

---

**SUBSTITUTE HOUSE BILL 2704**

---

**State of Washington                      61st Legislature                      2010 Regular Session**

**By** House State Government & Tribal Affairs (originally sponsored by Representatives Takko, Hinkle, Appleton, Haler, Rolfes, Van De Wege, Quall, Warnick, and Morris)

READ FIRST TIME 01/28/10.

1            AN ACT Relating to transferring the Washington main street program  
2 to the department of archaeology and historic preservation; amending  
3 RCW 35.100.020, 43.360.010, and 82.73.050; reenacting and amending RCW  
4 82.73.010; creating new sections; and providing an effective date.

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

6            NEW SECTION.    **Sec. 1.** Many of Washington's communities use the  
7 main street program to address issues facing their older traditional  
8 commercial districts. The main street program is a preservation-based  
9 economic development program that assists communities in implementing  
10 a locally driven downtown revitalization effort. However, the main  
11 street program is broader than merely preserving a community's  
12 downtown, it is the revitalization of that community's downtown.  
13 Downtown revitalization creates jobs and puts people to work. Downtown  
14 revitalization attracts new businesses and offers local investment  
15 opportunities. New and expanding downtown businesses generate  
16 increased sales tax and attract export dollars to the community.  
17 Therefore, the legislature finds that the movement of the main street  
18 program from the department of commerce to the department of

1 archaeology and historic preservation is designed to provide for both  
2 the preservation of a community's downtown and economic development for  
3 that community.

4 **Sec. 2.** RCW 35.100.020 and 2002 c 79 s 2 are each amended to read  
5 as follows:

6 The definitions in this section apply throughout this chapter  
7 unless the context clearly requires otherwise.

8 (1) "Local retail sales and use tax" means the tax levied by a city  
9 or town under RCW 82.14.030, excluding that portion which a county is  
10 entitled to receive under RCW 82.14.030.

11 (2) "Local retail sales and use tax increment revenue" means that  
12 portion of the local retail sales and use tax collected in each year  
13 upon any retail sale or any use of an article of tangible personal  
14 property within a downtown or neighborhood commercial district that is  
15 in excess of the amount of local retail sales and use tax collected on  
16 sales or uses within the downtown or neighborhood commercial district  
17 in the year preceding.

18 (3) "Downtown or neighborhood commercial district" means (a) an  
19 area or areas designated by the legislative authority of a city or town  
20 with a population over one hundred thousand and that are typically  
21 limited to the pedestrian core area or the central commercial district  
22 and compact business districts that serve specific neighborhoods within  
23 the city or town; or (b) commercial areas designated as main street  
24 areas by the (~~office of trade and economic development~~) department of  
25 archaeology and historic preservation.

26 (4) "Community revitalization project" means:

27 (a) Health and safety improvements authorized to be publicly  
28 financed under chapter 35.80 or 35.81 RCW;

29 (b) Publicly owned or leased facilities within the jurisdiction of  
30 a local government which the sponsor has authority to provide; and

31 (c) Expenditure for any of the following purposes:

32 (i) Providing environmental analysis, professional management,  
33 planning, and promotion within a downtown or neighborhood commercial  
34 district including the management and promotion of retail trade  
35 activities in the district;

36 (ii) Providing maintenance and security for common or public areas  
37 in the downtown or neighborhood commercial district;

1 (iii) Historic preservation activities authorized under RCW  
2 35.21.395; or

3 (iv) Project design and planning, land acquisition, site  
4 preparation, construction, reconstruction, rehabilitation, improvement,  
5 operation, and installation of a public facility; the costs of  
6 financing, including interest during construction, legal and other  
7 professional services, taxes, and insurance; the costs of complying  
8 with this chapter and other applicable law; and the administrative  
9 costs reasonably necessary and related to these costs.

10 **Sec. 3.** RCW 43.360.010 and 2009 c 565 s 44 are each amended to  
11 read as follows:

12 The definitions in this section apply throughout this chapter  
13 unless the context clearly requires otherwise.

14 (1) "Area" means a geographic area within a local government that  
15 is described by a closed perimeter boundary.

16 (2) "Department" means the department of (~~commerce~~) archaeology  
17 and historic preservation.

18 (3) "Director" means the director of the department (~~of~~  
19 ~~commerce~~).

20 (4) "Local government" means a city, code city, or town.

21 (5) "Qualified levels of participation" means a local downtown or  
22 neighborhood commercial district revitalization program that has been  
23 designated by the department.

24 **Sec. 4.** RCW 82.73.010 and 2009 c 565 s 55 are each reenacted and  
25 amended to read as follows:

26 Unless the context clearly requires otherwise, the definitions in  
27 this section apply throughout this chapter.

28 (1) "Applicant" means a person applying for a tax credit under this  
29 chapter.

30 (2) "Contribution" means cash contributions.

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

32 (4) "Main street trust fund" means the (~~department of commerce's~~)  
33 Washington main street trust fund account under RCW 43.360.050.

34 (5) "Person" has the meaning given in RCW 82.04.030.

35 (6) "Program" means a nonprofit organization under internal revenue  
36 code sections 501(c)(3) or 501(c)(6), with the sole mission of

1 revitalizing a downtown or neighborhood commercial district area, that  
2 is designated by the department of (~~commerce~~) archaeology and  
3 historic preservation as described in RCW 43.360.010 through  
4 43.360.050.

5 **Sec. 5.** RCW 82.73.050 and 2005 c 514 s 906 are each amended to  
6 read as follows:

7 The department of (~~community, trade, and economic development~~)  
8 archaeology and historic preservation shall provide information to the  
9 department to administer this chapter, including a list of designated  
10 programs that shall be updated as necessary.

11 NEW SECTION. **Sec. 6.** (1) All powers, duties, and functions of the  
12 department of commerce pertaining to the Washington main street program  
13 are transferred to the department of archaeology and historic  
14 preservation.

15 (2)(a) All reports, documents, surveys, books, records, files,  
16 papers, or written material in the possession of the department of  
17 commerce pertaining to the powers, functions, and duties transferred  
18 shall be delivered to the custody of the department of archaeology and  
19 historic preservation. All cabinets, furniture, office equipment,  
20 motor vehicles, and other tangible property employed by the department  
21 of commerce in carrying out the powers, functions, and duties  
22 transferred shall be made available to the department of archaeology  
23 and historic preservation. All funds, credits, or other assets held in  
24 connection with the powers, functions, and duties transferred shall be  
25 assigned to the department of archaeology and historic preservation.

26 (b) Any appropriations made to the department of commerce for  
27 carrying out the powers, functions, and duties transferred shall, on  
28 the effective date of this section, be transferred and credited to the  
29 department of archaeology and historic preservation.

30 (c) Whenever any question arises as to the transfer of any  
31 personnel, funds, books, documents, records, papers, files, equipment,  
32 or other tangible property used or held in the exercise of the powers  
33 and the performance of the duties and functions transferred, the  
34 director of financial management shall make a determination as to the  
35 proper allocation and certify the same to the state agencies concerned.

1 (3) All employees of the department of commerce engaged in  
2 performing the powers, functions, and duties transferred are  
3 transferred to the jurisdiction of the department of archaeology and  
4 historic preservation. All employees classified under chapter 41.06  
5 RCW, the state civil service law, are assigned to the department of  
6 archaeology and historic preservation to perform their usual duties  
7 upon the same terms as formerly, without any loss of rights, subject to  
8 any action that may be appropriate thereafter in accordance with the  
9 laws and rules governing state civil service.

10 (4) All rules and all pending business before the department of  
11 commerce pertaining to the powers, functions, and duties transferred  
12 shall be continued and acted upon by the department of archaeology and  
13 historic preservation. All existing contracts and obligations shall  
14 remain in full force and shall be performed by the department of  
15 archaeology and historic preservation.

16 (5) The transfer of the powers, duties, functions, and personnel of  
17 the department of commerce shall not affect the validity of any act  
18 performed before the effective date of this section.

19 (6) If apportionments of budgeted funds are required because of the  
20 transfers directed by this section, the director of financial  
21 management shall certify the apportionments to the agencies affected,  
22 the state auditor, and the state treasurer. Each of these shall make  
23 the appropriate transfer and adjustments in funds and appropriation  
24 accounts and equipment records in accordance with the certification.

25 (7) All classified employees of the department of commerce assigned  
26 to the department of archaeology and historic preservation under this  
27 section whose positions are within an existing bargaining unit  
28 description at the department of archaeology and historic preservation  
29 shall become a part of the existing bargaining unit at the department  
30 of archaeology and historic preservation and shall be considered an  
31 appropriate inclusion or modification of the existing bargaining unit,  
32 if any, under the provisions of chapter 41.80 RCW.

33 NEW SECTION. **Sec. 7.** This act takes effect July 1, 2010.

--- END ---