

2SHB 2673 - H AMD 803

By Representative Orcutt

WITHDRAWN 2/14/2006

1 On page 2, line 24, strike all of subsection (4) and insert the
2 following:

3 "(4) "Board" means the community economic revitalization board
4 under chapter 43.160 RCW."

5 On page 3, line 30, after "thereof" strike all material through
6 "it" on line 31

7 On p. 4, line 17, after "taxing district" strike all material
8 through "(b)" on line 20

9 Correct internal references accordingly

10 On p. 7, line 3, after "TOOL" strike "DEMONSTRATION"

11 On p. 7, line 4, after "tool" strike "demonstration"

12 On p. 7, line 5, after "finance" strike "authorized"

13 On p. 7, line 22, strike all of subsection (5)

14 Re-number subsection consecutively and correct internal
15 references accordingly

16 On p. 13, line 4, after "from the" strike "department" and
17 insert "board"

1 On p. 13, line 15, after "from the" strike "department" and
2 insert "board"

3 On p. 13, line 32, after "the" insert "board and the"

4 On p. 13, line 34, after "least" strike "seventy-five" and
5 insert "one hundred fifty"

6 On p. 13, line 36, after "to the" insert "board and the"

7 On p. 16, line 28, after "inform the" insert "board and the"

8 On p. 17, line 5, after "to the" strike "department" and insert
9 "board"

10 On p. 17, line 24, after "(2) The" strike "department" and
11 insert "board"

12 On p. 17, line 28, after "to the" strike "department" and
13 insert "board"

14 On p. 17, line 30, strike section 404 and insert the following:

15 "NEW SECTION. Sec. 404. A new section is added to chapter
16 43.160 RCW to read as follows:

17 (1) As a condition to imposing a sales and use tax under
18 section 301 of this act, a city, town, or county must apply to the
19 board at least one hundred fifty days before the effective date of
20 any such tax. The application shall be in a form and manner
21 prescribed by the board and shall include but is not limited to
22 information establishing that the applicant is eligible to impose
23 such a tax, the anticipated effective date for imposing the tax,
24 the estimated number of years that the tax will be imposed, and the
25 estimated amount of tax revenue to be received in each fiscal year
26 that the tax will be imposed. For purposes of this section, "fiscal

1 year" means the year beginning July 1st and ending the following
2 June 30th. The board shall make available forms to be used for this
3 purpose. As part of the application, a city, town, or county must
4 provide to the board a copy of the ordinance creating the increment
5 area as required in section 103 of this act. The board shall rule
6 on completed applications within sixty days of receipt. The board
7 may begin accepting and approving applications August 1, 2006. No
8 new applications shall be considered by the board after the
9 thirtieth day of September of the third year following the year in
10 which the first application was received by the board.

11 (2) The board shall establish a competitive process to
12 prioritize applications and shall approve any tax that may be
13 imposed under section 401 of this act. The board may consult with
14 the department of revenue in approving a proposed tax.

15 (3) The board shall apply the following criteria for evaluation
16 and ranking of applications:

17 (a) The relative benefits provided to the community by the
18 proposed economic or community development, including employment;

19 (b) The present level of economic activity in the community and
20 the existing local financial capacity to increase economic activity
21 in the community;

22 (c) The rate of return of the state's investment, that includes
23 the expected increase in state and local tax revenues associated
24 with the project;

25 (d) The lack of another timely source of funding available to
26 finance the project which would likely prevent the proposed
27 community or economic development, absent the financing available
28 under this act;

29 (e) The ability of the project to improve the viability of
30 existing business entities in the project area;

31 (f) Whether or not the project is a partnership of multiple
32 jurisdictions;

33 (g) Demonstration that the requested assistance will directly
34 stimulate community and economic development by facilitating the
35 creation of new jobs or the retention of existing jobs; and

36 (h) The availability of existing assets that applicants may
37 apply to projects.

1 (4)(a) A proposed tax may not be approved unless the applicant
2 has entered into or expects to enter into a contract with a private
3 developer relating to private investment that will result in the
4 creation or retention of jobs upon completion of the project; and

5 (b) A proposed tax may not be approved if the expected
6 development will result in the relocation of jobs from another part
7 of the state into the revenue development area, as defined in
8 section 102 of this act.

9 (5) As a part of the approval of applications under this
10 section, the board shall approve the amount of tax under section
11 401 of this act that an applicant may impose. The board may consult
12 with the department of revenue in determining the amount. The
13 amount of tax approved by the board shall not exceed the lesser of
14 one million dollars or the average amount of tax revenue that the
15 applicant estimates that it will receive in all fiscal years
16 through the imposition of a sales and use tax under section 401 of
17 this act. A city, town, or county shall not receive, in any fiscal
18 year, more revenues from taxes imposed under section 401 of this
19 act than the amount approved by the board. The board shall not
20 approve the receipt of more credit against the state sales and use
21 tax than is authorized under subsection (6) of this section.

22 (6) No more than five million dollars of credit against the
23 state sales and use tax may be received by all cities, towns, and
24 counties in any fiscal year.

25 (7) The credit against the state sales and use tax shall be
26 available to any city, town, or county imposing a tax under section
27 401 of this act only as long as the city, town, or county has
28 outstanding indebtedness under section 501 of this act."

EFFECT: Removes the demonstration projects and makes
eligibility to impose new state-shared tax contingent upon
approval by CERB.