
SENATE BILL 5455

State of Washington

59th Legislature

2005 Regular Session

By Senators Mulliken and Rockefeller

Read first time 01/25/2005. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to downtown and neighborhood commercial district
2 revitalization; adding a new section to chapter 82.04 RCW; adding a new
3 chapter to Title 43 RCW; and creating new sections.

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

5 **PART I--LEGISLATIVE INTENT**

6 NEW SECTION. **Sec. 101.** (1) The legislature finds:

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

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

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

1 (d) Business owners in these districts need to maintain their local
2 economies in order to provide goods and services to adjacent residents,
3 to provide employment opportunities, to avoid disinvestment and
4 economic dislocations, and to develop and sustain downtown and
5 neighborhood commercial district revitalization programs to address
6 these problems.

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

8 (a) Work in partnership with these organizations;

9 (b) Provide technical assistance and training to local governments,
10 business organizations, downtown and neighborhood commercial district
11 organizations, and business and property owners to accomplish community
12 and economic revitalization and development of business districts; and

13 (c) Certify a downtown or neighborhood commercial district
14 organization's use of available tax incentives.

15 **PART II--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
16 **REVITALIZATION INCENTIVES**

17 NEW SECTION. **Sec. 201.** A new section is added to chapter 82.04
18 RCW to read as follows:

19 (1) There may be credit against the tax imposed by this chapter for
20 the value of private contributions that are designed to assist in the
21 development and operation of a downtown or neighborhood commercial
22 district revitalization program.

23 (2) The credit allowed under this section is limited to an amount
24 equal to:

25 (a) Seventy-five percent of the value of the contribution that is
26 made directly, by the business, to a downtown or neighborhood
27 commercial district revitalization program; or

28 (b) Fifty percent of the value of the contribution that is made
29 directly, by the business, to the department of community, trade, and
30 economic development for distribution as financial or technical
31 assistance under section 302 of this act.

32 (3) The total credits allowed under this section for an individual
33 downtown or neighborhood commercial district program cannot exceed one
34 hundred thousand dollars in a calendar year. The total credits allowed
35 under this section for a business cannot exceed two hundred fifty

1 thousand dollars in a calendar year. The total credits allowed on a
2 statewide basis cannot exceed two million dollars in a calendar year.

3 (4) Prior to making a contribution under this section, the business
4 must obtain approval from the department of community, trade, and
5 economic development. The business' request for approval must include
6 the amount of the contribution.

7 (5) This section applies only to contributions for which an
8 application is approved on or after the effective date of this act.

9 (6) As used in this section:

10 (a) "Contribution" means cash contributions.

11 (b) "Downtown or neighborhood commercial district revitalization
12 program" means a nonprofit organization under internal revenue code
13 sections 501(c) 3 or 501(c) 6 with the sole mission of revitalizing a
14 downtown or neighborhood commercial district area, and is designated by
15 the department of community, trade, and economic development as
16 described under sections 301 through 305 of this act.

17 **PART III--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
18 **REVITALIZATION PROGRAM**

19 NEW SECTION. **Sec. 301.** The definitions in this section apply
20 throughout this chapter unless the context clearly requires otherwise.

21 (1) "Area" means a geographic area within a local government that
22 is described by a closed perimeter boundary.

23 (2) "Department" means the department of community, trade, and
24 economic development.

25 (3) "Director" means the director of the department of community,
26 trade, and economic development.

27 (4) "Local government" means a city, code city, or town.

28 (5) "Qualified levels of participation" means a local downtown or
29 neighborhood commercial district revitalization program that has been
30 designated by the department.

31 NEW SECTION. **Sec. 302.** The Washington main street program is
32 created within the department. In order to implement the Washington
33 main street program, the department shall:

34 (1) Provide technical assistance to businesses, property owners,
35 organizations, and local governments undertaking a comprehensive

1 downtown or neighborhood commercial district revitalization initiative
2 and management strategy. Technical assistance may include, but is not
3 limited to, initial site evaluations and assessments, training for
4 local programs, training for local program staff, site visits and
5 assessments by technical specialists, local program design assistance
6 and evaluation, and continued local program on-site assistance;

7 (2) To the extent funds are made available, provide financial
8 assistance to local governments or local organizations to assist in
9 initial downtown or neighborhood commercial district revitalization
10 program start-up costs, specialized training, specific project
11 feasibility studies, market studies, and design assistance;

12 (3) Develop objective criteria for selecting recipients of
13 assistance under subsections (1) and (2) of this section and provide
14 for designation of local programs under section 303 of this act;

15 (4) Operate the Washington main street program in accordance with
16 the plan developed by the department, in consultation with the
17 Washington main street advisory committee created under section 304 of
18 this act; and

19 (5) Consider other factors the department deems necessary for the
20 implementation of this chapter.

21 NEW SECTION. **Sec. 303.** (1) The department shall adopt criteria
22 for the designation of local downtown or neighborhood commercial
23 district revitalization programs and official local main street
24 programs. In establishing the criteria, the department shall consider:

25 (a) The degree of interest and commitment to comprehensive downtown
26 or neighborhood commercial district revitalization and, where
27 applicable, historic preservation by both the public and private
28 sectors;

29 (b) The evidence of potential private sector investment in the
30 downtown or neighborhood commercial district;

31 (c) Where applicable, a downtown or neighborhood commercial
32 district with sufficient historic fabric to become a foundation for an
33 enhanced community image;

34 (d) The capacity of the organization to undertake a comprehensive
35 program and the financial commitment to implement a long-term downtown
36 or neighborhood commercial district revitalization program that

1 includes a commitment to employ a professional program manager and
2 maintain a sufficient operating budget;

3 (e) The department's existing downtown revitalization program's
4 tier system;

5 (f) The national main street center's criteria for designating
6 official main street cities; and

7 (g) Other factors the department deems necessary for the
8 designation of a local program.

9 (2) The department shall designate local downtown or neighborhood
10 commercial district revitalization programs and official local main
11 street programs. The programs shall be limited to three categories of
12 designation, one of which shall be the main street level.

13 (3) Section 201 of this act does not apply to any local downtown or
14 neighborhood commercial district revitalization program unless the
15 boundaries of the program have been identified and approved by the
16 department. The boundaries of a local downtown or neighborhood
17 commercial district revitalization program are typically defined using
18 the pedestrian core of a traditional commercial district.

19 NEW SECTION. **Sec. 304.** (1) The Washington main street advisory
20 committee is created within the department. The members of the
21 advisory committee are appointed by the director and consist of:

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

24 (b) Two representatives from local governments;

25 (c) Five representatives from existing local main street programs
26 or downtown and neighborhood commercial district programs including a
27 combination of staff, property owners, and business owners; and

28 (d) One representative from the Washington trust for historic
29 preservation.

30 (2) The department shall develop a plan for the Washington main
31 street program, in consultation with the Washington main street
32 advisory committee. The plan must describe:

33 (a) The objectives and strategies of the Washington main street
34 program;

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

1 (c) The means by which private investment will be solicited and
2 employed;

3 (d) The methods of selecting and providing assistance to
4 participating local programs; and

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

7 NEW SECTION. **Sec. 305.** The Washington main street trust fund
8 account is created in the state treasury. All receipts from private
9 contributions, federal funds, legislative appropriations, and fees for
10 services, if levied, must be deposited into the account. Expenditures
11 from the account may be used only for the operation of the Washington
12 main street program.

13 **PART IV--TECHNICAL PROVISIONS**

14 NEW SECTION. **Sec. 401.** Sections 101 and 301 through 305 of this
15 act constitute a new chapter in Title 43 RCW.

16 NEW SECTION. **Sec. 402.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 403.** Part headings used in this act are not
21 part of the law.

22 NEW SECTION. **Sec. 404.** This act may be known and cited as the
23 Washington main street act.

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