

CERTIFICATION OF ENROLLMENT
SUBSTITUTE HOUSE BILL 2437

57th Legislature
2002 Regular Session

Passed by the House February 12, 2002
Yeas 90 Nays 7

Speaker of the House of Representatives

Passed by the Senate March 6, 2002
Yeas 42 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2437** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2437

Passed Legislature - 2002 Regular Session

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Veloria, Talcott, Conway, Darneille, Dunn, Lovick, Chase, Wood, Jackley and Ogden)

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

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

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 by a city
26 or town under RCW 82.14.030, excluding that portion which a county is
27 entitled to receive under RCW 82.14.030.

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

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

1 and compact business districts that serve specific neighborhoods within
2 the city or town; or (b) commercial areas designated as main street
3 areas by the office of trade and economic development.

4 (4) "Community revitalization project" means:

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

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

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

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

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

16 (iii) Historic preservation activities authorized under RCW
17 35.21.395; or

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

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

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

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

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

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

1 NEW SECTION. **Sec. 4.** (1) The legislative authority of a city or
2 town may authorize the use of local sales and use tax increment revenue
3 for any purpose authorized in this chapter within the boundaries of a
4 downtown or one or more neighborhood commercial districts.

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

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

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

18 NEW SECTION. **Sec. 6.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
23 a new chapter in Title 35 RCW.

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