
HOUSE BILL 2437

State of Washington

57th Legislature

2002 Regular Session

By Representatives Veloria, Talcott, Conway, Darneille, Dunn, Lovick, Chase, Wood, Jackley and Ogden

Read first time 01/17/2002. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to downtown and neighborhood commercial districts;
2 adding a new chapter to Title 35 RCW; and providing an effective date.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds:

5 (a) The continued economic vitality of downtown and neighborhood
6 commercial districts in our state's cities is essential to community
7 preservation, social cohesion, and economic growth;

8 (b) In recent years there has been a deterioration of downtown and
9 neighborhood commercial districts in both rural and urban communities
10 due to a shifting population base, changes in the marketplace, and
11 greater competition from suburban shopping malls, discount centers, and
12 through the internet;

13 (c) This decline has eroded the ability of businesses and property
14 owners to renovate and enhance their commercial and residential
15 properties;

16 (d) In many areas of the state, downtown and neighborhood
17 commercial areas are burdened further by deteriorating buildings,
18 vacant building that cannot be legally occupied, and vacant brownfield
19 infill sites which pose significant health and safety problems to

1 tenants and pedestrians, and constitute a significant blight and
2 detrimental impact on the health, safety, and welfare of the community,
3 as well as its economic health;

4 (e) Business owners in these districts need to maintain their local
5 economies in order to provide goods and services to adjacent residents,
6 to provide employment opportunities, to restore blighted properties,
7 and to avoid disinvestment and economic dislocations, and have
8 developed downtown and neighborhood commercial district revitalization
9 programs to address these problems; and

10 (f) It is in the best interest of the state of Washington to stop
11 the decay of community areas and to promote and facilitate the orderly
12 redevelopment of these areas.

13 (2) It is the intent of the legislature to establish a program to:

14 (a) Provide for the allocation of a portion of locally imposed
15 excise taxes to assist local governments in the financing of needed
16 health and safety improvements, public improvements, and other public
17 investments, to encourage private development and to enhance and
18 revitalize neighborhood business districts and downtown areas; and

19 (b) Provide technical assistance and training to local governments,
20 business organizations, downtown and neighborhood commercial district
21 organizations, and business and property owners to accomplish community
22 and economic revitalization and development of business districts.

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

25 (1) "Local retail sales and use tax" means the tax levied under RCW
26 82.14.030.

27 (2) "Local retail sales and use tax increment revenue" means that
28 portion of the local retail sales and use tax collected in each year
29 upon any retail sale or any use of an article of tangible personal
30 property within a downtown or neighborhood commercial district that is
31 in excess of the amount of local retail sales and use tax collected on
32 sales or uses within the downtown or neighborhood commercial district
33 in the year preceding.

34 (3) "Downtown or neighborhood commercial district" means (a) an
35 area or areas designated by the legislative authority of a city or town
36 with a population over one hundred thousand and that are typically
37 limited to the pedestrian core area or the central commercial district
38 and compact business districts that serve specific neighborhoods within

1 the city or town; or (b) commercial areas designated as main street
2 areas by the office of trade and economic development.

3 (4) "Community revitalization project" means:

4 (a) Health and safety improvements authorized to be publicly
5 financed under chapter 35.80 or 35.81 RCW;

6 (b) Publicly owned or leased facilities within the jurisdiction of
7 a local government which the sponsor has authority to provide; and

8 (c) Expenditure for any of the following purposes:

9 (i) Providing environmental analysis, professional management,
10 planning, and promotion within a downtown or neighborhood commercial
11 district including the management and promotion of retail trade
12 activities in the district;

13 (ii) Providing maintenance and security for common or public areas
14 in the downtown or neighborhood commercial district;

15 (iii) Historic preservation activities authorized under RCW
16 35.21.395; or

17 (iv) Project design and planning, land acquisition, site
18 preparation, construction, reconstruction, rehabilitation, improvement,
19 operation, and installation of a public facility; the costs of
20 financing, including interest during construction, legal and other
21 professional services, taxes, and insurance; the costs of complying
22 with this chapter and other applicable law; and the administrative
23 costs reasonably necessary and related to these costs.

24 NEW SECTION. **Sec. 3.** Local retail sales and use tax increment
25 revenue, or any portion thereof, may be applied as follows:

26 (1) To pay downtown or neighborhood commercial district community
27 revitalization costs;

28 (2) To pay into bond redemption funds established to pay the
29 principal and interest on general obligation or revenue bonds issued to
30 finance a downtown or neighborhood commercial district community
31 revitalization project;

32 (3) In combination with any other public or private funds available
33 to the city or town for the purposes provided in this section; or

34 (4) To pay any combination of costs under subsection (1), (2), or
35 (3) of this section.

36 NEW SECTION. **Sec. 4.** (1) The legislative authority of a city or
37 town may authorize the use of local sales and use tax increment revenue

1 for any purpose authorized in this chapter within the boundaries of a
2 downtown or one or more neighborhood commercial districts.

3 (2) Prior to authorizing the use of local sales and use tax
4 increment revenue, the legislative authority must designate the
5 boundaries of each downtown or neighborhood commercial district.

6 (3) The legislative authority of a city or town may choose to pool
7 the local sales and use tax increment revenue collected in the various
8 downtown and neighborhood commercial districts within the city or town
9 for the purposes authorized in this chapter.

10 NEW SECTION. **Sec. 5.** A city or town shall determine at its own
11 cost the amount of local sales and use tax increment revenue that may
12 be generated in the downtown and neighborhood commercial districts it
13 designates. The department of revenue may, at its discretion, provide
14 advice or other assistance to cities and towns to assist in determining
15 local sales and use tax increment revenue.

16 NEW SECTION. **Sec. 6.** The Washington main street program is
17 created within the office of trade and economic development. In order
18 to implement the Washington main street program, the office shall:

19 (1) Provide technical assistance to businesses, property owners,
20 organizations, and local governments undertaking a comprehensive
21 downtown and neighborhood commercial district revitalization and
22 management strategy within a specified area. Technical assistance
23 includes, but is not limited to, initial site evaluations and
24 assessments, training for local programs, training for local program
25 staff, site visits and assessments by technical specialists, local
26 program design assistance and evaluation, and continued local program
27 on-site assistance;

28 (2) To the extent funds are made available, provide financial
29 assistance to local governments or local organizations to assist in
30 initial program start-up costs, specific project feasibility studies,
31 market studies, and design assistance;

32 (3) Operate the Washington main street program in accordance with
33 the plan developed by the office, in consultation with the Washington
34 main street advisory committee created under section 7 of this act; and

35 (4) Consider other factors the office deems necessary for the
36 implementation of this chapter.

1 NEW SECTION. **Sec. 7.** (1) The Washington main street advisory
2 committee is created within the office of trade and economic
3 development. The members of the advisory committee are appointed by
4 the director of the department of community, trade, and economic
5 development and consist of:

6 (a) The director, or the director's designee, who shall serve as
7 chair;

8 (b) Two representatives of local governments;

9 (c) Five representatives from existing main street programs or
10 downtown and neighborhood commercial district programs; and

11 (d) One representative of the Washington trust for historic
12 preservation.

13 (2) The office shall develop a plan for the Washington main street
14 program, in consultation with the Washington main street advisory
15 committee. The plan must describe:

16 (a) The objectives and strategies of the Washington main street
17 program;

18 (b) How the Washington main street program will be coordinated with
19 existing federal, state, local, and private sector business development
20 and historic preservation efforts;

21 (c) The means by which private investment will be solicited and
22 employed;

23 (d) The methods of selecting and providing assistance to
24 participating local programs; and

25 (e) A means to solicit private contributions for state and local
26 operations of the Washington main street program.

27 NEW SECTION. **Sec. 8.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute
32 a new chapter in Title 35 RCW.

33 NEW SECTION. **Sec. 10.** Sections 6 and 7 of this act take effect
34 July 1, 2003.

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