

E2SHB 2673 - S AMD 407

By Senators Brown, Zarelli

PULLED 03/07/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I

4 INTENT AND DEFINITIONS

5 NEW SECTION. **Sec. 101.** INTENT. The legislature recognizes that
6 the state as a whole benefits from investment in public infrastructure
7 because it promotes community and economic development. Public
8 investment stimulates business activity and helps create jobs;
9 stimulates the redevelopment of brownfields and blighted areas in the
10 inner city; lowers the cost of housing; and promotes efficient land
11 use. The legislature finds that these activities generate revenue for
12 the state and that it is in the public interest to invest in these
13 projects through a credit against the state sales and use tax and an
14 allocation of property tax revenue to those sponsoring local
15 governments that can demonstrate the expected returns to the state.

16 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this
17 section apply throughout this chapter unless the context clearly
18 requires otherwise.

19 (1) "Annual state contribution limit" means five million dollars
20 statewide per fiscal year.

21 (2) "Assessed value" means the valuation of taxable real property
22 as placed on the last completed assessment roll.

23 (3) "Base year" means the first calendar year following the
24 creation of a revenue development area.

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

27 (5) "Demonstration project" means one of the following projects:

28 (a) Bellingham waterfront redevelopment project;

1 (b) Spokane river district project at Liberty Lake; and

2 (c) Vancouver riverwest project.

3 (6) "Department" means the department of revenue.

4 (7) "Fiscal year" means the twelve-month period beginning July 1st
5 and ending the following June 30th.

6 (8) "Local excise taxes" means local revenues derived from the
7 imposition of sales and use taxes authorized in RCW 82.14.030 at the
8 tax rate that was in effect at the time the revenue development area
9 was created.

10 (9) "Local excise tax allocation revenue" means the amount of local
11 excise taxes received by the local government during the measurement
12 year from taxable activity within the revenue development area over and
13 above the amount of local excise taxes received by the local government
14 during the base year from taxable activity within the revenue
15 development area, except that:

16 (a) If a sponsoring local government creates a revenue development
17 area and reasonably determines that no activity subject to tax under
18 chapters 82.08 and 82.12 RCW occurred in the twelve months immediately
19 preceding the creation of the revenue development area within the
20 boundaries of the area that became the revenue development area, "local
21 excise tax allocation revenue" means the entire amount of local excise
22 taxes received by the sponsoring local government during a calendar
23 year period beginning with the calendar year immediately following the
24 creation of the revenue development area and continuing with each
25 measurement year thereafter; and

26 (b) For revenue development areas created in calendar year 2006
27 that do not meet the requirements in (a) of this subsection and if
28 legislation is enacted in this state by July 1, 2006, that adopts the
29 sourcing provisions of the streamlined sales and use tax agreement,
30 "local excise tax allocation revenue" means the amount of local excise
31 taxes received by the sponsoring local government during the
32 measurement year from taxable activity within the revenue development
33 area over and above an amount of local excise taxes received by the
34 sponsoring local government during the 2007 base year adjusted by the
35 department for any estimated impacts from retail sales and use tax
36 sourcing changes effective July 1, 2007. The amount of base year
37 adjustment determined by the department is final.

1 (10) "Local government" means any city, town, county, port
2 district, and any federally recognized Indian tribe.

3 (11) "Local infrastructure financing" means the use of revenues
4 received from local excise tax allocation revenues, local property tax
5 allocation revenues, dedicated revenues from local public sources, and
6 revenues received from the local option sales and use tax authorized in
7 section 401 of this act to pay the principal and interest on bonds
8 authorized under section 501 of this act.

9 (12) "Local property tax allocation revenue" means those tax
10 revenues derived from the receipt of regular property taxes levied on
11 the property tax allocation revenue value and used for local
12 infrastructure financing.

13 (13) "Revenues from local public sources" means federal and private
14 monetary contributions, amounts of local excise tax allocation
15 revenues, and amounts of local property tax allocation revenues
16 dedicated by participating taxing districts and participating local
17 governments for local infrastructure financing.

18 (14) "Low-income housing" means residential housing for low-income
19 persons or families who lack the means which is necessary to enable
20 them, without financial assistance, to live in decent, safe, and
21 sanitary dwellings, without overcrowding. For the purposes of this
22 subsection, "low income" means income that does not exceed eighty
23 percent of the median family income for the standard metropolitan
24 statistical area in which the revenue development area is located.

25 (15) "Measurement year" means a calendar year, beginning with the
26 calendar year following the base year and each calendar year
27 thereafter, that is used annually to measure state and local excise tax
28 allocation revenues.

29 (16) "Ordinance" means any appropriate method of taking legislative
30 action by a local government.

31 (17) "Participating local government" means a local government
32 having a revenue development area within its geographic boundaries that
33 has entered into a written agreement with a sponsoring local government
34 as provided in section 206 of this act to allow the use of all or some
35 of its local excise tax allocation revenues or other revenues from
36 local public sources dedicated for local infrastructure financing.

37 (18) "Participating taxing district" means a local government
38 having a revenue development area within its geographic boundaries that

1 has entered into a written agreement with a sponsoring local government
2 as provided in section 206 of this act to allow the use of some or all
3 of its local property tax allocation revenues or other revenues from
4 local public sources dedicated for local infrastructure financing.

5 (19)(a) "Property tax allocation revenue value" means seventy-five
6 percent of any increase in the assessed value of real property in a
7 revenue development area resulting from the placement of new
8 construction, improvements, or both to property on the assessment rolls
9 after the revenue development area is created, where the new
10 construction or improvements occur entirely after the revenue
11 development area is created.

12 (b) If any new construction added to the assessment rolls consists
13 of entire buildings, "property tax allocation revenue value" includes
14 seventy-five percent of any increase in the assessed value of the
15 buildings in the years following their initial placement on the
16 assessment rolls.

17 (c) "Property tax allocation revenue value" does not include any
18 increase in the assessed value of improvements to property or new
19 construction that do not consist of an entire building, occurring after
20 their initial placement on the assessment rolls.

21 (d) There is no property tax allocation revenue value if the
22 assessed value of real property in a revenue development area has not
23 increased due to new construction or improvements to property occurring
24 after the revenue development area is created.

25 (20) "Taxing district" means a government entity that levies or has
26 levied for it regular property taxes upon real property located within
27 a proposed or approved revenue development area.

28 (21) "Public improvements" means:

29 (a) Infrastructure improvements within the revenue development area
30 that include:

31 (i) Street, bridge, and road construction and maintenance,
32 including highway interchange construction;

33 (ii) Water and sewer system construction and improvements,
34 including wastewater reuse facilities;

35 (iii) Sidewalks, traffic controls, and streetlights;

36 (iv) Parking, terminal, and dock facilities;

37 (v) Park and ride facilities of a transit authority;

38 (vi) Park facilities and recreational areas, including trails; and

1 (vii) Storm water and drainage management systems;

2 (b) Expenditures for facilities and improvements that support
3 affordable housing as defined in RCW 43.63A.510.

4 (22) "Public improvement costs" means the cost of: (a) Design,
5 planning, acquisition including land acquisition, site preparation
6 including land clearing, construction, reconstruction, rehabilitation,
7 improvement, and installation of public improvements; (b) demolishing,
8 relocating, maintaining, and operating property pending construction of
9 public improvements; (c) the local government's portion of relocating
10 utilities as a result of public improvements; (d) financing public
11 improvements, including interest during construction, legal and other
12 professional services, taxes, insurance, principal and interest costs
13 on general indebtedness issued to finance public improvements, and any
14 necessary reserves for general indebtedness; (e) assessments incurred
15 in revaluing real property for the purpose of determining the property
16 tax allocation revenue base value that are in excess of costs incurred
17 by the assessor in accordance with the revaluation plan under chapter
18 84.41 RCW, and the costs of apportioning the taxes and complying with
19 this chapter and other applicable law; and (f) administrative expenses
20 and feasibility studies reasonably necessary and related to these
21 costs, including related costs that may have been incurred before
22 adoption of the ordinance authorizing the public improvements and the
23 use of local infrastructure financing to fund the costs of the public
24 improvements.

25 (23) "Regular property taxes" means regular property taxes as
26 defined in RCW 84.04.140, except: (a) Regular property taxes levied by
27 public utility districts specifically for the purpose of making
28 required payments of principal and interest on general indebtedness;
29 (b) regular property taxes levied by the state for the support of the
30 common schools under RCW 84.52.065; and (c) regular property taxes
31 authorized by RCW 84.55.050 that are limited to a specific purpose.
32 "Regular property taxes" do not include excess property tax levies that
33 are exempt from the aggregate limits for junior and senior taxing
34 districts as provided in RCW 84.52.043.

35 (24) "Property tax allocation revenue base value" means the
36 assessed value of real property located within a revenue development
37 area for taxes levied in the year in which the revenue development area
38 is created for collection in the following year, plus one hundred

1 percent of any increase in the assessed value of real property located
2 within a revenue development area that is placed on the assessment
3 rolls after the revenue development area is created, less the property
4 tax allocation revenue value.

5 (25) "Relocating a business" means the closing of a business and
6 the reopening of that business, or the opening of a new business that
7 engages in the same activities as the previous business, in a different
8 location within a one-year period, when an individual or entity has an
9 ownership interest in the business at the time of closure and at the
10 time of opening or reopening. "Relocating a business" does not include
11 the closing and reopening of a business in a new location where the
12 business has been acquired and is under entirely new ownership at the
13 new location, or the closing and reopening of a business in a new
14 location as a result of the exercise of the power of eminent domain.

15 (26) "Revenue development area" means the geographic area created
16 by a sponsoring local government from which local excise and property
17 tax allocation revenues are derived for local infrastructure financing.

18 (27) "Small business" has the same meaning as provided in RCW
19 19.85.020.

20 (28) "Sponsoring local government" means a city, town, or county,
21 and for the purpose of this chapter a federally recognized Indian tribe
22 or any combination thereof, that creates a revenue development area and
23 applies to the board to use local infrastructure financing.

24 (29) "State contribution" means the lesser of:

25 (a) One million dollars;

26 (b) The state excise tax allocation revenue and state property tax
27 allocation revenue received by the state during the preceding calendar
28 year;

29 (c) The amount of local excise tax allocation revenues, local
30 property tax allocation revenues, and revenues from local public
31 sources that are dedicated by a sponsoring local government in the
32 preceding calendar year to the payment of principal and interest on
33 bonds issued under section 501 of this act; or

34 (d) The amount of project award granted by the board in the notice
35 of approval to use local infrastructure financing under section 202 of
36 this act.

37 (30) "State excise taxes" means revenues derived from state retail
38 sales and use taxes under chapters 82.08 and 82.12 RCW, less the amount

1 of tax distributions from all local retail sales and use taxes imposed
2 on the same taxable events that are credited against the state retail
3 sales and use taxes under chapters 82.08 and 82.12 RCW.

4 (31) "State excise tax allocation revenue" means the amount of
5 state excise taxes received by the state during the measurement year
6 from taxable activity within the revenue development area over and
7 above the amount of state excise taxes received by the state during the
8 base year from taxable activity within the revenue development area,
9 except that:

10 (a) If a sponsoring local government creates a revenue development
11 area and reasonably determines that no activity subject to tax under
12 chapters 82.08 and 82.12 RCW occurred in the twelve months immediately
13 preceding the creation of the revenue development area within the
14 boundaries of the area that became the revenue development area, "state
15 excise tax allocation revenue" means the entire amount of state excise
16 taxes received by the state during a calendar year period beginning
17 with the calendar year immediately following the creation of the
18 revenue development area and continuing with each measurement year
19 thereafter; and

20 (b) For revenue development areas created in calendar year 2006
21 that do not meet the requirements in (a) of this subsection and if
22 legislation is enacted in this state by July 1, 2006, that adopts the
23 sourcing provisions of the streamlined sales and use tax agreement,
24 "state excise tax allocation revenue" means the amount of state excise
25 taxes received by the state during the measurement year from taxable
26 activity within the revenue development area over and above an amount
27 of state excise taxes received by the state during the 2007 base year
28 adjusted by the department for any estimated impacts from retail sales
29 and use tax sourcing changes effective July 1, 2007. The amount of
30 base year adjustment determined by the department is final.

31 (32) "State property tax allocation revenue" means those tax
32 revenues derived from the imposition of property taxes levied by the
33 state for the support of common schools under RCW 84.52.065 on the
34 property tax allocation revenue value.

35 (33) "Urban growth area" has the same meaning as provided in
36 chapter 36.70A RCW.

37 **PART II**

1 **LOCAL INFRASTRUCTURE FINANCING TOOL**

2 NEW SECTION. Sec. 201. CREATION OF THE LOCAL INFRASTRUCTURE
3 FINANCING TOOL PROGRAM. The local infrastructure financing tool
4 program is created to assist local governments in financing authorized
5 public infrastructure projects designed to promote economic development
6 in the jurisdiction. The local infrastructure financing tool program
7 is not created to enable existing Washington-based businesses from
8 outside a revenue development area to relocate into a revenue
9 development area.

10 NEW SECTION. Sec. 202. LOCAL INFRASTRUCTURE FINANCING TOOL
11 PROGRAM APPLICATION. (1) Prior to applying to the board to use local
12 infrastructure financing, a sponsoring local government shall:

13 (a) Designate a revenue development area within the limitations in
14 section 204 of this act;

15 (b) Certify that the conditions in section 205 of this act are met;

16 (c) Complete the process in section 206 of this act;

17 (d) Provide public notice as required in section 208 of this act;

18 and

19 (e) Pass an ordinance adopting the revenue development area as
20 required in section 207 of this act.

21 (2) Any local government that has created an increment area under
22 chapter 39.89 RCW that has not issued bonds to finance any public
23 improvement shall be considered a revenue development area under this
24 chapter without creating a new increment area under sections 207 and
25 208 of this act if it amends its ordinance to comply with section
26 207(1) of this act and otherwise meets the conditions and limitations
27 under this chapter.

28 (3) As a condition to imposing a sales and use tax under section
29 401 of this act, a sponsoring local government, including any
30 cosponsoring local government seeking authority to impose a sales and
31 use tax under section 401 of this act, must apply to the board and be
32 approved for a project award amount. The application shall be in a
33 form and manner prescribed by the board and include but not be limited
34 to information establishing that the applicant is an eligible candidate
35 to impose the local sales and use tax under section 401 of this act,
36 the anticipated effective date for imposing the tax, the estimated

1 number of years that the tax will be imposed, and the estimated amount
2 of tax revenue to be received in each fiscal year that the tax will be
3 imposed. The board shall make available forms to be used for this
4 purpose. As part of the application, each applicant must provide to
5 the board a copy of the ordinance or ordinances creating the revenue
6 development area as required in section 207 of this act. A notice of
7 approval to use local infrastructure financing shall contain a project
8 award that represents the maximum amount of state contribution that the
9 applicant, including any cosponsoring local governments, can earn each
10 year that local infrastructure financing is used. The total of all
11 project awards shall not exceed the annual state contribution limit.
12 The determination of a project award shall be made based on information
13 contained in the application and the remaining amount of annual state
14 contribution limit to be awarded. Determination of a project award by
15 the board is final.

16 (4) Sponsoring local governments, and any cosponsoring local
17 governments, must submit completed applications to the board no later
18 than July 1, 2007. By September 15, 2007, in consultation with the
19 department of revenue and the department of community, trade, and
20 economic development, the board shall approve qualified projects, up to
21 the annual state contribution limit. Except as provided in section 203
22 of this act, approvals shall be based on the following criteria:

23 (a) The project potential to enhance the sponsoring local
24 government's regional and/or international competitiveness;

25 (b) The project's ability to encourage mixed use development and
26 the redevelopment of a geographic area;

27 (c) Achieving an overall distribution of projects statewide that
28 reflect geographic diversity;

29 (d) The estimated wages and benefits for the project is greater
30 than the average labor market area;

31 (e) The estimated state and local net employment change over the
32 life of the project;

33 (f) The estimated state and local net property tax change over the
34 life of the project; and

35 (g) The estimated state and local sales and use tax increase over
36 the life of the project.

37 (5) A revenue development area is considered created when the
38 sponsoring local government, including any cosponsoring local

1 government, has adopted an ordinance creating the revenue development
2 area and the board has approved the sponsoring local government to use
3 local infrastructure financing. If a sponsoring local government
4 receives approval from the board after the fifteenth day of October to
5 use local infrastructure financing, the revenue development area is
6 considered created in the calendar year following the approval. Once
7 the board has approved the sponsoring local government, and any
8 cosponsoring local governments, to use local infrastructure financing,
9 notification shall be sent to the sponsoring local government, and any
10 cosponsoring local governments, authorizing the sponsoring local
11 government, and any cosponsoring local governments, to impose the local
12 sales and use tax authorized under section 401 of this act, subject to
13 the conditions in section 401 of this act.

14 NEW SECTION. **Sec. 203.** In addition to a competitive process,
15 demonstration projects are provided to determine the feasibility of the
16 local infrastructure financing tool. Notwithstanding section 202 of
17 this act, the board shall approve each demonstration project before
18 approving any other application. The Bellingham waterfront
19 redevelopment project award shall not exceed one million dollars per
20 year, the Spokane river district project award shall not exceed one
21 million dollars per year, and the Vancouver riverwest project award
22 shall not exceed five hundred thousand dollars per year.

23 NEW SECTION. **Sec. 204.** LIMITATIONS ON REVENUE DEVELOPMENT AREAS.
24 The designation of a revenue development area is subject to the
25 following limitations:

26 (1) The taxable real property within the revenue development area
27 boundaries may not exceed one billion dollars in assessed value at the
28 time the revenue development area is designated;

29 (2) The average assessed value per square foot of taxable land
30 within the revenue development area boundaries may not exceed seventy
31 dollars at the time the revenue development area is designated;

32 (3) No more than one revenue development area may be created in a
33 county;

34 (4) A revenue development area is limited to contiguous tracts,
35 lots, pieces, or parcels of land without the creation of islands of
36 property not included in the revenue development area;

1 (5) The boundaries may not be drawn to purposely exclude parcels
2 where economic growth is unlikely to occur;

3 (6) The public improvements financed through local infrastructure
4 financing must be located in the revenue development area;

5 (7) A revenue development area cannot comprise an area containing
6 more than twenty-five percent of the total assessed value of the
7 taxable real property within the boundaries of the sponsoring local
8 government, including any cosponsoring local government, at the time
9 the revenue development area is designated;

10 (8) The boundaries of the revenue development area shall not be
11 changed for the time period that local infrastructure financing is
12 used; and

13 (9) A revenue development area cannot include any part of an
14 increment area created under chapter 39.89 RCW, except those increment
15 areas created prior to January 1, 2006.

16 NEW SECTION. **Sec. 205.** CONDITIONS. The use of local
17 infrastructure financing under this chapter is subject to the following
18 conditions:

19 (1) No funds may be used to finance, design, acquire, construct,
20 equip, operate, maintain, remodel, repair, or reequip public facilities
21 funded with taxes collected under RCW 82.14.048;

22 (2)(a) Except as provided in (b) of this subsection no funds may be
23 used for public improvements other than projects identified within the
24 capital facilities, utilities, housing, or transportation element of a
25 comprehensive plan required under chapter 36.70A RCW;

26 (b) Funds may be used for public improvements that are historical
27 preservation activities as defined in RCW 39.89.020;

28 (3) The public improvements proposed to be financed in whole or in
29 part using local infrastructure financing are expected to encourage
30 private development within the revenue development area and to increase
31 the fair market value of real property within the revenue development
32 area;

33 (4) A sponsoring local government, participating local government,
34 or participating taxing district has entered or expects to enter into
35 a contract with a private developer relating to the development of
36 private improvements within the revenue development area or has

1 received a letter of intent from a private developer relating to the
2 developer's plans for the development of private improvements within
3 the revenue development area;

4 (5) Private development that is anticipated to occur within the
5 revenue development area, as a result of the public improvements, will
6 be consistent with the countywide planning policy adopted by the county
7 under RCW 36.70A.210 and the local government's comprehensive plan and
8 development regulations adopted under chapter 36.70A RCW;

9 (6) The governing body of the sponsoring local government, and any
10 cosponsoring local government, must make a finding that local
11 infrastructure financing:

12 (a) Is not expected to be used for the purpose of relocating a
13 business from outside the revenue development area, but within this
14 state, into the revenue development area; and

15 (b) Will improve the viability of existing business entities within
16 the revenue development area;

17 (7) The governing body of the sponsoring local government, and any
18 cosponsoring local government, finds that the public improvements
19 proposed to be financed in whole or in part using local infrastructure
20 financing are reasonably likely to:

21 (a) Increase private residential and commercial investment within
22 the revenue development area;

23 (b) Increase employment within the revenue development area;

24 (c) Improve the viability of any existing communities that are
25 based on mixed-use development within the revenue development area; and

26 (d) Generate, over the period of time that the local option sales
27 and use tax will be imposed under section 401 of this act, state excise
28 tax allocation revenues and state property tax allocation revenues
29 derived from the revenue development area that are equal to or greater
30 than the respective state contributions made under this chapter;

31 (8) The sponsoring local government may only use local
32 infrastructure financing in areas deemed in need of economic
33 development or redevelopment within boundaries of the sponsoring local
34 government.

35 NEW SECTION. **Sec. 206.** PROCESS. Before adopting an ordinance
36 creating the revenue development area, a sponsoring local government
37 must:

1 (1) Obtain written agreement from any participating local
2 government and participating taxing district to use dedicated amounts
3 of local excise tax allocation revenues, local property tax allocation
4 revenues, and other revenues from local public sources in whole or in
5 part, for local infrastructure financing authorized under this chapter.
6 The agreement to opt into the local infrastructure financing public
7 improvement project must be authorized by the governing body of such
8 participating local government and participating taxing district;

9 (2) Estimate the impact of the revenue development area on small
10 business and low-income housing and develop a mitigation plan for the
11 impacted businesses and housing. In analyzing the impact of the
12 revenue development area, the sponsoring local government must develop:

13 (a) An inventory of existing low-income housing units, and
14 businesses and retail activity within the revenue development area;

15 (b) A reasonable estimate of the number of low-income housing
16 units, small businesses, and other commercial activity that may be
17 vulnerable to displacement within the revenue development area;

18 (c) A reasonable estimate of projected net job growth and net
19 housing growth caused by creation of the revenue development area when
20 compared to the existing jobs or housing balance for the area; and

21 (d) A reasonable estimate of the impact of net housing growth on
22 the current housing price mix.

23 NEW SECTION. **Sec. 207.** ORDINANCE. (1) To create a revenue
24 development area, a sponsoring local government, and any cosponsoring
25 local government, must adopt an ordinance establishing the revenue
26 development area that:

27 (a) Describes the public improvements proposed to be made in the
28 revenue development area;

29 (b) Describes the boundaries of the revenue development area,
30 subject to the limitations in section 204 of this act;

31 (c) Estimates the cost of the proposed public improvements and the
32 portion of these costs to be financed by local infrastructure
33 financing;

34 (d) Estimates the time during which local excise tax allocation
35 revenues, local property tax allocation revenues, and other revenues
36 from local public sources are to be used for local infrastructure
37 financing;

1 (e) Provides the date when the use of local excise tax allocation
2 revenues and local property tax allocation revenues will commence; and

3 (f) Finds that the conditions in section 205 of this act are met
4 and the findings in section 206 of this act are complete.

5 (2) The sponsoring local government, and any cosponsoring local
6 government, must hold a public hearing on the proposed financing of the
7 public improvements in whole or in part with local infrastructure
8 financing at least thirty days before passage of the ordinance
9 establishing the revenue development area. The public hearing may be
10 held by either the governing body of the sponsoring local government
11 and the governing body of any cosponsoring local government, or by a
12 committee of those governing bodies that includes at least a majority
13 of the whole governing body or bodies. The public hearing is subject
14 to the notice requirements in section 208 of this act.

15 (3) The sponsoring local government, and any cosponsoring local
16 government, shall deliver a certified copy of the adopted ordinance to
17 the county treasurer, the governing body of each participating local
18 government and participating taxing district within which the revenue
19 development area is located, the board, and the department.

20 NEW SECTION. **Sec. 208.** NOTICE REQUIREMENTS. Prior to adopting
21 the ordinance creating the revenue development area and to meet the
22 requirements of section 501(1)(b) of this act, a sponsoring local
23 government and any cosponsoring local government must provide public
24 notice.

25 (1) Notice of the public hearing must be published in a legal
26 newspaper of general circulation within the proposed revenue
27 development area at least ten days before the public hearing and posted
28 in at least six conspicuous public places located in the proposed
29 revenue development area.

30 (2) Notice must also be sent by United States mail to the property
31 owners, all identifiable community-based organizations with involvement
32 in the proposed revenue development area, and the business enterprises
33 located within the proposed revenue development area at least thirty
34 days prior to the hearing. In implementing provisions under this
35 chapter, the local governing body may also consult with community-based
36 groups, business organizations, including the local chamber of

1 commerce, and the office of minority and women's business enterprises
2 to assist with providing appropriate notice to business enterprises and
3 property owners for whom English is a second language.

4 (3) Notices must describe the contemplated public improvements,
5 estimate the public improvement costs, describe the portion of the
6 public improvement costs to be borne by local infrastructure financing,
7 describe any other sources of revenue to finance the public
8 improvements, describe the boundaries of the proposed revenue
9 development area, estimate the impact that the public improvements will
10 have on small businesses and low-income housing, and estimate the
11 period during which local infrastructure financing is contemplated to
12 be used.

13 (4) Notices must inform the public where to obtain the information
14 that shows how the limitations, conditions, and findings required in
15 sections 204 through 206 of this act are met.

16 (5) The sponsoring local government and any cosponsoring local
17 government shall deliver a certified copy of the proposed ordinance to
18 the county treasurer, the governing body of each participating local
19 government and participating taxing district within which the revenue
20 development area is located, the board, and the department.

21 PART III

22 TAX ALLOCATION REVENUES

23 NEW SECTION. **Sec. 301.** LOCAL EXCISE TAX ALLOCATION REVENUES. (1)

24 A sponsoring local government or participating local government that
25 has received approval by the board to use local infrastructure
26 financing may use annually its local excise tax allocation revenues to
27 finance public improvements in the revenue development area financed in
28 whole or in part by local infrastructure financing. The use of local
29 excise tax allocation revenues dedicated by participating local
30 governments must cease when such allocation revenues are no longer
31 necessary or obligated to pay bonds issued to finance the public
32 improvements in the revenue development area. Any participating local
33 government is authorized to dedicate local excise tax allocation
34 revenues to the sponsoring local government as authorized in section
35 206(1) of this act.

1 (2) A sponsoring local government shall provide the board accurate
2 information describing the geographical boundaries of the revenue
3 development area at the time of application. The information shall be
4 provided in an electronic format or manner as prescribed by the
5 department. The sponsoring local government shall ensure that the
6 boundary information provided to the board and department is kept
7 current.

8 (3) In the event a city annexes a county area located within a
9 county-sponsored revenue development area, the city shall remit to the
10 county the portion of the local excise tax allocation revenue that the
11 county would have received had the area not been annexed to the county.
12 The city shall remit such revenues until such time as the bonds issued
13 under section 501 of this act are retired.

14 NEW SECTION. **Sec. 302.** LOCAL PROPERTY TAX ALLOCATION REVENUES.

15 (1) Commencing in the second calendar year following the passage of the
16 ordinance creating a revenue development area and authorizing the use
17 of local infrastructure financing, the county treasurer shall
18 distribute receipts from regular taxes imposed on real property located
19 in the revenue development area as follows:

20 (a) Each participating taxing district and the sponsoring local
21 government shall receive that portion of its regular property taxes
22 produced by the rate of tax levied by or for the taxing district on the
23 property tax allocation revenue base value for that local
24 infrastructure financing project in the taxing district, or upon the
25 total assessed value of real property in the taxing district, whichever
26 is smaller; and

27 (b) The sponsoring local government shall receive an additional
28 portion of the regular property taxes levied by it and by or for each
29 participating taxing district upon the property tax allocation revenue
30 value within the revenue development area. However, if there is no
31 property tax allocation revenue value, the sponsoring local government
32 shall not receive any additional regular property taxes under this
33 subsection (1)(b). The sponsoring local government may agree to
34 receive less than the full amount of the additional portion of regular
35 property taxes under this subsection (1)(b) as long as bond debt
36 service, reserve, and other bond covenant requirements are satisfied,
37 in which case the balance of these tax receipts shall be allocated to

1 the participating taxing districts that levied regular property taxes,
2 or have regular property taxes levied for them, in the revenue
3 development area for collection that year in proportion to their
4 regular tax levy rates for collection that year. The sponsoring local
5 government may request that the treasurer transfer this additional
6 portion of the property taxes to its designated agent. The portion of
7 the tax receipts distributed to the sponsoring local government or its
8 agent under this subsection (1)(b) may only be expended to finance
9 public improvement costs associated with the public improvements
10 financed in whole or in part by local infrastructure financing.

11 (2) The county assessor shall allocate any increase in the assessed
12 value of real property occurring in the revenue development area to the
13 property tax allocation revenue value and property tax allocation
14 revenue base value as appropriate. This section does not authorize
15 revaluations of real property by the assessor for property taxation
16 that are not made in accordance with the assessor's revaluation plan
17 under chapter 84.41 RCW or under other authorized revaluation
18 procedures.

19 (3) The apportionment of increases in assessed valuation in a
20 revenue development area, and the associated distribution to the
21 sponsoring local government of receipts from regular property taxes
22 that are imposed on the property tax allocation revenue value, must
23 cease when property tax allocation revenues are no longer necessary or
24 obligated to pay the costs of the public improvements. Any excess
25 local property tax allocation revenues derived from regular property
26 taxes and earnings on these tax allocation revenues, remaining at the
27 time the allocation of tax receipts terminates, must be returned to the
28 county treasurer and distributed to the participating taxing districts
29 that imposed regular property taxes, or had regular property taxes
30 imposed for it, in the revenue development area for collection that
31 year, in proportion to the rates of their regular property tax levies
32 for collection that year.

33 (4) The allocation to the revenue development area of portions of
34 the local regular property taxes levied by or for each taxing district
35 upon the property tax allocation revenue value within that revenue
36 development area is declared to be a public purpose of and benefit to
37 each such taxing district.

1 (5) The allocation of local property tax allocation revenues
2 pursuant to this section shall not affect or be deemed to affect the
3 rate of taxes levied by or within any taxing district or the
4 consistency of any such levies with the uniformity requirement of
5 Article VII, section 1 of the state Constitution.

6 (6) This section does not apply to those revenue development areas
7 that include any part of an increment area created under chapter 39.89
8 RCW.

9 **PART IV**
10 **STATE CONTRIBUTIONS**

11 NEW SECTION. **Sec. 401.** A new section is added to chapter 82.14
12 RCW to read as follows:

13 SALES AND USE TAX. (1) A sponsoring local government, and any
14 cosponsoring local government, that has been approved by the board to
15 use local infrastructure financing may impose a sales and use tax in
16 accordance with the terms of this chapter and subject to the criteria
17 set forth in this section. Except as provided in this section, the tax
18 is in addition to other taxes authorized by law and shall be collected
19 from those persons who are taxable by the state under chapters 82.08
20 and 82.12 RCW upon the occurrence of any taxable event within the
21 taxing jurisdiction of the sponsoring local government or cosponsoring
22 local government. The rate of tax shall not exceed the rate provided
23 in RCW 82.08.020(1), less the aggregate rates of any other local sales
24 and use taxes imposed on the same taxable events that are credited
25 against the state sales and use taxes imposed under chapters 82.08 and
26 82.12 RCW. The rate of tax may be changed only on the first day of a
27 fiscal year as needed. Notice of rate changes must be provided to the
28 department on the first day of March to be effective on July 1st of the
29 next fiscal year.

30 (2) The tax authorized under subsection (1) of this section shall
31 be credited against the state taxes imposed under chapter 82.08 or
32 82.12 RCW. The department shall perform the collection of such taxes
33 on behalf of the sponsoring local government or cosponsoring local
34 government at no cost to the sponsoring local government or
35 cosponsoring local government and shall remit the taxes as provided in
36 RCW 82.14.060.

1 (3)(a) No tax may be imposed under this section:
2 (i) Before July 1, 2008;
3 (ii) Before approval by the department under section 202 of this
4 act; and
5 (iii) Except as provided in (b) of this subsection, unless the
6 sponsoring local government has received and dedicated to the payment
7 of bonds authorized in section 501 of this act, in whole or in part,
8 both local excise tax allocation revenues and local property tax
9 allocation revenues during the preceding calendar year.

10 (b) The requirement to receive local property tax allocation
11 revenues under (a) of this subsection is waived if the revenue
12 development area coincides with or is contained entirely within the
13 boundaries of an increment area adopted by a local government under the
14 authority of chapter 39.89 RCW for the purposes of utilizing community
15 revitalization financing.

16 (c) The tax imposed under this section shall expire when the bonds
17 issued under the authority of section 501 of this act are retired, but
18 not more than twenty-five years after the tax is first imposed.

19 (4) An ordinance adopted by the legislative authority of a
20 sponsoring local government or cosponsoring local government imposing
21 a tax under this section shall provide that:

22 (a) The tax shall first be imposed on the first day of a fiscal
23 year;

24 (b) The cumulative amount of tax received by the sponsoring local
25 government, and any cosponsoring local government, in any fiscal year
26 shall not exceed the amount of the state contribution;

27 (c) The tax shall cease to be distributed for the remainder of any
28 fiscal year in which either:

29 (i) The amount of tax received by the sponsoring local government,
30 and any cosponsoring local government, equals the amount of the state
31 contribution;

32 (ii) The amount of revenue from taxes imposed under this section by
33 all sponsoring and cosponsoring local governments equals the annual
34 state contribution limit; or

35 (iii) The amount of tax received by the sponsoring local government
36 equals the amount of project award granted in the approval notice
37 described in section 202 of this act;

1 (d) Except when the requirement to receive local property tax
2 allocation revenues is waived as provided in subsection (3)(b) of this
3 section, neither the local excise tax allocation revenues nor the local
4 property tax allocation revenues can be more than eighty percent of the
5 total local funds as described in section 102(29)(c) of this act;

6 (e) The tax shall be distributed again, should it cease to be
7 distributed for any of the reasons provided in (c) of this subsection,
8 at the beginning of the next fiscal year, subject to the restrictions
9 in this section; and

10 (f) Any revenue generated by the tax in excess of the amounts
11 specified in (c) of this subsection shall belong to the state of
12 Washington.

13 (5) If a county and city cosponsor a revenue development area, the
14 combined rates of the city and county tax shall not exceed the rate
15 provided in RCW 82.08.020(1), less the aggregate rates of any other
16 local sales and use taxes imposed on the same taxable events that are
17 credited against the state sales and use taxes imposed under chapters
18 82.08 and 82.12 RCW. The combined amount of distributions received by
19 both the city and county may not exceed the state contribution.

20 (6) The department shall determine the amount of tax receipts
21 distributed to each sponsoring local government, and any cosponsoring
22 local government, imposing sales and use tax under this section and
23 shall advise a sponsoring or cosponsoring local government when tax
24 distributions for the fiscal year equal the amount of state
25 contribution for that fiscal year as provided in subsection (8) of this
26 section. Determinations by the department of the amount of tax
27 distributions attributable to each sponsoring or cosponsoring local
28 government are final and shall not be used to challenge the validity of
29 any tax imposed under this section. The department shall remit any tax
30 receipts in excess of the amounts specified in subsection (4)(c) of
31 this section to the state treasurer who shall deposit the money in the
32 general fund.

33 (7) If a sponsoring or cosponsoring local government fails to
34 comply with section 403 of this act, no tax may be distributed in the
35 subsequent fiscal year until such time as the sponsoring or
36 cosponsoring local government complies and the department calculates
37 the state contribution amount for such fiscal year.

1 (8) Each year, the amount of taxes approved by the department for
2 distribution to a sponsoring or cosponsoring local government in the
3 next fiscal year shall be equal to the state contribution and shall be
4 no more than the total local funds as described in section 102(29)(c)
5 of this act. The department shall consider information from reports
6 described in section 403 of this act when determining the amount of
7 state contributions for each fiscal year. A sponsoring or cosponsoring
8 local government shall not receive, in any fiscal year, more revenues
9 from taxes imposed under the authority of this section than the amount
10 approved annually by the department. The department shall not approve
11 the receipt of more distributions of sales and use tax under this
12 section to a sponsoring or cosponsoring local government than is
13 authorized under subsection (3) of this section.

14 (9) The amount of tax distributions received from taxes imposed
15 under the authority of this section by all sponsoring and cosponsoring
16 local governments is limited annually to not more than five million
17 dollars. The tax distributions shall be available to the sponsoring
18 local government, and any cosponsoring local government, imposing a tax
19 under this section only as long as the sponsoring local government has
20 outstanding indebtedness under section 501 of this act.

21 (10) The definitions in section 102 of this act apply to this
22 section unless the context clearly requires otherwise.

23 (11) If a sponsoring local government is a federally recognized
24 Indian tribe, the distribution of the sales and use tax authorized
25 under this section shall be authorized through an interlocal agreement
26 pursuant to chapter 39.34 RCW.

27 NEW SECTION. **Sec. 402.** USE OF FUNDS. Money collected from the
28 taxes imposed under section 401 of this act shall be used only for the
29 purpose of principal and interest payments on bonds issued under the
30 authority of section 501 of this act.

31 NEW SECTION. **Sec. 403.** REPORTING REQUIREMENTS. (1) A sponsoring
32 local government shall provide a report to the board and the department
33 by March 1st of each year. The report shall contain the following
34 information:

35 (a) The amount of local excise tax allocation revenues, and local
36 property tax allocation revenues, taxes under section 401 of this act,

1 and revenues from local public sources received by the sponsoring local
2 government during the preceding calendar year that were dedicated to
3 pay the public improvements financed in whole or in part with local
4 infrastructure financing, and a summary of how these revenues were
5 expended;

6 (b) The names of any businesses locating within the revenue
7 development area as a result of the public improvements undertaken by
8 the sponsoring local government and financed in whole or in part with
9 local infrastructure financing;

10 (c) The total number of permanent jobs created in the revenue
11 development area as a result of the public improvements undertaken by
12 the sponsoring local government and financed in whole or in part with
13 local infrastructure financing;

14 (d) The average wages and benefits received by all employees of
15 businesses locating within the revenue development area as a result of
16 the public improvements undertaken by the sponsoring local government
17 and financed in whole or in part with local infrastructure financing;
18 and

19 (e) That the sponsoring local government is in compliance with
20 section 205 of this act.

21 (2) The board shall make a report available to the public and the
22 legislature by June 1st of each year. The report shall include a list
23 of public improvements undertaken by sponsoring local governments and
24 financed in whole or in part with local infrastructure financing and it
25 shall also include a summary of the information provided to the
26 department by sponsoring local governments under subsection (1) of this
27 section.

28 **PART V**

29 **BOND AUTHORIZATION**

30 NEW SECTION. **Sec. 501.** BOND ISSUANCE. (1) A sponsoring local
31 government that has designated a revenue development area and been
32 authorized the use of local infrastructure financing may incur general
33 indebtedness, and issue general obligation bonds, to finance the public
34 improvements and retire the indebtedness in whole or in part from tax
35 allocation revenues it receives, subject to the following requirements:

1 (a) The ordinance adopted by the sponsoring local government and
2 authorizing the use of local infrastructure financing indicates an
3 intent to incur this indebtedness and the maximum amount of this
4 indebtedness that is contemplated; and

5 (b) The sponsoring local government includes this statement of the
6 intent in all notices required by section 207 of this act.

7 (2)(a) Except as provided in (b) of this subsection, the general
8 indebtedness incurred under subsection (1) of this section may be
9 payable from other tax revenues, the full faith and credit of the local
10 government, and nontax income, revenues, fees, and rents from the
11 public improvements, as well as contributions, grants, and nontax money
12 available to the local government for payment of costs of the public
13 improvements or associated debt service on the general indebtedness.

14 (b) A sponsoring local government that issues bonds under this
15 section shall not pledge any money received from the state of
16 Washington for the payment of such bonds, other than the local sales
17 and use taxes imposed under the authority of section 401 of this act
18 and collected by the department.

19 (3) In addition to the requirements in subsection (1) of this
20 section, a sponsoring local government designating a revenue
21 development area and authorizing the use of local infrastructure
22 financing may require the nonpublic participant to provide adequate
23 security to protect the public investment in the public improvement
24 within the revenue development area.

25 (4) Bonds issued under this section shall be authorized by
26 ordinance of the governing body of the sponsoring local government and
27 may be issued in one or more series and shall bear such date or dates,
28 be payable upon demand or mature at such time or times, bear interest
29 at such rate or rates, be in such denomination or denominations, be in
30 such form either coupon or registered as provided in RCW 39.46.030,
31 carry such conversion or registration privileges, have such rank or
32 priority, be executed in such manner, be payable in such medium of
33 payment, at such place or places, and be subject to such terms of
34 redemption with or without premium, be secured in such manner, and have
35 such other characteristics, as may be provided by such ordinance or
36 trust indenture or mortgage issued pursuant thereto.

37 (5) The sponsoring local government may annually pay into a fund to
38 be established for the benefit of bonds issued under this section a

1 fixed proportion or a fixed amount of any local excise tax allocation
2 revenues and local property tax allocation revenues derived from
3 property or business activity within the revenue development area
4 containing the public improvements funded by the bonds, such payment to
5 continue until all bonds payable from the fund are paid in full. The
6 local government may also annually pay into the fund established in
7 this section a fixed proportion or a fixed amount of any revenues
8 derived from taxes imposed under section 401 of this act, such payment
9 to continue until all bonds payable from the fund are paid in full.
10 Revenues derived from taxes imposed under section 401 of this act are
11 subject to the use restriction in section 402 of this act.

12 (6) In case any of the public officials of the sponsoring local
13 government whose signatures appear on any bonds or any coupons issued
14 under this chapter shall cease to be such officials before the delivery
15 of such bonds, such signatures shall, nevertheless, be valid and
16 sufficient for all purposes, the same as if such officials had remained
17 in office until such delivery. Any provision of any law to the
18 contrary notwithstanding, any bonds issued under this chapter are fully
19 negotiable.

20 (7) Notwithstanding subsections (4) through (6) of this section,
21 bonds issued under this section may be issued and sold in accordance
22 with chapter 39.46 RCW.

23 NEW SECTION. **Sec. 502.** USE OF TAX REVENUE FOR BOND REPAYMENT. A
24 sponsoring local government that issues bonds under section 501 of this
25 act to finance public improvements may pledge for the payment of such
26 bonds all or part of any local excise tax allocation revenues and all
27 or part of any local property tax allocation revenues dedicated by the
28 sponsoring local government, any participating local government, or
29 participating taxing district. The sponsoring local government may
30 also pledge all or part of any revenues derived from taxes imposed
31 under section 401 of this act and held in connection with the public
32 improvements. All of such tax revenues are subject to the use
33 restrictions in sections 202 through 205 of this act, and the process
34 requirements in section 206(1) of this act.

35 NEW SECTION. **Sec. 503.** BONDS ISSUED NOT AN OBLIGATION OF THE
36 STATE OF WASHINGTON. The bonds issued by a sponsoring local government

1 under section 501 of this act to finance public improvements shall not
2 constitute an obligation of the state of Washington, either general or
3 special.

4 NEW SECTION. **Sec. 504.** GENERAL INDEBTEDNESS--SECURITY. (1) A
5 sponsoring local government designating a revenue development area and
6 authorizing the use of local infrastructure financing may incur general
7 indebtedness, and issue general obligation bonds, to finance the public
8 improvements and retire the indebtedness in whole or in part from local
9 excise tax allocation revenues and local property tax allocation
10 revenues it receives, subject to the following requirements:

11 (a) The ordinance adopted by the sponsoring local government
12 creating the revenue development area and authorizing the use of local
13 infrastructure financing indicates an intent to incur this indebtedness
14 and the maximum amount of this indebtedness that is contemplated; and

15 (b) The sponsoring local government includes this statement of the
16 intent in all notices required by sections 205 and 206 of this act.

17 (2) The general indebtedness incurred under subsection (1) of this
18 section may be payable from other tax revenues, the full faith and
19 credit of the sponsoring local government, and nontax income, revenues,
20 fees, and rents from the public improvements, as well as contributions,
21 grants, and nontax money available to the sponsoring local government
22 for payment of costs of the public improvements or associated debt
23 service on the general indebtedness.

24 (3) In addition to the requirements in subsection (1) of this
25 section, a sponsoring local government designating a revenue
26 development area and authorizing the use of local infrastructure
27 financing may require the nonpublic participant to provide adequate
28 security to protect the public investment in the public improvement
29 within the revenue development area.

30 NEW SECTION. **Sec. 505.** REVENUE BONDS. (1) A sponsoring local
31 government may issue revenue bonds to fund revenue-generating public
32 improvements, or portions of public improvements, that are located
33 within a revenue development area. Whenever revenue bonds are to be
34 issued, the legislative authority of the sponsoring local government
35 shall create or have created a special fund or funds from which, along
36 with any reserves created pursuant to RCW 39.44.140, the principal and

1 interest on these revenue bonds shall exclusively be payable. The
2 legislative authority of the sponsoring local government may obligate
3 the sponsoring local government to set aside and pay into the special
4 fund or funds a fixed proportion or a fixed amount of the revenues from
5 the public improvements that are funded by the revenue bonds. This
6 amount or proportion is a lien and charge against these revenues,
7 subject only to operating and maintenance expenses. The sponsoring
8 local government shall have due regard for the cost of operation and
9 maintenance of the public improvements that are funded by the revenue
10 bonds, and shall not set aside into the special fund or funds a greater
11 amount or proportion of the revenues that in its judgment will be
12 available over and above the cost of maintenance and operation and the
13 amount or proportion, if any, of the revenue previously pledged. The
14 sponsoring local government may also provide that revenue bonds payable
15 out of the same source or sources of revenue may later be issued on a
16 parity with any revenue bonds being issued and sold.

17 (2) Revenue bonds issued pursuant to this section are not an
18 indebtedness of the sponsoring local government issuing the bonds, and
19 the interest and principal on the bonds shall only be payable from the
20 revenues lawfully pledged to meet the principal and interest
21 requirements and any reserves created pursuant to RCW 39.44.140. The
22 owner or bearer of a revenue bond or any interest coupon issued
23 pursuant to this section shall not have any claim against the
24 sponsoring local government arising from the bond or coupon except for
25 payment from the revenues lawfully pledged to meet the principal and
26 interest requirements and any reserves created pursuant to RCW
27 39.44.140. The substance of the limitations included in this
28 subsection shall be plainly printed, written, or engraved on each bond
29 issued pursuant to this section.

30 (3) Revenue bonds with a maturity in excess of twenty-five years
31 shall not be issued. The legislative authority of the sponsoring local
32 government shall by resolution determine for each revenue bond issue
33 the amount, date, form, terms, conditions, denominations, maximum fixed
34 or variable interest rate or rates, maturity or maturities, redemption
35 rights, registration privileges, manner of execution, manner of sale,
36 callable provisions, if any, and covenants including the refunding of
37 existing revenue bonds. Facsimile signatures may be used on the bonds

1 and any coupons. Refunding revenue bonds may be issued in the same
2 manner as revenue bonds are issued.

3 (4) Notwithstanding subsections (1) through (3) of this section,
4 bonds issued under this section may be issued and sold in accordance
5 with chapter 39.46 RCW.

6 **PART VI**
7 **JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE REPORTS**

8 NEW SECTION. **Sec. 601.** JOINT LEGISLATIVE AUDIT AND REVIEW
9 COMMITTEE REPORTS. Beginning September 1, 2013, and continuing every
10 five years thereafter, the joint legislative audit and review committee
11 shall submit a report to the appropriate committees of the legislature.

12 (1) The report shall, at a minimum, evaluate the effectiveness of
13 the local infrastructure financing tool program, including a
14 project-by-project review. The report shall evaluate the project's
15 interim results based on the selection criteria. The report shall also
16 measure:

- 17 (a) Employment changes in the revenue development area;
- 18 (b) Property tax changes in the revenue development area;
- 19 (c) Sales and use tax changes in the revenue development area;
- 20 (d) Property value changes in the revenue development area; and
- 21 (e) Changes in housing and existing commercial activities based on
22 the impact analysis and mitigation plan required in section 206(2) of
23 this act.

24 (2) The report that is due September 1, 2028, should also include
25 any recommendations regarding whether or not the program should be
26 expanded statewide and what impact the expansion would have on economic
27 development in Washington.

28 **PART VII**
29 **MISCELLANEOUS**

30 NEW SECTION. **Sec. 701.** PERIODIC EVALUATION. The department of
31 revenue and the community economic revitalization board shall evaluate
32 and periodically report on the implementation of the local
33 infrastructure financing program to the governor and legislature as the

1 department and the board deems appropriate and recommend such
2 amendments, changes in, and modifications of this act as seem proper.

3 NEW SECTION. **Sec. 702.** GOVERNANCE AND SELECTION CRITERIA STUDY.
4 The office of financial management shall contract with the appropriate
5 vendor to study and report on similar programs in other states. The
6 report shall include an overview of the programs in other states,
7 including project selection criteria and program governance. The
8 report shall include recommendations regarding project selection and
9 governance that address Washington's unique needs. The report shall
10 also include recommendations for reporting information on future
11 projects. The report is due to the governor and the legislature by
12 December 1, 2006.

13 NEW SECTION. **Sec. 703.** CAPTIONS. Captions and part headings used
14 in this act are not any part of the law.

15 NEW SECTION. **Sec. 704.** SEVERABILITY. If any provision of this
16 act or its application to any person or circumstance is held invalid,
17 the remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 705.** PORT DISTRICTS. Nothing in this act shall
20 be construed to give port districts the authority to impose a sales or
21 use tax under chapter 82.14 RCW.

22 NEW SECTION. **Sec. 706.** EFFECTIVE DATE. This act takes effect
23 July 1, 2006.

24 NEW SECTION. **Sec. 707.** EXPIRATION DATE. This act expires June
25 30, 2039.

26 NEW SECTION. **Sec. 708.** NEW CHAPTER. Sections 101 through 302 and
27 402 through 601 of this act constitute a new chapter in Title 39 RCW."

E2SHB 2673 - S AMD

By Senators Brown, Zarelli

PULLED 03/07/2006

1 On page 1, line 2 of the title, after "program;" strike the
2 remainder of the title and insert "adding a new section to chapter
3 82.14 RCW; adding a new chapter to Title 39 RCW; creating new sections;
4 providing an effective date; and providing an expiration date."

--- END ---