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**SUBSTITUTE HOUSE BILL 2592**

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**State of Washington**

**57th Legislature**

**2002 Regular Session**

**By** House Committee on Trade & Economic Development (originally sponsored by Representatives Gombosky, Ahern, Eickmeyer, Clements, Grant, Dunn, Fromhold, Mulliken, Wood, Ogden, Linville, Hatfield and Conway)

Read first time 02/05/2002. Referred to Committee on .

1 AN ACT Relating to community revitalization financing under chapter  
2 39.89 RCW; amending RCW 39.89.030 and 39.89.040; adding a new section  
3 to chapter 39.89 RCW; and repealing RCW 39.89.901.

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

5 **Sec. 1.** RCW 39.89.030 and 2001 c 212 s 3 are each amended to read  
6 as follows:

7 A local government may finance public improvements using community  
8 revitalization financing subject to the following conditions:

9 (1) The local government adopts an ordinance designating an  
10 increment area within its boundaries and specifying the public  
11 improvements proposed to be financed in whole or in part with the use  
12 of community revitalization financing;

13 (2) The public improvements proposed to be financed in whole or in  
14 part using community revitalization financing are expected to encourage  
15 private development within the increment area and to increase the fair  
16 market value of real property within the increment area;

17 (3) Private development that is anticipated to occur within the  
18 increment area, as a result of the public improvements, will be  
19 consistent with the countywide planning policy adopted by the county

1 under RCW 36.70A.210 and the local government's comprehensive plan and  
2 development regulations adopted under chapter 36.70A RCW;

3 (4) Taxing districts, in the aggregate, that levy at least seventy-  
4 five percent of the regular property tax within which the increment  
5 area is located approves the community revitalization financing of the  
6 project under RCW 39.89.050(1); and

7 (5) In an increment area that includes any portion of a fire  
8 protection district as defined in Title 52 RCW, the fire protection  
9 district must (~~approve their participation~~) agree to participate in  
10 the community revitalization financing of the project under chapter  
11 212, Laws of 2001, for the project to proceed. Approval by the fire  
12 protection district shall be considered as part of the required  
13 participation by taxing districts under subsection (4) of this section.

14 **Sec. 2.** RCW 39.89.040 and 2001 c 212 s 4 are each amended to read  
15 as follows:

16 (1) Public improvements that are financed with community  
17 revitalization financing may be undertaken and coordinated with other  
18 programs or efforts undertaken by the local government and other taxing  
19 districts and may be funded in part from revenue sources other than  
20 community revitalization financing.

21 (2) Public improvements that are constructed by a private developer  
22 must meet all applicable state and local laws.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 39.89 RCW  
24 to read as follows:

25 (1) A local government may issue revenue bonds to fund  
26 revenue-generating public improvements, or portions of public  
27 improvements, that are located within an increment area and that it is  
28 authorized to provide or operate. Whenever revenue bonds are to be  
29 issued, the legislative authority of the local government shall create  
30 or have created a special fund or funds from which, along with any  
31 reserves created pursuant to RCW 39.44.140, the principal and interest  
32 on these revenue bonds shall exclusively be payable. The legislative  
33 authority of the local government may obligate the local government to  
34 set aside and pay into the special fund or funds a fixed proportion or  
35 a fixed amount of the revenues from the public improvements that are  
36 funded by the revenue bonds. This amount or proportion is a lien and  
37 charge against these revenues, subject only to operating and

1 maintenance expenses. The local government shall have due regard for  
2 the cost of operation and maintenance of the public improvements that  
3 are funded by the revenue bonds, and shall not set aside into the  
4 special fund or funds a greater amount or proportion of the revenues  
5 that in its judgment will be available over and above the cost of  
6 maintenance and operation and the amount or proportion, if any, of the  
7 revenue previously pledged. The local government may also provide that  
8 revenue bonds payable out of the same source or sources of revenue may  
9 later be issued on a parity with any revenue bonds being issued and  
10 sold.

11 (2) Revenue bonds issued pursuant to this section are not an  
12 indebtedness of the local government issuing the bonds, and the  
13 interest and principal on the bonds shall only be payable from the  
14 revenues lawfully pledged to meet the principal and interest  
15 requirements and any reserves created pursuant to RCW 39.44.140. The  
16 owner or bearer of a revenue bond or any interest coupon issued  
17 pursuant to this section shall not have any claim against the local  
18 government arising from the bond or coupon except for payment from the  
19 revenues lawfully pledged to meet the principal and interest  
20 requirements and any reserves created pursuant to RCW 39.44.140. The  
21 substance of the limitations included in this subsection shall be  
22 plainly printed, written, or engraved on each bond issued pursuant to  
23 this section.

24 (3) Revenue bonds with a maturity in excess of thirty years shall  
25 not be issued. The legislative authority of the local government shall  
26 by resolution determine for each revenue bond issue the amount, date,  
27 form, terms, conditions, denominations, maximum fixed or variable  
28 interest rate or rates, maturity or maturities, redemption rights,  
29 registration privileges, manner of execution, manner of sale, callable  
30 provisions, if any, and covenants including the refunding of existing  
31 revenue bonds. Facsimile signatures may be used on the bonds and any  
32 coupons. Refunding revenue bonds may be issued in the same manner as  
33 revenue bonds are issued.

34 NEW SECTION. **Sec. 4.** RCW 39.89.901 (Expiration of chapter) and  
35 2001 c 212 s 29 are each repealed.

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