
SENATE BILL 5366

State of Washington

58th Legislature

2003 Regular Session

By Senators Reardon, Schmidt, McAuliffe and Winsley

Read first time 01/23/2003. Referred to Committee on Economic Development.

1 AN ACT Relating to infrastructure financing; amending RCW
2 35.87A.010, 82.14.050, and 35.80.030; adding a new section to chapter
3 82.14 RCW; adding a new section to chapter 35.80 RCW; adding a new
4 chapter to Title 82 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that in order to
7 enhance income and employment opportunities for all residents, the
8 state's economic development programs must:

9 (a) Make strategic targeted investment of limited resources in
10 order to have meaningful impact;

11 (b) Invest public resources in those efforts that offer the
12 greatest return to the region or local community; and

13 (c) Promote strong public and private partnerships that enhance the
14 capacity for successful regional or local economic development.

15 (2) It is the goal of this chapter to provide financial resources
16 for a limited time to assist local governments in the financing of
17 public infrastructure improvements that are needed to:

18 (a) Encourage private development of selected areas;

1 (b) Prevent or arrest the decay of selected areas due to the
2 inability of existing financing methods to provide needed public
3 infrastructure improvements; and

4 (c) Encourage private investment designed to promote and facilitate
5 the orderly redevelopment of selected areas.

6 **PART I--COMMUNITY REVITALIZATION FINANCING**

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

9 (1) "Apportionment district" means the geographic area from which
10 taxes are to be appropriated to finance a community revitalization
11 project.

12 (2) "Taxes" means excise taxes.

13 (3) "Excise taxes" means:

14 (a) Retail sales tax levied under chapter 82.08 RCW;

15 (b) Use tax levied under chapter 82.12 RCW; or

16 (c) Local retail sales and use taxes levied under RCW 82.14.030.

17 "Excise taxes" do not include sales and use taxes levied under RCW
18 82.14.340 and 82.14.350.

19 (4) "Local government" means any city or town located in a county
20 with population densities greater than one hundred and one persons per
21 square mile as determined by the office financial management and
22 published each year by the department of revenue for the period July
23 1st to June 30th.

24 (5) "Ordinance" means any appropriate method of taking legislative
25 action by a local government.

26 (6) "Project agreement" means an agreement between an owner and a
27 municipality authorized under this chapter.

28 (7) "Sponsor" means a local government initiating and undertaking
29 a community revitalization project.

30 (8) "Tax allocation revenues" means those tax revenues allocated to
31 a sponsor under this chapter.

32 (9) "Taxing district" means a governmental entity that levies a tax
33 that is collected within a proposed or approved apportionment district.

34 (10) "Community revitalization project" means:

35 (a) Infrastructure improvements within the apportionment district
36 that include, but are not limited to:

- 1 (i) Street and road construction and maintenance;
- 2 (ii) Water and sewer system construction and improvements;
- 3 (iii) Sidewalks and streetlights;
- 4 (iv) Parking, terminal, and dock facilities;
- 5 (v) Public transportation facilities; and
- 6 (vi) Park facilities and recreational areas;
- 7 (b) Health and safety improvements authorized to be publicly
- 8 financed under chapter 35.80 or 35.81 RCW;

9 (c) Publicly owned or leased facilities within the jurisdiction of
10 a local government which the sponsor has authority to provide; and

11 (d) Expenditure for any of the following purposes:

12 (i) Providing environmental analysis, professional management,
13 planning, and promotion within the apportionment district, including
14 the management and promotion of retail trade activities in the
15 apportionment district;

16 (ii) Providing maintenance and security for common or public areas
17 in the apportionment district; or

18 (iii) Historic preservation activities authorized under RCW
19 35.21.395.

20 (11) "Community revitalization project costs" means: The costs of
21 land use planning and associated environmental analysis, project design
22 and planning, acquisition, site preparation, construction,
23 reconstruction, rehabilitation, improvement, operation, and
24 installation of the community revitalization project; the costs of
25 relocation, maintenance, and operation of property pending construction
26 of the community revitalization project; the costs of financing,
27 including interest during construction, legal and other professional
28 services, taxes, and insurance; the costs of apportioning the taxes and
29 complying with this chapter and other applicable law; and the
30 administrative costs reasonably necessary and related to these costs.

31 (12) "Community revitalization project ordinance" means the
32 ordinance passed under section 5 of this act.

33 NEW SECTION. **Sec. 3.** The use of tax revenues to finance community
34 revitalization projects is subject to the following limitations:

35 (1) Regardless of the total number of community revitalization
36 projects approved by a local government, the aggregate total of revenue
37 available from the state for apportionment as the state's contribution

1 to an individual local government must not exceed five million dollars
2 annually. All revenue in excess of five million dollars in any given
3 year must be distributed to the appropriate taxing district as though
4 an apportionment district had not been created;

5 (2) Regardless of the number of community revitalization projects
6 approved by local governments, the aggregate total of revenue available
7 from the state for apportionment as the state's contribution is
8 annually limited to two-tenths of one percent of the state general fund
9 annual budget;

10 (3) An apportionment district may not be established that includes
11 a geographic area included within a previously established
12 apportionment district that has outstanding bonds payable in whole or
13 in part from tax revenues under this chapter or section 12 of this act;
14 and

15 (4) Only one of the following taxes may be appropriated under this
16 chapter:

17 (a) The local retail sales and use tax authorized under section 12
18 of this act; or

19 (b) The incremental increase in excise taxes in an apportionment
20 district approved under this chapter.

21 NEW SECTION. **Sec. 4.** (1)(a) A community revitalization project
22 may be undertaken and coordinated with other programs or efforts
23 undertaken by the sponsor or others and may be funded in whole or in
24 part from sources other than those provided by this chapter.

25 (b) The sponsor shall assume all risk if sources authorized by this
26 chapter are not adequate to fund the community revitalization project.

27 (2) A sponsor may contract with a nonprofit business association
28 operating within the boundaries of the apportionment district or a
29 parking and business improvement area, created under chapter 35.87A
30 RCW, to administer the community revitalization project. The
31 administration of the community revitalization project must comply with
32 all applicable provisions of federal, state, or local law.

33 NEW SECTION. **Sec. 5.** In order to establish an apportionment
34 district and secure an allocation of excise taxes to finance a
35 community revitalization project:

1 (1) A sponsor shall propose by ordinance a plan for the community
2 revitalization project that includes a description of the contemplated
3 community revitalization project, the estimated cost of the community
4 revitalization project, the boundaries of the apportionment district,
5 the estimated period during which tax revenue apportionment is
6 contemplated, the specific tax to be appropriated as required in
7 section 3(4) of this act, and ways in which the sponsor plans to use
8 tax allocation revenues to finance the community revitalization
9 project.

10 (2)(a) At least sixty days in advance of a public hearing at which
11 the ordinance creating the apportionment district is first considered,
12 the local government shall deliver notice of the hearing and the
13 information required in subsection (1) of this section to the
14 department of community, trade, and economic development and the
15 department of revenue. The department of revenue shall review the
16 information and determine whether there is sufficient revenue under the
17 revenue apportionment cap in section 3 of this act to accommodate the
18 proposed community revitalization project.

19 (b) No tax revenue generated from an apportionment district created
20 under this chapter or section 12 of this act may be used to finance a
21 community revitalization project until the department of community,
22 trade, and economic development, or a successor department, has
23 reviewed and approved a feasibility study paid for and submitted to the
24 department by the sponsor. The department's review process shall
25 include the following criteria:

26 (i) The community revitalization project meets the requirements of
27 this chapter; and

28 (ii) The feasibility study demonstrates that:

29 (A) There is a reasonable likelihood that the present value return
30 to the various taxing districts is in excess of forgone tax revenue as
31 a result of the community revitalization project, using a discounted
32 rate equal to the then current state borrowing rate;

33 (B) The community revitalization project is not feasible without
34 the tax revenue generated from the apportionment district;

35 (C) The expected tax revenue generated from the apportionment
36 district is likely to be sufficient to finance that portion of the
37 public sources necessary to finance the community revitalization
38 project;

1 (D) The community revitalization project will reasonably be
2 expected to cause private investment within the apportionment district
3 that probably would not have occurred without financing of the
4 community revitalization project;

5 (E) The community revitalization project will result in a net
6 increase in employment within the apportionment district; and

7 (F) There is sufficient management capacity and expertise of the
8 organization responsible for the management of the community
9 revitalization project; and

10 (iii) Other factors the department deems necessary to safeguard the
11 state's contribution of tax revenue into the community revitalization
12 project.

13 (3) The department of revenue and the department of community,
14 trade, and economic development shall notify the sponsoring local
15 government, and either the county legislative authority or, in a
16 charter county, the county executive, of the results of the evaluation
17 of the project at least fifteen days in advance of the public hearing
18 required in subsection (1) of this section.

19 (4) If there are more projects proposed than apportioned revenue is
20 available in a given year under the limit in section 3 of this act, the
21 department of community, trade, and economic development shall
22 establish rules to determine how the available revenue will be
23 allocated among qualified projects.

24 (5) At the time and place fixed for the hearing under subsection
25 (2) of this section, and at such times the hearing may be adjourned, a
26 sponsor shall receive and consider all statements and materials as
27 might be submitted, and objections and letters filed before and within
28 ten days after the hearing. Any time during the process leading to the
29 establishment of the apportionment district, the county legislative
30 authority may notify the sponsor that it does not wish to participate
31 in the district, and upon such notification all taxes due the county
32 from the apportionment district shall remain the county's and may not
33 be used for the community revitalization project without separate
34 county approval.

35 (6) Within one hundred twenty days after completion of the public
36 hearing, a sponsor shall pass an ordinance establishing the
37 apportionment district and authorizing the proposed community
38 revitalization project, including any modifications that in the

1 sponsor's opinion the hearing indicated should be made, that includes
2 the boundaries of the apportionment district, a description of the
3 community revitalization project, the estimated cost of the community
4 revitalization project, the method used to finance the state's portion
5 of the community revitalization project under section 3 of this act,
6 the portion of the estimated cost of the community revitalization
7 project to be paid from tax allocation revenues, the estimated time
8 during which the taxes are to be apportioned, the date when the
9 apportionment of taxes is to commence, and a finding that the community
10 revitalization project meets the conditions in section 3 of this act
11 and this section.

12 NEW SECTION. **Sec. 6.** (1) Except as provided in subsection (5) of
13 this section, upon the date established in the community revitalization
14 project ordinance, but not sooner than the first day of the calendar
15 year following the passage of the ordinance, the department shall
16 allocate and pay to the sponsor, or the sponsor's designated agent,
17 until all community revitalization project costs to be paid from the
18 tax allocation revenues have been paid, the following amounts:

19 (a) That portion of the tax levied in each year under chapter 82.08
20 or 82.12 RCW upon any retail sale or any use of an article of tangible
21 personal property within an apportionment district that is in excess of
22 the tax imposed under chapter 82.08 or 82.12 RCW on sales or uses
23 within the apportionment district in the year preceding the formation
24 of the apportionment district;

25 (b) That portion of the tax levied in each year under RCW 82.14.030
26 upon any retail sale or any use of an article of tangible personal
27 property within an apportionment district that is in excess of the tax
28 imposed under RCW 82.14.030 on sales or uses within the apportionment
29 district in the year preceding the formation of the apportionment
30 district, less any amounts that the department is entitled to retain as
31 provided in RCW 82.14.050 for administration and collection expenses
32 incurred by the department.

33 (2) The date upon which the apportionment district was established
34 is considered the date that the community revitalization project
35 ordinance was enacted by the sponsor.

36 (3) The apportionment of taxes under this section must cease when
37 the tax allocation revenues are no longer necessary or obligated to pay

1 community revitalization project costs or to pay principal and interest
2 on bonds issued to finance community revitalization project costs to
3 which tax allocation revenues are pledged. At the time of termination
4 of the apportionment, any excess money and any earnings held by the
5 sponsor must be distributed to the taxing districts that were subject
6 to the allocation in proportion to their tax receipts due for the year
7 in which the funds are returned.

8 (4) The amount of taxes determined to be collected in the year
9 preceding the formation of the apportionment district shall be adjusted
10 upward or downward to reflect increases or decreases in the rate of
11 taxation to determine the amount of excess taxes to be apportioned in
12 accordance with subsection (1)(b) of this section.

13 (5) The sponsor may agree to receive less than the full amount
14 provided in subsection (1) of this section, in which case the
15 department shall distribute the balance to the respective taxing
16 districts in accordance with law in the same manner as if this section
17 did not exist.

18 NEW SECTION. **Sec. 7.** (1) Tax allocation revenues may be applied
19 as follows:

20 (a) To pay community revitalization costs;

21 (b) To pay into bond redemption funds established to pay the
22 principal and interest on general obligation bonds issued to finance a
23 community revitalization project that is specified in the community
24 revitalization project ordinance and constructed following the
25 establishment of the apportionment district; or

26 (c) To pay any combination of (a) and (b) of this subsection.

27 (2) Tax allocation revenues may be pledged to the payment of bonds
28 issued to finance a community revitalization project.

29 (3) No city may lower their tax rates after the creation of an
30 apportionment district and using tax allocation revenues to finance a
31 community revitalization project.

32 NEW SECTION. **Sec. 8.** The department of community, trade, and
33 economic development, in consultation with the department of revenue,
34 shall submit an annual report to appropriate legislative committees on
35 the amount of tax revenue allocated to local governments under the
36 community revitalization financing program created in this act. The

1 report shall also contain information on: (1) The number, description,
2 and location of requests for community revitalization projects, (2) the
3 number of community revitalization projects approved by the department,
4 and (3) an evaluation of how the community revitalization project is
5 meeting criteria of the feasibility study required in section 5 of this
6 act.

7 NEW SECTION. **Sec. 9.** This chapter supplements and neither
8 restricts nor limits any powers that the state or any municipal
9 corporation might otherwise have under laws of this state.

10 NEW SECTION. **Sec. 10.** The authority to establish an apportionment
11 district under this chapter expires July 1, 2010.

12 NEW SECTION. **Sec. 11.** This chapter may be known and cited as the
13 community revitalization financing act.

14 **PART II--SALES AND USE TAX DEDUCTION FOR**
15 **COMMUNITY REVITALIZATION PROJECTS**

16 NEW SECTION. **Sec. 12.** A new section is added to chapter 82.14 RCW
17 to read as follows:

18 (1)(a) The legislative authority of a city located in a county with
19 population densities between one hundred and one and three hundred and
20 ninety-nine may impose a sales and use tax in accordance with terms of
21 this chapter. The tax is in addition to other taxes authorized by law
22 and shall be collected from those persons who are taxable by the state
23 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
24 event within the city. The rate of tax shall not exceed 0.033 percent
25 of the selling price in the case of a sales tax or value of the article
26 used in the case of a use tax.

27 (b) The legislative authority of a city located in a county with
28 population densities between four hundred and six hundred and ninety-
29 nine may impose a sales and use tax in accordance with the terms of
30 this chapter. The tax is in addition to other taxes authorized by law
31 and shall be collected from those persons who are taxable by the state
32 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable

1 event within the city. The rate of tax shall not exceed 0.025 percent
2 of the selling price in the case of a sales tax or value of the article
3 used in the case of a use tax.

4 (c) The legislative authority of a city located in a county with
5 population densities greater than seven hundred may impose a sales and
6 use tax in accordance with the terms of this chapter. The tax is in
7 addition to other taxes authorized by law and shall be collected from
8 those persons who are taxable by the state under chapters 82.08 and
9 82.12 RCW upon the occurrence of any taxable event within the city.
10 The rate of tax shall not exceed 0.017 percent of the selling price in
11 the case of a sales tax or value of the article used in the case of a
12 use tax.

13 (2) The tax imposed under subsection (1) of this section shall be
14 deducted from the amount of tax otherwise required to be collected or
15 paid over to the department of revenue under chapter 82.08 or 82.12
16 RCW. The department of revenue shall perform the collection of the
17 taxes on behalf of the county at no cost to the county.

18 (3) Moneys collected under this section shall only be used in
19 accordance with chapter 82.-- RCW (sections 1 through 11 of this act).
20 Only those community revitalization projects approved under section 5
21 of this act may be financed with moneys collected under this section.

22 (4) No tax may be collected under this section before July 1, 2004.
23 No tax may be collected under this section by a city more than twenty-
24 five years after the date that a tax is first imposed under this
25 section.

26 (5) For purposes of this section, "population density" means the
27 number of persons per square mile as determined by the office of
28 financial management and published each year by the department of
29 community, trade, and economic development for the period July 1st to
30 June 30th.

31 **PART III--MISCELLANEOUS**

32 **Sec. 13.** RCW 35.87A.010 and 2000 c 201 s 1 are each amended to
33 read as follows:

34 To aid general economic development and neighborhood
35 revitalization, and to facilitate the cooperation of merchants,
36 businesses, and residential property owners which assists trade,

1 economic viability, and liveability, the legislature hereby authorizes
2 all counties and all incorporated cities and towns, including
3 unclassified cities and towns operating under special charters:

4 (1) To establish, after a petition submitted by the operators
5 responsible for sixty percent of the assessments by businesses and
6 multifamily residential or mixed-use projects within the area, parking
7 and business improvement areas, hereafter referred to as area or areas,
8 for the following purposes:

9 (a) The acquisition, construction or maintenance of parking
10 facilities for the benefit of the area;

11 (b) Decoration of any public place in the area;

12 (c) Sponsorship or promotion of public events which are to take
13 place on or in public places in the area;

14 (d) Furnishing of music in any public place in the area;

15 (e) Providing professional management, planning, and promotion for
16 the area, including the management and promotion of retail trade
17 activities in the area; or

18 (f) Providing maintenance and security for common, public areas.

19 (2) To levy special assessments on all businesses and multifamily
20 residential or mixed-use projects within the area and specially
21 benefited by a parking and business improvement area to pay in whole or
22 in part the damages or costs incurred therein as provided in this
23 chapter.

24 (3) To enter into agreements with a legislative authority to
25 administer community revitalization projects within an apportionment
26 district established under sections 1 through 11 of this act.

27 **Sec. 14.** RCW 82.14.050 and 2002 c 56 s 406 are each amended to
28 read as follows:

29 The counties, cities, and transportation authorities under RCW
30 82.14.045, public facilities districts under chapters 36.100 and 35.57
31 RCW, and regional transportation investment districts shall contract,
32 prior to the effective date of a resolution or ordinance imposing a
33 sales and use tax, the administration and collection to the state
34 department of revenue, which shall deduct a percentage amount, as
35 provided by contract, not to exceed two percent of the taxes collected
36 for administration and collection expenses incurred by the department.
37 Except as provided in section 6 of this act, the remainder of any

1 portion of any tax authorized by this chapter that is collected by the
2 department of revenue shall be deposited by the state department of
3 revenue in the local sales and use tax account hereby created in the
4 state treasury. Moneys in the local sales and use tax account may be
5 spent only for distribution to counties, cities, transportation
6 authorities, public facilities districts, and regional transportation
7 investment districts imposing a sales and use tax. All administrative
8 provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now
9 exist or may hereafter be amended, shall, insofar as they are
10 applicable to state sales and use taxes, be applicable to taxes imposed
11 pursuant to this chapter. Except as provided in RCW 43.08.190, all
12 earnings of investments of balances in the local sales and use tax
13 account shall be credited to the local sales and use tax account and
14 distributed to the counties, cities, transportation authorities, public
15 facilities districts, and regional transportation investment districts
16 monthly.

17 **Sec. 15.** RCW 35.80.030 and 1989 c 133 s 3 are each amended to read
18 as follows:

19 (1) Whenever the local governing body of a municipality finds that
20 one or more conditions of the character described in RCW 35.80.010
21 exist within its territorial limits, said governing body may adopt
22 ordinances relating to such dwellings, buildings, structures, or
23 premises. Such ordinances may provide for the following:

24 (a) That an "improvement board" or officer be designated or
25 appointed to exercise the powers assigned to such board or officer by
26 the ordinance as specified herein. Said board or officer may be an
27 existing municipal board or officer in the municipality, or may be a
28 separate board or officer appointed solely for the purpose of
29 exercising the powers assigned by said ordinance.

30 If a board is created, the ordinance shall specify the terms,
31 method of appointment, and type of membership of said board, which may
32 be limited, if the local governing body chooses, to public officers as
33 herein defined.

34 (b) If a board is created, a public officer, other than a member of
35 the improvement board, may be designated to work with the board and
36 carry out the duties and exercise the powers assigned to said public
37 officer by the ordinance.

1 (c) That if, after a preliminary investigation of any dwelling,
2 building, structure, or premises, the board or officer finds that it is
3 unfit for human habitation or other use, he shall cause to be served
4 either personally or by certified mail, with return receipt requested,
5 upon all persons having any interest therein, as shown upon the records
6 of the auditor's office of the county in which such property is
7 located, and shall post in a conspicuous place on such property, a
8 complaint stating in what respects such dwelling, building, structure,
9 or premises is unfit for human habitation or other use. If the
10 whereabouts of any of such persons is unknown and the same cannot be
11 ascertained by the board or officer in the exercise of reasonable
12 diligence, and the board or officer makes an affidavit to that effect,
13 then the serving of such complaint or order upon such persons may be
14 made either by personal service or by mailing a copy of the complaint
15 and order by certified mail, postage prepaid, return receipt requested,
16 to each such person at the address of the building involved in the
17 proceedings, and mailing a copy of the complaint and order by first
18 class mail to any address of each such person in the records of the
19 county assessor or the county auditor for the county where the property
20 is located. Such complaint shall contain a notice that a hearing will
21 be held before the board or officer, at a place therein fixed, not less
22 than ten days nor more than thirty days after the serving of said
23 complaint; and that all parties in interest shall be given the right to
24 file an answer to the complaint, to appear in person, or otherwise, and
25 to give testimony at the time and place in the complaint. The rules of
26 evidence prevailing in courts of law or equity shall not be controlling
27 in hearings before the board or officer. A copy of such complaint
28 shall also be filed with the auditor of the county in which the
29 dwelling, building, structure, or (~~premise~~ ~~[premises]~~) premises is
30 located, and such filing of the complaint or order shall have the same
31 force and effect as other lis pendens notices provided by law.

32 (d) That the board or officer may determine that a dwelling,
33 building, structure, or premises is unfit for human habitation or other
34 use if it finds that conditions exist in such dwelling, building,
35 structure, or premises which are dangerous or injurious to the health
36 or safety of the occupants of such dwelling, building, structure, or
37 premises, the occupants of neighboring dwellings, or other residents of
38 such municipality. Such conditions may include the following, without

1 limitations: Defects therein increasing the hazards of fire or
2 accident; inadequate ventilation, light, or sanitary facilities,
3 dilapidation, disrepair, structural defects, uncleanliness,
4 overcrowding, or inadequate drainage. The ordinance shall state
5 reasonable and minimum standards covering such conditions, including
6 those contained in ordinances adopted in accordance with
7 (~~subdivision~~) subsection (7)(a) (~~herein~~) of this section, to guide
8 the board or the public officer and the agents and employees of either,
9 in determining the fitness of a dwelling for human habitation, or
10 building, structure, or premises for other use.

11 (e) That the determination of whether a dwelling, building,
12 structure, or premises should be repaired or demolished, shall be based
13 on specific stated standards on (i) the degree of structural
14 deterioration of the dwelling, building, structure, or premises, or
15 (ii) the relationship that the estimated cost of repair bears to the
16 value of the dwelling, building, structure, or premises, with the
17 method of determining this value to be specified in the ordinance.

18 (f) That if, after the required hearing, the board or officer
19 determines that the dwelling is unfit for human habitation, or building
20 or structure or premises is unfit for other use, it shall state in
21 writing its findings of fact in support of such determination, and
22 shall issue and cause to be served upon the owner or party in interest
23 thereof, as is provided in (~~subdivision (1)~~)(c) of this subsection,
24 and shall post in a conspicuous place on said property, an order which
25 (i) requires the owner or party in interest, within the time specified
26 in the order, to repair, alter, or improve such dwelling, building,
27 structure, or premises to render it fit for human habitation, or for
28 other use, or to vacate and close the dwelling, building, structure, or
29 premises, if such course of action is deemed proper on the basis of the
30 standards set forth as required in (~~subdivision (1)~~)(e) of this
31 subsection; or (ii) requires the owner or party in interest, within the
32 time specified in the order, to remove or demolish such dwelling,
33 building, structure, or premises, if this course of action is deemed
34 proper on the basis of said standards. If no appeal is filed, a copy
35 of such order shall be filed with the auditor of the county in which
36 the dwelling, building, structure, or premises is located.

37 (g) The owner or any party in interest, within thirty days from the

1 date of service upon the owner and posting of an order issued by the
2 board under the provisions of (~~subdivision~~) (c) of this subsection,
3 may file an appeal with the appeals commission.

4 The local governing body of the municipality shall designate or
5 establish a municipal agency to serve as the appeals commission. The
6 local governing body shall also establish rules of procedure adequate
7 to assure a prompt and thorough review of matters submitted to the
8 appeals commission, and such rules of procedure shall include the
9 following, without being limited thereto: (i) All matters submitted to
10 the appeals commission must be resolved by the commission within sixty
11 days from the date of filing therewith and (ii) a transcript of the
12 findings of fact of the appeals commission shall be made available to
13 the owner or other party in interest upon demand.

14 The findings and orders of the appeals commission shall be reported
15 in the same manner and shall bear the same legal consequences as if
16 issued by the board, and shall be subject to review only in the manner
17 and to the extent provided in (~~subdivision~~) subsection (2) of this
18 section.

19 If the owner or party in interest, following exhaustion of his
20 rights to appeal, fails to comply with the final order to repair,
21 alter, improve, vacate, close, remove, or demolish the dwelling,
22 building, structure, or premises, the board or officer may direct or
23 cause such dwelling, building, structure, or premises to be repaired,
24 altered, improved, vacated, and closed, removed, or demolished.

25 (h) That the amount of the cost of such repairs, alterations or
26 improvements; or vacating and closing; or removal or demolition by the
27 board or officer, shall be assessed against the real property upon
28 which such cost was incurred unless such amount is previously paid.
29 Upon certification to him by the treasurer of the municipality in cases
30 arising out of the city or town or by the county improvement board or
31 officer, in cases arising out of the county, of the assessment amount
32 being due and owing, the county treasurer shall enter the amount of
33 such assessment upon the tax rolls against the property for the current
34 year and the same shall become a part of the general taxes for that
35 year to be collected at the same time and with interest at such rates
36 and in such manner as provided for in RCW 84.56.020, as now or
37 hereafter amended, for delinquent taxes, and when collected to be
38 deposited to the credit of the general fund of the municipality. If

1 the dwelling, building, structure, or premises is removed or demolished
2 by the board or officer, the board or officer shall, if possible, sell
3 the materials of such dwelling, building, structure, (~~{or}~~) or
4 premises in accordance with procedures set forth in said ordinance, and
5 shall credit the proceeds of such sale against the cost of the removal
6 or demolition and if there be any balance remaining, it shall be paid
7 to the parties entitled thereto, as determined by the board or officer,
8 after deducting the costs incident thereto.

9 The assessment shall constitute a lien against the property which
10 shall be of equal rank with state, county, and municipal taxes and
11 shall have a first priority and shall be paid before the payment of
12 other state, county, and municipal taxes from any tax payments
13 collected or the proceeds of any sale of the property through
14 foreclosure or sale by the county including, but not limited to, the
15 proceeds of sales of any property acquired by the county by tax deed.

16 (2) Any person affected by an order issued by the appeals
17 commission pursuant to (~~subdivision~~) subsection (1)(f) (~~hereof~~) of
18 this section may, within thirty days after the posting and service of
19 the order, petition to the superior court for an injunction restraining
20 the public officer or members of the board from carrying out the
21 provisions of the order. In all such proceedings the court is
22 authorized to affirm, reverse, or modify the order and such trial shall
23 be heard de novo.

24 (3) An ordinance adopted by the local governing body of the
25 municipality may authorize the board or officer to exercise such powers
26 as may be necessary or convenient to carry out and effectuate the
27 purposes and provisions of this section. These powers shall include
28 the following in addition to others herein granted: (a)(i) To
29 determine which dwellings within the municipality are unfit for human
30 habitation; (ii) to determine which buildings, structures, or premises
31 are unfit for other use; (b) to administer oaths and affirmations,
32 examine witnesses and receive evidence; and (c) to investigate the
33 dwelling and other property conditions in the municipality or county
34 and to enter upon premises for the purpose of making examinations when
35 the board or officer has reasonable ground for believing they are unfit
36 for human habitation, or for other use: PROVIDED, That such entries
37 shall be made in such manner as to cause the least possible
38 inconvenience to the persons in possession, and to obtain an order for

1 this purpose after submitting evidence in support of an application
2 which is adequate to justify such an order from a court of competent
3 jurisdiction in the event entry is denied or resisted.

4 (4) The local governing body of any municipality adopting an
5 ordinance pursuant to this chapter may appropriate the necessary funds
6 to administer such ordinance.

7 (5) Nothing in this section shall be construed to abrogate or
8 impair the powers of the courts or of any department of any
9 municipality to enforce any provisions of its charter or its ordinances
10 or regulations, nor to prevent or punish violations thereof; and the
11 powers conferred by this section shall be in addition and supplemental
12 to the powers conferred by any other law.

13 (6) Nothing in this section shall be construed to impair or limit
14 in any way the power of the municipality to define and declare
15 nuisances and to cause their removal or abatement, by summary
16 proceedings or otherwise.

17 (7) Any municipality may (by ordinance adopted by its governing
18 body) (a) prescribe minimum standards for the use and occupancy of
19 dwellings throughout the municipality, or county, (b) prescribe minimum
20 standards for the use or occupancy of any building, structure, or
21 premises used for any other purpose, (c) prevent the use or occupancy
22 of any dwelling, building, structure, or premises, which is injurious
23 to the public health, safety, morals, or welfare, and (d) prescribe
24 punishment for the violation of any provision of such ordinance.

25 NEW SECTION. **Sec. 16.** A new section is added to chapter 35.80 RCW
26 to read as follows:

27 (1) The municipality, as an alternative or additional remedy, may
28 acquire by negotiation the substandard building, structure, or premises
29 and the land on which it is located, and after the acquisition may
30 utilize public or other available funds to improve the property
31 acquired and the property may be used or transferred, as authorized
32 under chapter 35.80A RCW, as if the property were acquired under RCW
33 35.80A.010, if the owner or the owner's representative notifies the
34 municipality in writing that the owner refuses or is unable to proceed
35 or fails to: (a) Repair, alter, or improve a substandard building,
36 structure, or premises; or (b) remove or demolish a substandard

1 building, structure, or premises as required by the order of the board
2 or officer under RCW 35.80.030.

3 (2) If the substandard building to be acquired is part of a
4 community revitalization project, the municipality may acquire property
5 adjacent to the substandard building, as necessary to provide for the
6 implementation of the approved community revitalization project, upon
7 a finding by resolution of the local governing body that the
8 acquisition is necessary in order to cure the problems associated with
9 the substandard building or buildings, and that redevelopment of the
10 site is not feasible unless the adjacent property is acquired. This
11 subsection provides supplemental and alternative authority for
12 acquisition of property by a municipality.

13 (3)(a) If the owner of a substandard building presents evidence
14 satisfactory to the municipality that the owner does not have available
15 sufficient funds or is unable to obtain financing on reasonable terms
16 to repair, alter, or improve a substandard building as required by the
17 order of the board or officer, under RCW 35.80.030, and in a manner
18 that will place the substandard building in a condition that will cure
19 the functional obsolescence of the building for its intended use, then
20 the municipality may, through its local governing body, approve a
21 project agreement with the owner that may provide for:

22 (i) Repair, alterations, and improvement of the substandard
23 building so as to comply with the order of the board or officer, under
24 RCW 35.80.030, and with the terms and conditions of the project
25 agreement;

26 (ii) The manner in which work under the project agreement will be
27 accomplished and how payment will be made, that may include, but is not
28 limited to, work let by the municipality and payment by the
29 municipality for work completed on the substandard building in
30 accordance with the project agreement; and

31 (iii) Repayment by the owner of the costs incurred by the
32 municipality under the project agreement which repayment may be made in
33 installments with interest on the unpaid portion as fixed by the local
34 legislative body or paid in such other manner as may be provided in the
35 project agreement.

36 (b) If not otherwise provided in the project agreement, the amount
37 of costs incurred by the municipality in accordance with the project
38 agreement must be treated as if it were an assessment on an approved

1 final assessment roll for improvements constructed within a local
2 improvement district, under chapter 35.44 RCW, and the costs shall be
3 a lien on the property improved, in the same manner and to the same
4 extent as a local improvement district assessment lien, and shall be
5 collected in the same manner as assessments, installment payments,
6 interest, and penalties are collected under chapter 35.49 RCW.

7 (c) The project agreement may provide that the lien for the
8 repayment of all or a portion of the costs incurred by the municipality
9 under the project agreement may be subordinated to a deed of trust
10 securing the loan of private funds to the owner for payment of project
11 costs incurred by the owner under the project agreement.

12 (4) The municipality or a public corporation created by a
13 municipality under RCW 35.21.660 or 35.21.730 may provide for the
14 payment of the costs and expenses incurred by the municipality under a
15 project agreement by revenue or general obligation bonds or notes
16 payable in whole or in part from the repayment of project costs by
17 owners and through enforcement of the assessments against the property
18 benefited or from any other federal, public, or private funds that may
19 be made available for such purposes.

20 NEW SECTION. **Sec. 17.** Sections 1 through 11 of this act
21 constitute a new chapter in Title 82 RCW.

22 NEW SECTION. **Sec. 18.** Part headings used in this act are not any
23 part of the law.

24 NEW SECTION. **Sec. 19.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

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