

# FINAL BILL REPORT

## ESHB 2125

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Synopsis as Enacted

**Brief Description:** Addressing community preservation and development authorities.

**Sponsors:** House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Santos and Kenney).

**House Committee on Community & Economic Development & Trade**  
**Senate Committee on Economic Development, Trade & Innovation**

### **Background:**

#### Community Preservation and Development Authorities.

Legislation enacted in 2007 provided for formation, legislative authorization, management, powers, and duties of community preservation and development authorities (Authority). In addition, the bill authorized establishment of the Pioneer Square-International District Authority.

#### Authority Formation and Legislative Authorization.

Formation and legislative authorization of an Authority requires the following actions:

- Residents, property owners, employees, or business owners of an impacted community propose formation of an Authority in writing to the appropriate legislative committees in the House of Representatives and the Senate.
- A community proposing formation of an Authority after January 1, 2008, must identify at least one stable revenue source that can be used to support projects contained in the Authority's strategic plan and that has a nexus with the multiple publicly funded facilities that have adversely impacted the community.
- The Legislature must make certain findings and may then authorize an Authority's establishment in law.

#### Authority Management, Powers, and Duties.

An Authority is managed by a nine-member board of directors. Board positions include: two members who own, operate, or represent businesses within the community; two members involved in providing nonprofit community or social services within the

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community; two members involved in the arts and entertainment within the community; two members with knowledge of the community's culture and history; and one member involved in a nonprofit or public planning organization directly serving the impacted community. Members of the applicable state legislative delegation join with those proposing formation of an Authority to establish a list of candidates to stand for election as an Authority's initial board of directors. The legislative delegation convenes a meeting of the constituency to conduct the election. Subsequent directors will be elected at an annual local town hall meeting from a list of candidates developed by the existing directors.

An Authority may accept public or private gifts, grants, loans, or other aid from public or private entities, and exercise additional powers as authorized by law. An Authority has no power of eminent domain or power to levy taxes or special assessments.

An Authority must:

- establish specific geographic boundaries within its bylaws and report any changes to the Legislature;
- solicit community input and develop a strategic preservation and development plan;
- include a prioritized list of projects in the plan, identified and supported by the community, including capital and operating components;
- establish funding mechanisms to implement the plan;
- use gifts, grants, loans, and other aid to carry out the projects in the strategic plan; and
- demonstrate accountability by reporting to the appropriate committees of the Legislature, convening an annual town hall meeting with its constituency, and maintaining appropriate books and records.

The Community Preservation and Development Authority Account (Account) created in the State Treasury includes sub-accounts for operating projects and for capital projects. Moneys are subject to appropriation and may only be used for projects developed under the statute.

Before making siting, design, and construction decisions for major public capital projects, state and local government agencies may communicate and consult with an Authority and the impacted community. The consultation may include assessing the compatibility of the proposed project with the Authority's strategic plan, and making reasonable efforts to minimize negative cumulative effects of multiple projects.

### **Summary:**

An Authority's nine-member board of directors is expanded to 13 to include two members who reside in the community, and two representatives of the local legislative authority as ex officio members.

Additional Authority powers are specified: employing and appointing agents, attorneys, officers, and employees; contracting and entering into partnerships with individuals, associations, corporations, and local, state, and federal governments; buying, owning, leasing, and selling real estate and personal property; holding in trust, improving, and developing land; investing, depositing, and reinvesting funds; incurring debt to further its mission; and lending its funds, property, credit, or services for corporate purposes.

An Authority that accepts public funds is prohibited from using those funds to loan the state's credit, to support or oppose a candidate, ballot proposition, political party, or political committee.

An Authority's use of financial resources includes, but is not limited to: enhancing public safety; reducing community blight; and providing ongoing mitigation of the adverse community effects of multiple publicly funded projects.

**Votes on Final Passage:**

House	63	32	
Senate	34	8	(Senate amended)
House			(House refuses to concur)
Senate	40	8	(Senate amended)
House	59	36	(House concurred)

**Effective:** July 26, 2009