

HOUSE BILL REPORT

HB 2704

As Reported by House Committee On:
State Government & Tribal Affairs
General Government Appropriations

Title: An act relating to transferring the Washington main street program to the department of archaeology and historic preservation.

Brief Description: Transferring the Washington main street program to the department of archaeology and historic preservation.

Sponsors: Representatives Takko, Hinkle, Appleton, Haler, Rolfes, Van De Wege, Quall, Warnick and Morris.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 1/22/10, 1/26/10 [DPS];
General Government Appropriations: 2/4/10 [DPS(SGTA)].

Brief Summary of Substitute Bill

- Moves the Washington Main Street Program from the Department of Commerce to the Department of Archeology and Historic Preservation.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Ranking Minority Member; Alexander, Flannigan, Hurst, Miloscia and Taylor.

Staff: Tracey O'Brien (786-7196).

Background:

In 2005 the Legislature created the Washington Main Street Program (Program) in the Department of Commerce (DCOM) to provide technical assistance to communities undertaking a comprehensive downtown or neighborhood commercial district revitalization initiative and management strategy. The DCOM operates the Program in consultation with

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an advisory committee. Financial assistance may be provided to communities for certain Program costs. The DCOM was directed to develop the criteria for selecting the recipients of assistance and will provide the designation of local projects. Priority for technical and financial assistance is given to downtown or neighborhood revitalization programs located in a rural county. The DCOM may not provide assistance to cities with populations of 190,000 or more.

The Program is funded through a business and occupation (B&O) tax credit. The B&O tax credit is available for 75 percent of the amount donated directly to a local Program or 50 percent of the contribution amount to the Main Street Trust Fund. In order to receive a credit, an application must be submitted to the Department of Revenue. Total credits cannot exceed \$100,000 per calendar year for an individual Program, or \$250,000 per calendar year for a business, and may only be claimed against tax due in the calendar year following approval. The total amount of credits per year statewide is capped at \$1.5 million per calendar year. Credits may not be approved for cities with populations of 190,000 or more.

Summary of Substitute Bill:

The administration of the Washington Main Street Program is moved from the Department of Commerce to the Department of Archeology and Historic Preservation.

Substitute Bill Compared to Original Bill:

The substitute bill adds an intent section.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect July 1, 2010.

Staff Summary of Public Testimony:

(In support) This bill simply moves the Washington Main Street Program (Program) from one department to another. The National Main Street Program is housed in the National Trust for Historic Preservation, so a move to the Department of Archeology and Historic Preservation (DAHP) is very appropriate. The Program is a great template and resource for local communities to revitalize or redevelop its downtown or commercial districts. In the past nine years, the Program has generated \$413 million in new private sector investment, created 11,810 new jobs and assisted 3,721 new or expanded businesses. This is a critical program for Washington communities in these economic times.

(Neutral) There are economic benefits to historic preservation programs. If the Program is moved to the DAHP, the department will work hard to make it successful.

(Opposed) None.

Persons Testifying: (In support) Representative Takko, prime sponsor; Rick Winsman, Kelso Longview Chamber of Commerce; Louis Musso, Cle Elum Improvement Association; Michelle Moline, Centralia Downtown Association; Jerri Honeyford, Washington Trust for Historic Preservation; and Jeffrey Trinin, Olympia Downtown Association.

(Neutral) Allyson Brooks, Department of Archaeology & Historic Preservation.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS

Majority Report: The substitute bill by Committee on State Government & Tribal Affairs be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Darneille, Chair; Takko, Vice Chair; McCune, Ranking Minority Member; Armstrong, Assistant Ranking Minority Member; Blake, Crouse, Dunshee, Hudgins, Kenney, Pedersen, Sells, Short, Van De Wege and Williams.

Minority Report: Do not pass. Signed by 1 member: Representative Klippert.

Staff: Steve Smith (786-7178).

Summary of Recommendation of Committee On General Government Appropriations Compared to Recommendation of Committee On State Government & Tribal Affairs:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2010.

Staff Summary of Public Testimony:

(In support) The Washington Main Street Program (program) is an essential program for downtown areas, and helps to retain businesses and jobs in communities. Direct results can be seen from programs over the last sixteen years, and especially over the last two years during the economic downturn. In addition, the program has spurred considerable community involvement as well as an increase in voluntarism. It has helped in retaining businesses which leads to an increase in jobs, additional sales in the downtown areas and a larger tax base. Because of the high standards to become a designated Main Street Community, some cities have been working towards being qualified to apply for this designation; however, if the program were to be eliminated, there would be no program for cities to eventually use. The program is vital to some areas that rely on economic activity from tourism in historic downtowns. One city has recently seen the elimination of its

visitor's bureau and its office of economic development, and is currently renovating a boutique hotel that is very dependent on tourism. Without transferring this program to the Department of Archaeology and Historic Preservation, the program will disappear and will harm local businesses dependent on tourism.

(Opposed) None.

Persons Testifying: Connie Lorenz and Jeanne Carras, Olympia Downtown Association; Lewis Musso, Cle Elum Improvement Association; and Michelle Moline.

Persons Signed In To Testify But Not Testifying: