H-3564.1

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**HOUSE BILL 2462**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Maycumber, Chapman, Jenkin, Nealey, McCabe, Schmick, Vick, Eslick, Appleton, Kretz, Manweller, Dent, Haler, and Senn

AN ACT Relating to increasing access to the main street program; amending RCW 82.73.010 and 43.360.030; and adding a new section to chapter 82.73 RCW.

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

**Sec.**  RCW 82.73.010 and 2010 c 30 s 4 are each amended to read as follows:

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

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

(2) "Contribution" means cash contributions.

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

(4) "Main street trust fund" means the Washington main street trust fund account under RCW 43.360.050.

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

(6) "Program" means a nonprofit organization under internal revenue code sections 501(c)(3) or 501(c)(6), that is designated by the department of archaeology and historic preservation as described in RCW 43.360.010 through 43.360.050 with:

(a) The sole mission of revitalizing a downtown or neighborhood commercial district area((~~, that is designated by the department of archaeology and historic preservation as described in RCW 43.360.010 through 43.360.050~~)); or

(b) An economic development mission.

NEW SECTION. **Sec.**  A new section is added to chapter 82.73 RCW to read as follows:

Beginning July 1, 2018, a program, as defined under RCW 82.73.010(6)(b), and designated, as described in RCW 43.360.010 through 43.360.050:

(1) Must be a nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) or (c)(6) of the federal internal revenue code;

(2) Must be located in a rural county, as defined in RCW 43.160.020; and

(3) May not have had a main street program designated within the same county on or before December 31, 2017.

**Sec.**  RCW 43.360.030 and 2005 c 514 s 910 are each amended to read as follows:

(1) The department ((~~shall~~)) must adopt criteria for the designation of local downtown or neighborhood commercial district revitalization programs and official local main street programs. In establishing the criteria, the department ((~~shall~~)) must consider:

(a) The degree of interest and commitment to comprehensive downtown or neighborhood commercial district revitalization and, where applicable, historic preservation by both the public and private sectors;

(b) The evidence of potential private sector investment in the downtown or neighborhood commercial district;

(c) Where applicable, a downtown or neighborhood commercial district with sufficient historic fabric to become a foundation for an enhanced community image; and

(d) ((~~The capacity of the organization to undertake a comprehensive program and the financial commitment to implement a long-term downtown or neighborhood commercial district revitalization program that includes a commitment to employ a professional program manager and maintain a sufficient operating budget;~~

~~(e) The department's existing downtown revitalization program's tier system;~~

~~(f) The national main street center's criteria for designating official main street cities; and~~

~~(g)~~)) Other factors the department deems necessary for the designation of a local program.

(2) In addition to the criteria in subsection (1) of this section, when adopting criteria for the designation of a program defined in RCW 82.73.010(6)(a), the department must consider:

(a) The capacity of the organization to undertake a comprehensive program and the financial commitment to implement a long-term downtown or neighborhood commercial district revitalization program that includes a commitment to employ a professional program manager and maintain a sufficient operating budget;

(b) The department's existing downtown revitalization program's tier system; and

(c) The national main street center's criteria for designating official main street cities.

(3) The department ((~~shall~~)) must designate local downtown or neighborhood commercial district revitalization programs and official local main street programs. The programs ((~~shall~~)) must be limited to three categories of designation, one of which ((~~shall~~)) must be the main street level.

((~~(3)~~)) (4) RCW ((~~82.73.010~~)) 43.360.020 does not apply to any local downtown or neighborhood commercial district revitalization program unless the boundaries of the program have been identified and approved by the department. The boundaries of a local downtown or neighborhood commercial district revitalization program are typically defined using the pedestrian core of a traditional commercial district.

((~~(4)~~)) (5) The department may not designate a local downtown or neighborhood commercial district revitalization program or official local main street program if the program is undertaken by a local government with a population of one hundred ninety thousand persons or more.

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