use tax.  
20 Upon recognition of the district by a majority vote of the capitol  
21 committee created in RCW 43.34.010, this levy must be levied and  
22 collected within the district. The levy may not:

23 (a) Become effective prior to July 1, 2011; or

24 (b) Be collected for more than twenty-five years after the date  
25 that it is first imposed.

26 (3) The revenues generated from the levy may be utilized by the  
27 city only for capital improvements within the designated boundaries of  
28 the district. The capital improvements may include, but are not  
29 limited to, the acquisition and enhancement of public spaces and  
30 transportation corridors, signage and tourism enhancements, parking  
31 structures, district beautification, public walkways, waterfront  
32 access, lighting, and safety amenities.

33 (4) As of July, 2013, the city must provide the capitol committee,  
34 created in RCW 43.34.010, with an annual accounting of: The use of the  
35 funds; the amount of funds pledged to match the district funds, by the  
36 city or other parties, for projects paid for in part from the levy; and

1 a proposed capital city district development plan for the ensuing year  
2 wherein it is the intent of the city to use the levy moneys.

3 (5) For the purposes of this section:

4 (a) "City" means the city in which the capital city district is  
5 located;

6 (b) "District" means a "capital city district" created in  
7 subsection (2) of this section; and

8 (c) "Levy" means a sales and use tax authorized in subsection (2)  
9 of this section.

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