

---

**SENATE BILL 6700**

---

**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senators Brown, McCaslin, McAuliffe, Franklin and Rasmussen

Read first time 01/19/2006. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to community revitalization financing; adding new  
2 sections to chapter 82.14 RCW; adding a new section to chapter 82.32  
3 RCW; adding a new chapter to Title 82 RCW; and creating a new section.

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

5 **PART I**  
6 **COMMUNITY REVITALIZATION FINANCING--GENERAL PROVISIONS**

7 NEW SECTION. **Sec. 101.** The legislature finds that it is in the  
8 best interests of the state of Washington to promote private investment  
9 in many areas for the purpose of stimulating economic vitality and  
10 promoting economic stability. The legislature recognizes that the  
11 state as a whole benefits from investment in public infrastructure  
12 because it promotes community and economic development. Public  
13 investment stimulates business activity and helps create jobs. The  
14 legislature further finds that these activities generate revenue for  
15 the state and local governments and that it is in the public interest  
16 to invest in these projects through a credit against the state sales  
17 and use tax to those local governments that can demonstrate the  
18 expected returns.

1        NEW SECTION.    **Sec. 102.**    The definitions in this section apply

2 throughout this chapter unless the context clearly requires otherwise.

3        (1) "Base year" means the first calendar year following the  
4 creation of an increment area.

5        (2) "Department" means the department of revenue.

6        (3) "Excess state excise taxes" means the amount of excise taxes  
7 received by the state during the measurement year from taxable activity  
8 within the increment area over and above the amount of excise taxes  
9 received by the state during the base year from taxable activity within  
10 the increment area.    However, if a local government creates an  
11 increment area and reasonably determines that no activity subject to  
12 tax under chapters 82.08 and 82.12 RCW occurred in the twelve months  
13 immediately preceding the creation of the increment area within the  
14 boundaries of the area that became the increment area, "excess state  
15 excise taxes" means the entire amount of excise taxes received by the  
16 state during a calendar year period beginning with the calendar year  
17 immediately following the creation of the increment area and continuing  
18 with each measurement year thereafter.

19        (4) "Excise taxes" means the state retail sales and use taxes  
20 imposed under chapters 82.08 and 82.12 RCW.

21        (5) "Fiscal year" has the same meaning as in section 104(3) of this  
22 act.

23        (6) "Increment area" means the geographic area from which taxes are  
24 to be used to finance public improvements authorized under this  
25 chapter.

26        (7) "Local government" means any city, town, county, port district,  
27 or any combination thereof.

28        (8) "Measurement year" means a calendar year, beginning with the  
29 calendar year following the base year and each calendar year  
30 thereafter, that is used annually to measure the amount of excess  
31 excise taxes required to be used to finance public improvement costs  
32 associated with public improvements financed in whole or in part by  
33 community revitalization financing.

34        (9) "Ordinance" means any appropriate method of taking legislative  
35 action by a local government.

36        (10) "Participating taxing authority" means a taxing authority that  
37 has entered into a written agreement with a local government for the  
38 use of community revitalization financing to the extent of allocating

1 excess excise taxes to the local government for the purpose of  
2 financing all or a portion of the costs of designated public  
3 improvements.

4 (11) "Public improvements" means:

5 (a) Infrastructure improvements within the increment area that  
6 include:

- 7 (i) Street and road construction and maintenance;
- 8 (ii) Water and sewer system construction and improvements;
- 9 (iii) Sidewalks and streetlights;
- 10 (iv) Parking, terminal, and dock facilities;
- 11 (v) Park and ride facilities of a transit authority;
- 12 (vi) Park facilities and recreational areas; and
- 13 (vii) Storm water and drainage management systems; and

14 (b) Expenditures for any of the following purposes:

15 (i) Providing environmental analysis, professional management,  
16 planning, and promotion within the increment area, including the  
17 management and promotion of retail trade activities in the increment  
18 area;

19 (ii) Providing maintenance and security for common or public areas  
20 in the increment area; or

21 (iii) Historic preservation activities authorized under RCW  
22 35.21.395.

23 (12) "Public improvement costs" means the costs of: (a) Design,  
24 planning, acquisition, including land acquisition, site preparation  
25 including land clearing, construction, reconstruction, rehabilitation,  
26 improvement, and installation of public improvements; (b) demolishing,  
27 relocating, maintaining, and operating property pending construction of  
28 public improvements; (c) relocating utilities as a result of public  
29 improvements; (d) financing public improvements, including interest  
30 during construction, legal and other professional services, taxes,  
31 insurance, principal and interest costs on general indebtedness issued  
32 to finance public improvements, and any necessary reserves for general  
33 indebtedness; and (e) administrative expenses and feasibility studies  
34 reasonably necessary and related to these costs, including related  
35 costs that may have been incurred before adoption of the ordinance  
36 authorizing the public improvements and the use of community  
37 revitalization financing to fund the costs of the public improvements.

1 (13) "Tax allocation revenues" means those tax revenues derived  
2 from the receipt of excess excise taxes under section 204 of this act.

3 (14) "Taxing authority" means a governmental entity that imposes a  
4 sales or use tax under chapter 82.14 RCW upon the occurrence of any  
5 taxable event within a proposed or approved increment area.

6 NEW SECTION. **Sec. 103.** A local government may finance public  
7 improvements using community revitalization financing subject to the  
8 following conditions:

9 (1) The local government adopts an ordinance designating an  
10 increment area within its boundaries and the ordinance specifies the  
11 public improvements proposed to be financed in whole or in part with  
12 the use of community revitalization financing. An increment area shall  
13 be geographically restricted to the location of the public improvement  
14 and adjacent locations that the local government finds to have a high  
15 likelihood of receiving direct positive business and economic impacts  
16 due to the public improvement, such as a neighborhood or a block. An  
17 increment area shall not encompass any one political jurisdiction in  
18 its entirety;

19 (2) The public improvements proposed to be financed in whole or in  
20 part using community revitalization financing are expected to encourage  
21 private development within the increment area;

22 (3) The local government has entered or expects to enter into a  
23 contract with a private developer relating to the development of  
24 private improvements within the increment area or has received a letter  
25 of intent from a private developer relating to the developer's plans  
26 for the development of private improvements within the increment area;

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

32 (5) The local government may not use community revitalization  
33 financing to finance the costs associated with the financing, design,  
34 acquisition, construction, equipping, operating, maintaining,  
35 remodeling, repairing, and reequipping of public facilities funded with  
36 taxes collected under RCW 82.14.048;

1 (6) The governing body of the local government must make a finding  
2 that community revitalization financing: (a) Will not be used for the  
3 purpose of relocating a business from outside the increment area, but  
4 within this state, into the increment area; (b) will improve the  
5 viability of existing business entities within the increment area; and  
6 (c) will be used exclusively in areas within the jurisdiction of the  
7 local government deemed in need of economic development and/or  
8 redevelopment, and absent the financing available under this act the  
9 proposed economic development and/or redevelopment would more than  
10 likely not occur;

11 (7) The governing body of the local government finds that the  
12 public improvements proposed to be financed in whole or in part using  
13 community revitalization financing are reasonably likely to:

14 (a) Increase private investment within the increment area;

15 (b) Increase employment within the increment area; and

16 (c) Generate, over the period of time that the local sales and use  
17 tax will be imposed under section 201 of this act, state and local  
18 sales and use tax revenues that are equal to or greater than the  
19 respective state and local contributions made under this chapter;

20 (8) The local government obtains written agreement for the use of  
21 community revitalization financing to finance all or a portion of the  
22 costs of the designated public improvements from taxing authorities  
23 that in the aggregate levy at least sixty percent of the sales and use  
24 taxes within the increment area. The agreement must be authorized by  
25 the governing body of taxing authorities that in the aggregate levy at  
26 least sixty percent of the sales and use taxes on property within the  
27 increment area.

28 NEW SECTION. **Sec. 104.** (1) Before adopting an ordinance creating  
29 the increment area, a local government must:

30 (a) Obtain written agreement for the use of community  
31 revitalization financing to finance all or a portion of the costs of  
32 the designated public improvements from taxing authorities as provided  
33 in section 103(8) of this act; and

34 (b) Hold a public hearing on the proposed financing of the public  
35 improvement in whole or in part with community revitalization  
36 financing.

1 (i) Notice of the public hearing must be published in a legal  
2 newspaper of general circulation within the proposed increment area at  
3 least ten days before the public hearing and posted in at least six  
4 conspicuous public places located in the proposed increment area.

5 (ii) Notice must also be sent by United States mail to the property  
6 owners and the business enterprises located within the proposed  
7 increment area at least thirty days prior to the hearing. In  
8 implementing provisions under this act, the local governing body may  
9 also consult with business organizations, including the local chamber  
10 of commerce, and the office of minority and women's business  
11 enterprises to assist with providing appropriate notice to business  
12 enterprises and property owners for whom English is a second language.

13 (iii) Notices must describe the contemplated public improvements,  
14 estimate the costs of the public improvements, describe the portion of  
15 the costs of the public improvements to be borne by community  
16 revitalization financing, describe any other sources of revenue to  
17 finance the public improvements, describe the boundaries of the  
18 proposed increment area, and estimate the period during which community  
19 revitalization financing is contemplated to be used. The public  
20 hearing may be held by either the governing body of the local  
21 government, or a committee of the governing body that includes at least  
22 a majority of the whole governing body.

23 (2) In order to create an increment area, a local government must  
24 adopt an ordinance establishing the increment area that:

25 (a) Describes the public improvements;

26 (b) Describes the boundaries of the increment area;

27 (c) Estimates the cost of the public improvements and the portion  
28 of these costs to be financed by community revitalization financing;

29 (d) Estimates the time during which tax allocation revenue is to be  
30 used to finance public improvement costs associated with the public  
31 improvements financed in whole or in part by community revitalization  
32 financing;

33 (e) Estimates the average amount of tax allocation revenue to be  
34 received in all fiscal years through the imposition of a sales and use  
35 tax under section 201 of this act;

36 (f) Provides the date when the apportionment of tax allocation will  
37 commence; and

38 (g) Finds that the conditions of RCW 39.89.030 are met.

1 (3) For purposes of this section, "fiscal year" means the year  
2 beginning July 1st and ending the following June 30th.

3 NEW SECTION. **Sec. 105.** The local government shall:

4 (1) Publish notice in a legal newspaper of general circulation  
5 within the increment area that describes the public improvement,  
6 describes the boundaries of the increment area, and identifies the  
7 location and times where the ordinance and other public information  
8 concerning the public improvement may be inspected; and

9 (2) Deliver a certified copy of the ordinance to the county  
10 treasurer and the governing body of each participating taxing authority  
11 within which the increment area is located.

12 **PART II**

13 **COMMUNITY REVITALIZATION FINANCING--SALES AND USE TAX REVENUE**

14 NEW SECTION. **Sec. 201.** A new section is added to chapter 82.14  
15 RCW to read as follows:

16 (1) A city, town, or county that creates an increment area and  
17 finances public improvements pursuant to chapter 82.-- RCW (the new  
18 chapter created in section 404 of this act) may impose a sales and use  
19 tax in accordance with the terms of this chapter and subject to the  
20 criteria set forth in this section. Except as provided in this  
21 section, the tax is in addition to other taxes authorized by law and  
22 shall be collected from those persons who are taxable by the state  
23 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
24 event within the taxing jurisdiction of the city, town, or county. The  
25 rate of tax shall not exceed the rate provided in RCW 82.08.020(1) in  
26 the case of a sales tax or the rate provided in RCW 82.12.020(5) in the  
27 case of a use tax, less the aggregate rates of any other taxes imposed  
28 on the same events that are credited against the state taxes imposed  
29 under chapters 82.08 and 82.12 RCW.

30 (2) The tax imposed under subsection (1) of this section shall be  
31 credited against the amount of tax otherwise required to be deposited  
32 in the general fund under chapter 82.08 or 82.12 RCW. The department  
33 shall perform the collection of such taxes on behalf of the city, town,  
34 or county at no cost to the city, town, or county.

1 (3) No tax may be imposed under this section before July 1, 2008.  
2 The tax imposed under this section shall expire when the bonds issued  
3 under the authority of chapter 82.-- RCW (the new chapter created in  
4 section 404 of this act) are retired, but not more than twenty-five  
5 years after the tax is first imposed.

6 (4) An ordinance adopted by the legislative authority of a city,  
7 town, or county imposing a tax under this section shall provide that:

8 (a) The tax shall first be imposed on the first day of a fiscal  
9 year.

10 (b) The amount of tax received by the local government in any  
11 fiscal year shall not exceed the amount of the state contribution;

12 (c) The tax shall cease to be imposed for the remainder of any  
13 fiscal year in which either:

14 (i) The amount of tax receipts totals the amount of the state  
15 contribution; or

16 (ii) The amount of revenue from taxes imposed under this section by  
17 all cities, towns, and counties totals the annual state credit limit as  
18 provided in section 203(3) of this act;

19 (d) The tax shall be reimposed, should it cease to be imposed for  
20 any of the reasons provided in (c) of this subsection, at the beginning  
21 of the next fiscal year, subject to the restrictions in this section;  
22 and

23 (e) Any revenue generated by the tax in excess of the amounts  
24 specified in (a), (b), and (c) of this subsection shall belong to the  
25 state of Washington.

26 (5) If both a county and a city or town impose a tax under this  
27 section, the tax imposed by the city, town, or county shall be credited  
28 as follows:

29 (a) If the county has created an increment area before the city or  
30 town, the tax imposed by the county shall be credited against the tax  
31 imposed by the city or town, the purpose of such credit is to give  
32 priority to the county tax; and

33 (b) If the city or town has created an increment area before the  
34 county, the tax imposed by the city or town shall be credited against  
35 the tax imposed by the county, the purpose of such credit is to give  
36 priority to the city or town tax.

37 (6) The department shall determine the amount of tax receipts  
38 attributable to each city, town, and county imposing a sales and use



1 tax under this section and shall advise a city, town, or county when it  
2 must cease imposing the tax for the remainder of the fiscal year as  
3 provided in subsection (4)(c) of this section. Determinations by the  
4 department of the amount of taxes attributable to a city, town, or  
5 county are final and shall not be used to challenge the validity of any  
6 tax imposed under this section. The department shall remit any tax  
7 receipts in excess of the amounts specified in subsection (4)(a), (b),  
8 and (c) of this section to the state treasurer who shall deposit the  
9 moneys in the general fund.

10 (7) The definitions in section 102 of this act and in this  
11 subsection apply throughout this section unless the context clearly  
12 requires otherwise.

13 (a) "State contribution" means the lesser of one million dollars or  
14 excess state excise taxes received by the state during the preceding  
15 calendar year.

16 (b) "Tax allocation revenues" has the same meaning as in section  
17 102 of this act.

18 NEW SECTION. **Sec. 202.** A new section is added to chapter 82.14  
19 RCW to read as follows:

20 (1) Moneys collected from the taxes imposed under section 201 of  
21 this act shall be used only for the purpose of principal and interest  
22 payments on bonds issued under the authority of section 301 of this act  
23 and must be matched with an amount from local public sources dedicated  
24 through December 31st of the previous calendar year to finance public  
25 improvements authorized under chapter 82.-- RCW (the new chapter  
26 created in section 404 of this act). Such local public sources  
27 include, but are not limited to, private monetary contributions and tax  
28 revenues other than the taxes imposed under section 201 of this act.  
29 Local public sources are dedicated to finance public improvements if  
30 they are actually expended to pay public improvement costs or are  
31 required by law or an agreement to be used exclusively to pay public  
32 improvement costs.

33 (2) A local government shall inform the department by the first day  
34 of March of the amount of local public sources dedicated in the  
35 preceding calendar year to finance public improvements authorized under  
36 chapter 82.-- RCW (the new chapter created in section 404 of this act).

1 (3) If a local government fails to comply with subsection (2) of  
2 this section, no tax may be imposed under section 201 of this act in  
3 the subsequent fiscal year.

4 (4) A local government shall provide a report to the department by  
5 March 1st of each year. The report shall contain the following  
6 information:

7 (a) The amount of tax allocation revenues, taxes under section 201  
8 of this act, and local public sources received by the local government  
9 during the preceding calendar year, and a summary of how these revenues  
10 were expended;

11 (b) The names of any businesses locating within the increment area  
12 as a result of the public improvements undertaken by the local  
13 government and financed in whole or in part with community  
14 revitalization financing;

15 (c) The total number of permanent jobs created as a result of the  
16 public improvements undertaken by the local government and financed in  
17 whole or in part with community revitalization financing;

18 (d) The average wages and benefits received by all employees of  
19 businesses locating within the increment area as a result of the public  
20 improvements undertaken by the local government and financed in whole  
21 or in part with community revitalization financing; and

22 (e) That the local government is in compliance with section  
23 103(6)(c) of this act.

24 (5) The department shall make a report available to the public and  
25 the legislature by June 1st of each year. The report shall include a  
26 list of public improvements undertaken by local governments and  
27 financed in whole or in part with community revitalization financing,  
28 and it shall also include a summary of the information provided to the  
29 department by local governments under subsection (4) of this section.

30 (6) The definitions in section 102 of this act apply to this  
31 section.

32 NEW SECTION. **Sec. 203.** A new section is added to chapter 82.32  
33 RCW to read as follows:

34 (1) As a condition to imposing a sales and use tax under section  
35 201 of this act, a city, town, or county must apply to the department  
36 at least seventy-five days before the effective date of any such tax.  
37 The application shall be in a form and manner prescribed by the

1 department and shall include but is not limited to information  
2 establishing that the applicant is eligible to impose such a tax, the  
3 anticipated effective date for imposing the tax, the estimated number  
4 of years that the tax will be imposed, and the estimated amount of tax  
5 revenue to be received in each fiscal year that the tax will be  
6 imposed. For purposes of this section, "fiscal year" means the year  
7 beginning July 1st and ending the following June 30th. The department  
8 shall make available forms to be used for this purpose. As part of the  
9 application, a city, town, or county must provide to the department a  
10 copy of the ordinance creating the increment area as required in  
11 section 103 of this act. The department shall rule on completed  
12 applications within sixty days of receipt. The department may begin  
13 accepting and approving applications August 1, 2006. No new  
14 applications shall be considered by the department after the thirtieth  
15 day of September of the third year following the year in which the  
16 first application was received by the department.

17 (2) The authority to impose the local option sales and use taxes  
18 under section 201 of this act is on a first-come basis. Priority for  
19 collecting the taxes authorized under section 201 of this act among  
20 approved applicants shall be based on the date that the approved  
21 application was received by the department. As a part of the approval  
22 of applications under this section, the department shall approve the  
23 amount of tax under section 201 of this act that an applicant may  
24 impose. The amount of tax approved by the department shall not exceed  
25 the lesser of one million dollars or the average amount of tax revenue  
26 that the applicant estimates that it will receive in all fiscal years  
27 through the imposition of a sales and use tax under section 201 of this  
28 act. A city, town, or county shall not receive, in any fiscal year,  
29 more revenues from taxes imposed under section 201 of this act than the  
30 amount approved by the department. The department shall not approve  
31 the receipt of more credit against the state sales and use tax than is  
32 authorized under subsection (3) of this section.

33 (3) The amount of credit against the state sales and use tax is  
34 limited to no more than five million dollars of credit against the  
35 state sales and use tax received by all cities, towns, and counties  
36 imposing a tax under section 201 of this act. This amount shall be  
37 adjusted annually, beginning in the fiscal year beginning July 1, 2008,

1 by an amount representing the fiscal growth factor as defined in RCW  
2 43.135.025.

3 (4) The credit against the state sales and use tax shall be  
4 available to any city, town, or county imposing a tax under section 201  
5 of this act only as long as the city, town, or county has outstanding  
6 indebtedness under RCW 39.89.080.

7 (5) The department may adopt rules under chapter 34.05 RCW  
8 necessary for the administration of sections 201 through 204 of this  
9 act.

10 NEW SECTION. **Sec. 204.** (1) A local government that creates an  
11 increment area and has received approval from the department under  
12 section 203 of this act to impose the local option sales and use tax  
13 authorized in section 201 of this act may use annually any excess  
14 excise taxes received by it from taxable activity within the increment  
15 area to finance public improvement costs associated with the public  
16 improvements financed in whole or in part by community revitalization  
17 financing. The use of excess excise taxes must cease when tax  
18 allocation revenues are no longer necessary or obligated to pay the  
19 costs of the public improvements. Any participating taxing authority  
20 is authorized to allocate excess excise taxes to the local government  
21 as long as the local government has received approval from the  
22 department under section 203 of this act to impose the local option  
23 sales and use tax authorized in section 201 of this act. The  
24 legislature declares that it is a proper purpose of a local government  
25 or participating taxing authority to allocate excess excise taxes for  
26 purposes of financing public improvements under this chapter.

27 (2) A local government consisting solely of a port district may use  
28 excess excise taxes as provided in this section only to the extent that  
29 any participating taxing authority allocates excess excise taxes to the  
30 local government.

31 (3) A local government consisting of a port district and any city,  
32 town, or county may use excess excise taxes as provided in this section  
33 only if:

34 (a) The city, town, or county realizes excess excise taxes from  
35 taxable activity within the increment area; or

36 (b) Any participating taxing authority allocates excess excise  
37 taxes to the local government.

1 (4) A local government shall provide the department accurate  
2 information describing the geographical boundaries of the increment  
3 area at least seventy-five days before the effective date of the  
4 ordinance creating the increment area. The local government shall  
5 ensure that the boundary information provided to the department is kept  
6 current.

7 (5) The department shall provide each local government that has  
8 provided boundary information to the department as provided in this  
9 section and that has received approval from the department under  
10 section 203 of this act to impose the local option sales and use tax  
11 authorized in section 201 of this act with the necessary information to  
12 calculate excess excise taxes.

13 **PART III**  
14 **BOND AUTHORIZATION**

15 NEW SECTION. **Sec. 301.** (1) A local government designating an  
16 increment area and authorizing the use of community revitalization  
17 financing may incur general indebtedness, and issue general obligation  
18 bonds, to finance the public improvements and retire the indebtedness  
19 in whole or in part from tax allocation revenues and from the sales and  
20 use tax authorized in section 201 of this act it receives, subject to  
21 the following requirements:

22 (a) The ordinance adopted by the local government creating the  
23 increment area and authorizing the use of community revitalization  
24 financing indicates an intent to incur this indebtedness and the  
25 maximum amount of this indebtedness that is contemplated; and

26 (b) The local government includes this statement of the intent in  
27 all notices required by section 104 of this act.

28 (2) The general indebtedness incurred under subsection (1) of this  
29 section may be payable from other tax revenues, the full faith and  
30 credit of the local government, and nontax income, revenues, fees, and  
31 rents from the public improvements, as well as contributions, grants,  
32 and nontax money available to the local government for payment of costs  
33 of the public improvements or associated debt service on the general  
34 indebtedness.

35 (3) In addition to the requirements in subsection (1) of this  
36 section, a local government designating an increment area and

1 authorizing the use of community revitalization financing may require  
2 the nonpublic participant to provide adequate security to protect the  
3 public investment in the public improvement within the increment area.

4 (4) Bonds issued under this section shall be authorized by  
5 ordinance of the local governing body and may be issued in one or more  
6 series and shall bear such date or dates, be payable upon demand or  
7 mature at such time or times, bear interest at such rate or rates, be  
8 in such denomination or denominations, be in such form either coupon or  
9 registered as provided in RCW 39.46.030, carry such conversion or  
10 registration privileges, have such rank or priority, be executed in  
11 such manner, be payable in such medium of payment, at such place or  
12 places, and be subject to such terms of redemption with or without  
13 premium, be secured in such manner, and have such other  
14 characteristics, as may be provided by such ordinance or trust  
15 indenture or mortgage issued pursuant thereto.

16 (5) The local government may annually pay into a fund to be  
17 established for the benefit of bonds issued under this section a fixed  
18 proportion or a fixed amount of any tax allocation revenues derived  
19 from property or business activity within the increment area containing  
20 the public improvements funded by the bonds, such payment to continue  
21 until all bonds payable from the fund are paid in full. The local  
22 government may also annually pay into the fund established in this  
23 section a fixed proportion or a fixed amount of any revenues derived  
24 from taxes imposed under section 201 of this act, such payment to  
25 continue until all bonds payable from the fund are paid in full.  
26 Revenues derived from taxes imposed under section 201 of this act are  
27 subject to the use restriction in section 202 of this act.

28 (6) In case any of the public officials of the local government  
29 whose signatures appear on any bonds or any coupons issued under this  
30 chapter shall cease to be such officials before the delivery of such  
31 bonds, such signatures shall, nevertheless, be valid and sufficient for  
32 all purposes, the same as if such officials had remained in office  
33 until such delivery. Any provision of any law to the contrary  
34 notwithstanding, any bonds issued under this chapter are fully  
35 negotiable.

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

1        NEW SECTION.    **Sec. 302.**  A local government that issues bonds under  
2 section 301 of this act to finance public improvements may pledge for  
3 the payment of such bonds all or part of any tax allocation revenues  
4 derived from the public improvements.  All of such tax revenues are  
5 subject to the use restriction in section 202 of this act.

6        NEW SECTION.    **Sec. 303.**  The bonds issued by a local government  
7 under section 301 of this act to finance public improvements shall not  
8 constitute an obligation of the state of Washington, either general or  
9 special.

10                                            **PART IV**  
11                                            **MISCELLANEOUS**

12        NEW SECTION.    **Sec. 401.**  If any provision of this act or its  
13 application to any person or circumstance is held invalid, the  
14 remainder of the act or the application of the provision to other  
15 persons or circumstances is not affected.

16        NEW SECTION.    **Sec. 402.**  Part headings used in this act do not  
17 constitute any part of the law.

18        NEW SECTION.    **Sec. 403.**  Nothing in this act shall be construed to  
19 give port districts the authority to impose a sales or use tax under  
20 chapter 82.14 RCW.

21        NEW SECTION.    **Sec. 404.**  Sections 101 through 105, 204, 301 through  
22 303, and 403 of this act constitute a new chapter in Title 82 RCW.

--- END ---