
HOUSE BILL 2382

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Dahlquist, Smith, Hurst, and Pollet

Read first time 01/16/14. Referred to Committee on Technology & Economic Development.

1 AN ACT Relating to improving the methods for evaluation of the
2 local infrastructure financing tool program; amending RCW 39.102.140
3 and 39.102.200; creating a new section; repealing 2010 c 164 s 13
4 (uncodified); repealing 2009 c 518 s 25 (uncodified); repealing 2009 c
5 267 s 9 (uncodified); repealing 2008 c 209 s 2 (uncodified); and
6 repealing 2007 c 229 s 17 (uncodified).

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

8 NEW SECTION. **Sec. 1.** (1) The department of commerce shall submit
9 a report to the legislature by November 1, 2014, evaluating the data
10 and information collection methodologies used by sponsoring local
11 governments to comply with the requirements of RCW 39.102.140. The
12 report must include: (a) An evaluation of the methodologies used by
13 sponsoring local governments to collect data and information; (b) an
14 evaluation of the reliability of the data and information reported by
15 sponsoring local governments; and (c) recommendations for changes to
16 the reporting requirements, the data and information collection
17 methodologies used by sponsoring local governments, or other features
18 of the local infrastructure financing tool program in order to ensure

1 that the information reported under RCW 39.102.140 is suitable for
2 evaluating the effectiveness of the local infrastructure financing tool
3 program.

4 (2) Sponsoring local governments must, upon request, provide the
5 department of commerce with information necessary for the completion of
6 the report required under this section.

7 **Sec. 2.** RCW 39.102.140 and 2013 2nd sp.s. c 21 s 5 are each
8 amended to read as follows:

9 (1) A sponsoring local government shall provide a report to the
10 board and the department by March 1st of each year. The report shall
11 contain the following information:

12 (a) The amount of local excise tax allocation revenues, local
13 property tax allocation revenues, other revenues from local public
14 sources, and taxes under RCW 82.14.475 received by the sponsoring local
15 government, cosponsoring local government, or any participating local
16 government during the preceding calendar year that were dedicated to
17 pay the public improvements financed in whole or in part with local
18 infrastructure financing, and a summary of how these revenues were
19 expended;

20 (b) The names of any businesses locating within the revenue
21 development area as a result of the public improvements undertaken by
22 the sponsoring local government and financed in whole or in part with
23 local infrastructure financing;

24 (c) The total number of permanent jobs created in the revenue
25 development area as a result of the public improvements undertaken by
26 the sponsoring local government and financed in whole or in part with
27 local infrastructure financing;

28 (d) The average wages and benefits received by all employees of
29 businesses locating within the revenue development area as a result of
30 the public improvements undertaken by the sponsoring local government
31 and financed in whole or in part with local infrastructure financing;

32 (e) That the sponsoring local government is in compliance with RCW
33 39.102.070; and

34 (f) Beginning with the reports due March 1, 2010, the following
35 must also be included:

36 (i) A list of public improvements financed on a pay-as-you-go basis

1 in previous calendar years and by indebtedness issued under this
2 chapter;

3 (ii) The date when any indebtedness issued under this chapter is
4 expected to be retired;

5 (iii) At least once every three years, updated estimates of state
6 excise tax allocation revenues, state property tax allocation revenues,
7 and local excise tax increments, as determined by the sponsoring local
8 government, that are estimated to have been received by the state, any
9 participating local government, sponsoring local government, and
10 cosponsoring local government, since the approval of the project award
11 under RCW 39.102.040 by the board; and

12 (iv) Any other information required by the department or the board
13 to enable the department or the board to fulfill its duties under this
14 chapter and RCW 82.14.475.

15 (2) The board shall make a report available to the public and the
16 legislature by June 1st of each even-numbered year. The report shall
17 include a list of public improvements undertaken by sponsoring local
18 governments and financed in whole or in part with local infrastructure
19 financing and it shall also include a summary of the information
20 provided to the department by sponsoring local governments under
21 subsection (1) of this section.

22 (3) The department, upon request, must assist a sponsoring local
23 government in estimating the amount of state excise tax allocation
24 revenues and local excise tax increments required in subsection
25 (1)(f)(iii) of this section.

26 (4) The board, the department, the department of commerce, the
27 employment security department, and sponsoring local governments must,
28 upon request, provide the joint legislative audit and review committee
29 with assistance in collecting data and information necessary for the
30 completion of the report required in RCW 39.102.200.

31 **Sec. 3.** RCW 39.102.200 and 2006 c 181 s 601 are each amended to
32 read as follows:

33 Beginning September 1, 2013, and continuing every five years
34 thereafter, the joint legislative audit and review committee shall
35 submit a report to the appropriate committees of the legislature
36 evaluating the economic activity in revenue development areas.

1 ~~(1) ((The report shall, at a minimum, evaluate the effectiveness of~~
2 ~~the local infrastructure financing tool program, including a~~
3 ~~project by project review. The report shall evaluate the project's~~
4 ~~interim results based on the selection criteria. The report shall also~~
5 ~~measure:~~

6 ~~(a) Employment changes in the revenue development area;~~

7 ~~(b) Property tax changes in the revenue development area;~~

8 ~~(c) Sales and use tax changes in the revenue development area;~~

9 ~~(d) Property value changes in the revenue development area; and~~

10 ~~(e) Changes in housing and existing commercial activities based on~~
11 ~~the impact analysis and mitigation plan required in RCW 39.102.080(2))~~

12 The report must include:

13 (a) A description of the information used to evaluate the economic
14 activity within each revenue development area;

15 (b) An assessment of whether economic activity has increased,
16 decreased, or remained stagnant within each revenue development area,
17 which may include an analysis of employment changes, property tax
18 changes, sales and use tax changes, property value changes, or any
19 other appropriate measures of economic activity; and

20 (c) An assessment of whether a change in economic activity in each
21 revenue development area can be attributed to the local infrastructure
22 financing tool program, unless completion of the assessment is not
23 possible with the information available to the joint legislative audit
24 and review committee.

25 (2) The report that is due September 1, 2028, should also include
26 any recommendations regarding whether or not the program should be
27 expanded statewide and what impact the expansion would have on economic
28 development in Washington.

29 (3) The joint legislative audit and review committee may use
30 information collected by the board, the department, the department of
31 commerce, sponsoring local governments, the employment security
32 department, and other entities as needed to complete reports. The
33 joint legislative audit and review committee may request information
34 and assistance from the board, the department, the department of
35 commerce, sponsoring local governments, and the employment security
36 department as needed to complete reports.

37 (4) The joint legislative audit and review committee is not
38 required to comply with the "Government Auditing Standards" under RCW

1 44.28.065 in completing reports under this section if the legislative
2 auditor finds that compliance with those standards is not possible as
3 a result of incomplete or inaccurate information. In such case, the
4 report must include: (a) Notice that the evaluation was not completed
5 in accordance with the "Government Auditing Standards;" (b) an
6 assessment of the reliability of the evaluation and report; and (c) a
7 description of the information or assistance necessary to complete the
8 next report in accordance with the "Government Auditing Standards."

9 NEW SECTION. Sec. 4. The following acts or parts of acts are each
10 repealed:

- 11 (1) 2010 c 164 s 13 (uncodified);
- 12 (2) 2009 c 518 s 25 (uncodified);
- 13 (3) 2009 c 267 s 9 (uncodified);
- 14 (4) 2008 c 209 s 2 (uncodified); and
- 15 (5) 2007 c 229 s 17 (uncodified).

--- END ---