

HOUSE BILL REPORT

HB 2704

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

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].

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 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

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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.