SENATE BILL REPORT
SB 5336

As Reported by Senate Committee On:
Business, Financial Services, Gaming & Trade, January 19, 2023

Title: An act relating to population criteria for the main street trust fund tax credit.

Brief Description: Concerning population criteria for the main street trust fund tax credit.

Sponsors: Senators Cleveland, Wilson, L., Frame and Mullet.

Brief History:
  Committee Activity: Business, Financial Services, Gaming & Trade: 1/17/23, 1/19/23 [DP].

Brief Summary of Bill

- Clarifies that local governments with a population greater than 190,000 can continue to be eligible for the Washington State Main Street Program tax incentives if they were previously designated to be eligible for the program when the population of the local government was less than 190,000.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Majority Report: Do pass.
  Signed by Senators Stanford, Chair; Frame, Vice Chair; Dozier, Ranking Member; Boehnke, Gildon, Hasegawa, Lovick, MacEwen and Mullet.

Staff: Clint McCarthy

Background: The Washington State Main Street Program (Program) provides technical assistance for local comprehensive downtown or neighborhood commercial district revitalization initiatives. The Department of Archeology and Historic Preservation (DAHP) operates the Program through a contract with the Washington Trust for Historic

---

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Preservation. DAHP provides initial site evaluations by technical specialists, training for local programs and staff, and design and implementation assistance to local governments, businesses, organizations, and property owners undertaking revitalization initiatives.

In 2021, the Legislature expanded the total business and occupation (B&O) tax or public utility tax (PUT) credit allowed under the Main Street Tax Incentive Program to 75 percent, for contributions made to the state Main Street Trust Fund beginning in calendar year 2021. The program continued to be limited to local governments with a population of less than 190,000.

As of 2021, the U.S. Census data reports that the city of Vancouver, Washington, has a population of 192,169. In 2022, the Legislature clarified that the Program criteria for a population less than 190,000 within a local government's boundary is to be determined at the time of designation by amending the Program chapter associated with RCW 43.360.030. Similar language found in the Washington Main Street Program Tax Incentives chapter RCW 82.73.030 was not adjusted to account for the time of designation.

Summary of Bill: The Washington Main Street Program Tax Incentives chapter clarifies the Program criteria for having a population less than 190,000 within a local government's boundary is to be determined at the time of designation.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a technical fix to the bill that was passed in 2022. This bill is important to the people of Vancouver to ensure the continuation of the program. Without this program, we would not have so many of the valued improvements that have enriched our downtown community. The provisions that apply to the tax credit piece were not updated with the program authorizing statute. Downtown Vancouver has been in transition for the past four years trying to achieve a city center. We want to create a vibrant city center and improve the quality life of our residents.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Brian Enslow, City of Vancouver; Michael Walker, Vancouver Downtown Association.

Persons Signed In To Testify But Not Testifying: No one.