
HOUSE BILL 2497

State of Washington

66th Legislature

2020 Regular Session

By Representatives Ormsby, Leavitt, Doglio, Ramel, Tharinger,
Goodman, Riccelli, and Santos

Read first time 01/15/20. Referred to Committee on Finance.

1 AN ACT Relating to adding development of permanently affordable
2 housing to the allowable uses of community revitalization financing,
3 the local infrastructure financing tool, and local revitalization
4 financing; and amending RCW 39.89.020, 39.102.020, and 39.104.020.

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

6 **Sec. 1.** RCW 39.89.020 and 2001 c 212 s 2 are each amended to
7 read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Assessed value of real property" means the valuation of real
11 property as placed on the last completed assessment roll.

12 (2) "Local government" means any city, town, county, port
13 district, or any combination thereof.

14 (3) "Ordinance" means any appropriate method of taking
15 legislative action by a local government.

16 (4) "Public improvements" means:

17 (a) Infrastructure improvements within the increment area that
18 include:

19 (i) Street and road construction and maintenance;

20 (ii) Water and sewer system construction and improvements;

21 (iii) Sidewalks and streetlights;

- 1 (iv) Parking, terminal, and dock facilities;
- 2 (v) Park and ride facilities of a transit authority;
- 3 (vi) Park facilities and recreational areas; and
- 4 (vii) Stormwater and drainage management systems; and
- 5 (b) Expenditures for any of the following purposes:

6 (i) Providing environmental analysis, professional management,
7 planning, and promotion within the increment area, including the
8 management and promotion of retail trade activities in the increment
9 area;

10 (ii) Providing maintenance and security for common or public
11 areas in the increment area; or

12 (iii) Historic preservation activities authorized under RCW
13 35.21.395.

14 (5) "Public improvement costs" means the costs of: (a) Design,
15 planning, acquisition, site preparation, construction,
16 reconstruction, rehabilitation, improvement, and installation of
17 public improvements; (b) purchasing, rehabilitating, retrofitting for
18 energy efficiency, and constructing housing for the purpose of
19 creating or preserving permanently affordable housing; (c)
20 relocating, maintaining, and operating property pending construction
21 of public improvements; (~~(e)~~) (d) relocating utilities as a result
22 of public improvements; (~~(d)~~) (e) financing public improvements,
23 including interest during construction, legal and other professional
24 services, taxes, insurance, principal and interest costs on general
25 indebtedness issued to finance public improvements, and any necessary
26 reserves for general indebtedness; (~~(e)~~) (f) assessments incurred
27 in revaluing real property for the purpose of determining the tax
28 allocation base value that are in excess of costs incurred by the
29 assessor in accordance with the revaluation plan under chapter 84.41
30 RCW, and the costs of apportioning the taxes and complying with this
31 chapter and other applicable law; and (~~(f)~~) (g) administrative
32 expenses and feasibility studies reasonably necessary and related to
33 these costs, including related costs that may have been incurred
34 before adoption of the ordinance authorizing the public improvements
35 and the use of community revitalization financing to fund the costs
36 of the public improvements.

37 (6) "Regular property taxes" means regular property taxes as
38 defined in RCW 84.04.140, except: (a) Regular property taxes levied
39 by port districts or public utility districts specifically for the
40 purpose of making required payments of principal and interest on

1 general indebtedness; and (b) regular property taxes levied by the
2 state for the support of the common schools under RCW 84.52.065.
3 Regular property taxes do not include excess property tax levies that
4 are exempt from the aggregate limits for junior and senior taxing
5 districts as provided in RCW 84.52.043.

6 (7) "Tax allocation base value" means the true and fair value of
7 real property located within an increment area for taxes imposed in
8 the year in which the increment area is created, plus twenty-five
9 percent of any increase in the true and fair value of real property
10 located within an increment area that is placed on the assessment
11 rolls after the increment area is created.

12 (8) "Tax allocation revenues" means those tax revenues derived
13 from the imposition of regular property taxes on the increment value
14 and distributed to finance public improvements.

15 (9) "Increment area" means the geographic area from which taxes
16 are to be appropriated to finance public improvements authorized
17 under this chapter.

18 (10) "Increment value" means seventy-five percent of any increase
19 in the true and fair value of real property in an increment area that
20 is placed on the tax rolls after the increment area is created.

21 (11) "Taxing districts" means a governmental entity that levies
22 or has levied for it regular property taxes upon real property
23 located within a proposed or approved increment area.

24 (12) "Value of taxable property" means the value of the taxable
25 property as defined in RCW 39.36.015.

26 (13) "Permanently affordable housing" means housing, regardless
27 of ownership, for which there is a legally binding, recorded document
28 in effect that limits the price at which the owner may sell. These
29 documents include, but are not limited to, affordability covenants,
30 deed restrictions, and community land trust leases. Resale
31 restrictions exercised by providers of permanently affordable housing
32 can include, but are not limited to:

33 (a) Continuous ownership of land by a public entity or nonprofit
34 housing provider with a lease allowing ownership of the structure by
35 an income-eligible household;

36 (b) A nonpossessory interest or right in real property, such as a
37 deed restriction, restrictive covenant, resale restriction or other
38 contractual agreement, that ensures affordability.

1 **Sec. 2.** RCW 39.102.020 and 2018 c 178 s 1 are each amended to
2 read as follows:

3 The definitions in this section apply throughout this chapter
4 unless the context clearly requires otherwise.

5 (1) "Annual state contribution limit" means seven million five
6 hundred thousand dollars statewide per fiscal year.

7 (2) "Assessed value" means the valuation of taxable real property
8 as placed on the last completed assessment roll.

9 (3) "Board" means the community economic revitalization board
10 under chapter 43.160 RCW.

11 (4) "Dedicated" means pledged, set aside, allocated, received,
12 budgeted, or otherwise identified.

13 (5) "Demonstration project" means one of the following projects:

14 (a) Bellingham waterfront redevelopment project;

15 (b) Spokane river district project at Liberty Lake; and

16 (c) Vancouver riverwest project.

17 (6) "Department" means the department of revenue.

18 (7) "Fiscal year" means the twelve-month period beginning July
19 1st and ending the following June 30th.

20 (8) "Local excise tax allocation revenue" means an amount of
21 local excise taxes equal to some or all of the sponsoring local
22 government's local excise tax increment, amounts of local excise
23 taxes equal to some or all of any participating local government's
24 excise tax increment as agreed upon in the written agreement under
25 RCW 39.102.080(1), or both, and dedicated to local infrastructure
26 financing.

27 (9) "Local excise tax increment" means an amount equal to the
28 estimated annual increase in local excise taxes in each calendar year
29 following the approval of the revenue development area by the board
30 from taxable activity within the revenue development area, as set
31 forth in the application provided to the board under RCW 39.102.040,
32 and updated in accordance with RCW 39.102.140(1)(f).

33 (10) "Local excise taxes" means local revenues derived from the
34 imposition of sales and use taxes authorized in RCW 82.14.030.

35 (11) "Local government" means any city, town, county, port
36 district, and any federally recognized Indian tribe.

37 (12) "Local infrastructure financing" means the use of revenues
38 received from local excise tax allocation revenues, local property
39 tax allocation revenues, other revenues from local public sources,
40 and revenues received from the local option sales and use tax

1 authorized in RCW 82.14.475, dedicated to pay either the principal
2 and interest on bonds authorized under RCW 39.102.150 or to pay
3 public improvement costs on a pay-as-you-go basis subject to RCW
4 39.102.195, or both.

5 (13) "Local property tax allocation revenue" means those tax
6 revenues derived from the receipt of regular property taxes levied on
7 the property tax allocation revenue value and used for local
8 infrastructure financing.

9 (14) "Low-income housing" means residential housing for low-
10 income persons or families who lack the means which is necessary to
11 enable them, without financial assistance, to live in decent, safe,
12 and sanitary dwellings, without overcrowding. For the purposes of
13 this subsection, "low income" means income that does not exceed
14 eighty percent of the median family income for the standard
15 metropolitan statistical area in which the revenue development area
16 is located.

17 (15) "Ordinance" means any appropriate method of taking
18 legislative action by a local government.

19 (16) "Participating local government" means a local government
20 having a revenue development area within its geographic boundaries
21 that has entered into a written agreement with a sponsoring local
22 government as provided in RCW 39.102.080 to allow the use of all or
23 some of its local excise tax allocation revenues or other revenues
24 from local public sources dedicated for local infrastructure
25 financing.

26 (17) "Participating taxing district" means a local government
27 having a revenue development area within its geographic boundaries
28 that has entered into a written agreement with a sponsoring local
29 government as provided in RCW 39.102.080 to allow the use of some or
30 all of its local property tax allocation revenues or other revenues
31 from local public sources dedicated for local infrastructure
32 financing.

33 (18) "Property tax allocation revenue base value" means the
34 assessed value of real property located within a revenue development
35 area less the property tax allocation revenue value.

36 (19)(a)(i) "Property tax allocation revenue value" means
37 seventy-five percent of any increase in the assessed value of real
38 property in a revenue development area resulting from:

39 (A) The placement of new construction, improvements to property,
40 or both, on the assessment roll, where the new construction and

1 improvements are initiated after the revenue development area is
2 approved by the board;

3 (B) The cost of new housing construction, conversion, and
4 rehabilitation improvements, when such cost is treated as new
5 construction for purposes of chapter 84.55 RCW as provided in RCW
6 84.14.020, and the new housing construction, conversion, and
7 rehabilitation improvements are initiated after the revenue
8 development area is approved by the board;

9 (C) The cost of rehabilitation of historic property, when such
10 cost is treated as new construction for purposes of chapter 84.55 RCW
11 as provided in RCW 84.26.070, and the rehabilitation is initiated
12 after the revenue development area is approved by the board.

13 (ii) Increases in the assessed value of real property in a
14 revenue development area resulting from (a)(i)(A) through (C) of this
15 subsection are included in the property tax allocation revenue value
16 in the initial year. These same amounts are also included in the
17 property tax allocation revenue value in subsequent years unless the
18 property becomes exempt from property taxation.

19 (b) "Property tax allocation revenue value" includes seventy-five
20 percent of any increase in the assessed value of new construction
21 consisting of an entire building in the years following the initial
22 year, unless the building becomes exempt from property taxation.

23 (c) Except as provided in (b) of this subsection, "property tax
24 allocation revenue value" does not include any increase in the
25 assessed value of real property after the initial year.

26 (d) There is no property tax allocation revenue value if the
27 assessed value of real property in a revenue development area has not
28 increased as a result of any of the reasons specified in (a)(i)(A)
29 through (C) of this subsection.

30 (e) For purposes of this subsection, "initial year" means:

31 (i) For new construction and improvements to property added to
32 the assessment roll, the year during which the new construction and
33 improvements are initially placed on the assessment roll;

34 (ii) For the cost of new housing construction, conversion, and
35 rehabilitation improvements, when such cost is treated as new
36 construction for purposes of chapter 84.55 RCW, the year when such
37 cost is treated as new construction for purposes of levying taxes for
38 collection in the following year; and

39 (iii) For the cost of rehabilitation of historic property, when
40 such cost is treated as new construction for purposes of chapter

1 84.55 RCW, the year when such cost is treated as new construction for
2 purposes of levying taxes for collection in the following year.

3 (20) "Public improvement costs" means the cost of: (a) Design,
4 planning, acquisition including land acquisition, site preparation
5 including land clearing, construction, reconstruction,
6 rehabilitation, improvement, and installation of public improvements;
7 (b) demolishing, relocating, maintaining, and operating property
8 pending construction of public improvements; (c) the local
9 government's portion of relocating utilities as a result of public
10 improvements; (d) financing public improvements, including interest
11 during construction, legal and other professional services, taxes,
12 insurance, principal and interest costs on general indebtedness
13 issued to finance public improvements, and any necessary reserves for
14 general indebtedness; (e) assessments incurred in revaluing real
15 property for the purpose of determining the property tax allocation
16 revenue base value that are in excess of costs incurred by the
17 assessor in accordance with the revaluation plan under chapter 84.41
18 RCW, and the costs of apportioning the taxes and complying with this
19 chapter and other applicable law; (f) administrative expenses and
20 feasibility studies reasonably necessary and related to these costs;
21 and (g) any of the above-described costs that may have been incurred
22 before adoption of the ordinance authorizing the public improvements
23 and the use of local infrastructure financing to fund the costs of
24 the public improvements.

25 (21) "Public improvements" means:

26 (a) Infrastructure improvements within the revenue development
27 area that include:

28 (i) Street, bridge, and road construction and maintenance,
29 including highway interchange construction;

30 (ii) Water and sewer system construction and improvements,
31 including wastewater reuse facilities;

32 (iii) Sidewalks, traffic controls, and streetlights;

33 (iv) Parking, terminal, and dock facilities;

34 (v) Park and ride facilities of a transit authority;

35 (vi) Park facilities and recreational areas, including trails;

36 and

37 (vii) Stormwater and drainage management systems;

38 (b) Expenditures for facilities and improvements that support
39 affordable housing as defined in RCW 43.63A.510; and

1 (c) Expenditures to purchase, rehabilitate, retrofit for energy
2 efficiency, and construct housing for the purpose of creating or
3 preserving permanently affordable housing.

4 (22) "Real property" has the same meaning as in RCW 84.04.090 and
5 also includes any privately owned improvements located on publicly
6 owned land that are subject to property taxation.

7 (23) "Regular property taxes" means regular property taxes as
8 defined in RCW 84.04.140, except: (a) Regular property taxes levied
9 by public utility districts specifically for the purpose of making
10 required payments of principal and interest on general indebtedness;
11 (b) regular property taxes levied by the state for the support of the
12 common schools under RCW 84.52.065; and (c) regular property taxes
13 authorized by RCW 84.55.050 that are limited to a specific purpose.
14 "Regular property taxes" do not include excess property tax levies
15 that are exempt from the aggregate limits for junior and senior
16 taxing districts as provided in RCW 84.52.043.

17 (24) "Relocating a business" means the closing of a business and
18 the reopening of that business, or the opening of a new business that
19 engages in the same activities as the previous business, in a
20 different location within a one-year period, when an individual or
21 entity has an ownership interest in the business at the time of
22 closure and at the time of opening or reopening. "Relocating a
23 business" does not include the closing and reopening of a business in
24 a new location where the business has been acquired and is under
25 entirely new ownership at the new location, or the closing and
26 reopening of a business in a new location as a result of the exercise
27 of the power of eminent domain.

28 (25) "Revenue development area" means the geographic area adopted
29 by a sponsoring local government and approved by the board, from
30 which local excise and property tax allocation revenues are derived
31 for local infrastructure financing.

32 (26)(a) "Revenues from local public sources" means:

33 (i) Amounts of local excise tax allocation revenues and local
34 property tax allocation revenues, dedicated by sponsoring local
35 governments, participating local governments, and participating
36 taxing districts, for local infrastructure financing; and

37 (ii) Any other local revenues, except as provided in (b) of this
38 subsection, including revenues derived from federal and private
39 sources.

1 (b) Revenues from local public sources do not include any local
2 funds derived from state grants, state loans, or any other state
3 moneys including any local sales and use taxes credited against the
4 state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

5 (27) "Small business" has the same meaning as provided in RCW
6 19.85.020.

7 (28) "Sponsoring local government" means a city, town, or county,
8 and for the purpose of this chapter a federally recognized Indian
9 tribe or any combination thereof, that adopts a revenue development
10 area and applies to the board to use local infrastructure financing.

11 (29) "State contribution" means the lesser of:

12 (a) One million dollars;

13 (b) The total amount of local excise tax allocation revenues,
14 local property tax allocation revenues, and other revenues from local
15 public sources, that are dedicated by a sponsoring local government,
16 any participating local governments, and participating taxing
17 districts, in the preceding calendar year to the payment of principal
18 and interest on bonds issued under RCW 39.102.150 or to pay public
19 improvement costs on a pay-as-you-go basis subject to RCW 39.102.195,
20 or both. Revenues from local public sources dedicated in the
21 preceding calendar year that are in excess of the project award may
22 be carried forward and used in later years for the purpose of this
23 subsection (29) (b);

24 (c) The amount of project award granted by the board in the
25 notice of approval to use local infrastructure financing under RCW
26 39.102.040; or

27 (d) The highest amount of state excise tax allocation revenues
28 and state property tax allocation revenues for any one calendar year
29 as determined by the sponsoring local government and reported to the
30 board and the department as required by RCW 39.102.140.

31 (30) "State excise tax allocation revenue" means an amount equal
32 to the annual increase in state excise taxes estimated to be received
33 by the state in each calendar year following the approval of the
34 revenue development area by the board, from taxable activity within
35 the revenue development area as set forth in the application provided
36 to the board under RCW 39.102.040 and periodically updated and
37 reported as required in RCW 39.102.140(1)(f).

38 (31) "State excise taxes" means revenues derived from state
39 retail sales and use taxes under RCW 82.08.020(1) and 82.12.020 at
40 the rate provided in RCW 82.08.020(1), less the amount of tax

1 distributions from all local retail sales and use taxes, other than
2 the local sales and use taxes authorized by RCW 82.14.475 for the
3 applicable revenue development area, imposed on the same taxable
4 events that are credited against the state retail sales and use taxes
5 under chapters 82.08 and 82.12 RCW.

6 (32) "State property tax allocation revenue" means an amount
7 equal to the estimated tax revenues derived from the imposition of
8 property taxes levied by the state for the support of common schools
9 under RCW 84.52.065 on the property tax allocation revenue value, as
10 set forth in the application submitted to the board under RCW
11 39.102.040 and updated annually in the report required under RCW
12 39.102.140(1)(f).

13 (33) "Taxing district" means a government entity that levies or
14 has levied for it regular property taxes upon real property located
15 within a proposed or approved revenue development area.

16 (34) "Permanently affordable housing" means housing, regardless
17 of ownership, for which there is a legally binding, recorded document
18 in effect that limits the price at which the owner may sell. These
19 documents include, but are not limited to, affordability covenants,
20 deed restrictions, and community land trust leases. Resale
21 restrictions exercised by providers of permanently affordable housing
22 can include, but are not limited to:

23 (a) Continuous ownership of land by a public entity or nonprofit
24 housing provider with a lease allowing ownership of the structure by
25 an income-eligible household;

26 (b) A nonpossessory interest or right in real property, such as a
27 deed restriction, restrictive covenant, resale restriction or other
28 contractual agreement, that ensures affordability.

29 **Sec. 3.** RCW 39.104.020 and 2016 c 207 s 1 are each amended to
30 read as follows:

31 The definitions in this section apply throughout this chapter
32 unless the context clearly requires otherwise.

33 (1) "Annual state contribution limit" means two million five
34 hundred thousand dollars statewide per fiscal year, plus the
35 additional amounts approved for demonstration projects in RCW
36 82.14.505.

37 (2) "Approving agency" means the department of revenue for
38 project awards approved before June 9, 2016, and the department of
39 commerce for project awards approved after June 9, 2016.

1 (3) "Assessed value" means the valuation of taxable real property
2 as placed on the last completed assessment roll.

3 (4) "Bond" means a bond, a note or other evidence of
4 indebtedness, including but not limited to a lease-purchase agreement
5 or an executory conditional sales contract.

6 (5) "Department" means the department of revenue.

7 (6) "Fiscal year" means the twelve-month period beginning July
8 1st and ending the following June 30th.

9 (7) "Local government" means any city, town, county, and port
10 district.

11 (8) "Local property tax allocation revenue" means those tax
12 revenues derived from the receipt of regular property taxes levied on
13 the property tax allocation revenue value and used for local
14 revitalization financing.

15 (9) "Local revitalization financing" means the use of revenues
16 from local public sources, dedicated to pay the principal and
17 interest on bonds authorized under RCW 39.104.110 and public
18 improvement costs within the revitalization area on a pay-as-you-go
19 basis, and revenues received from the local option sales and use tax
20 authorized in RCW 82.14.510, dedicated to pay the principal and
21 interest on bonds authorized under RCW 39.104.110.

22 (10) "Local sales and use tax increment" means the estimated
23 annual increase in local sales and use taxes as determined by the
24 local government in the calendar years following the approval of the
25 revitalization area by the department from taxable activity within
26 the revitalization area.

27 (11) "Local sales and use taxes" means local revenues derived
28 from the imposition of sales and use taxes authorized in RCW
29 82.14.030.

30 (12) "Ordinance" means any appropriate method of taking
31 legislative action by a local government.

32 (13) "Participating local government" means a local government
33 having a revitalization area within its geographic boundaries that
34 has taken action as provided in RCW 39.104.070(1) to allow the use of
35 all or some of its local sales and use tax increment or other
36 revenues from local public sources dedicated for local revitalization
37 financing.

38 (14) "Participating taxing district" means a taxing district
39 that:

1 (a) Has a revitalization area wholly or partially within its
2 geographic boundaries;

3 (b) Levies or has levied for it regular property taxes as defined
4 in this section; and

5 (c) Has not taken action as provided in RCW 39.104.060(2).

6 (15) "Property tax allocation revenue base value" means the
7 assessed value of real property located within a revitalization area,
8 less the property tax allocation revenue value.

9 (16)(a)(i) "Property tax allocation revenue value" means seventy-
10 five percent of any increase in the assessed value of real property
11 in a revitalization area resulting from:

12 (A) The placement of new construction, improvements to property,
13 or both, on the assessment roll, where the new construction and
14 improvements are initiated after the revitalization area is approved;

15 (B) The cost of new housing construction, conversion, and
16 rehabilitation improvements, when the cost is treated as new
17 construction for purposes of chapter 84.55 RCW as provided in RCW
18 84.14.020, and the new housing construction, conversion, and
19 rehabilitation improvements are initiated after the revitalization
20 area is approved;

21 (C) The cost of rehabilitation of historic property, when the
22 cost is treated as new construction for purposes of chapter 84.55 RCW
23 as provided in RCW 84.26.070, and the rehabilitation is initiated
24 after the revitalization area is approved.

25 (ii) Increases in the assessed value of real property in a
26 revitalization area resulting from (a)(i)(A) through (C) of this
27 subsection are included in the property tax allocation revenue value
28 in the initial year. These same amounts are also included in the
29 property tax allocation revenue value in subsequent years unless the
30 property becomes exempt from property taxation.

31 (b) "Property tax allocation revenue value" includes seventy-five
32 percent of any increase in the assessed value of new construction
33 consisting of an entire building in the years following the initial
34 year, unless the building becomes exempt from property taxation.

35 (c) Except as provided in (b) of this subsection, "property tax
36 allocation revenue value" does not include any increase in the
37 assessed value of real property after the initial year.

38 (d) There is no property tax allocation revenue value if the
39 assessed value of real property in a revitalization area has not

1 increased as a result of any of the reasons specified in (a)(i)(A)
2 through (C) of this subsection.

3 (e) For purposes of this subsection, "initial year" means:

4 (i) For new construction and improvements to property added to
5 the assessment roll, the year during which the new construction and
6 improvements are initially placed on the assessment roll;

7 (ii) For the cost of new housing construction, conversion, and
8 rehabilitation improvements, when the cost is treated as new
9 construction for purposes of chapter 84.55 RCW, the year when the
10 cost is treated as new construction for purposes of levying taxes for
11 collection in the following year; and

12 (iii) For the cost of rehabilitation of historic property, when
13 the cost is treated as new construction for purposes of chapter 84.55
14 RCW, the year when such cost is treated as new construction for
15 purposes of levying taxes for collection in the following year.

16 (17) "Public improvement costs" means the costs of:

17 (a) Design, planning, acquisition, including land acquisition,
18 site preparation including land clearing, construction,
19 reconstruction, rehabilitation, improvement, and installation of
20 public improvements;

21 (b) Demolishing, relocating, maintaining, and operating property
22 pending construction of public improvements;

23 (c) Relocating utilities as a result of public improvements;

24 (d) Financing public improvements, including interest during
25 construction, legal and other professional services, taxes,
26 insurance, principal and interest costs on general indebtedness
27 issued to finance public improvements, and any necessary reserves for
28 general indebtedness; and

29 (e) Administrative expenses and feasibility studies reasonably
30 necessary and related to these costs, including related costs that
31 may have been incurred before adoption of the ordinance authorizing
32 the public improvements and the use of local revitalization financing
33 to fund the costs of the public improvements.

34 (18) "Public improvements" means:

35 (a) Infrastructure improvements within the revitalization area
36 that include:

37 (i) Street, road, bridge, and rail construction and maintenance;

38 (ii) Water and sewer system construction and improvements;

39 (iii) Sidewalks, streetlights, landscaping, and streetscaping;

40 (iv) Parking, terminal, and dock facilities;

- 1 (v) Park and ride facilities of a transit authority;
2 (vi) Park facilities, recreational areas, and environmental
3 remediation;
4 (vii) Stormwater and drainage management systems;
5 (viii) Electric, gas, fiber, and other utility infrastructures;
6 ((and))

7 (b) Expenditures for any of the following purposes:

8 (i) Providing environmental analysis, professional management,
9 planning, and promotion within the revitalization area, including the
10 management and promotion of retail trade activities in the
11 revitalization area;

12 (ii) Providing maintenance and security for common or public
13 areas in the revitalization area; or

14 (iii) Historic preservation activities authorized under RCW
15 35.21.395; and

16 (c) Expenditures to purchase, rehabilitate, retrofit for energy
17 efficiency, and construct housing for the purpose of creating or
18 preserving permanently affordable housing.

19 (19) "Real property" has the same meaning as in RCW 84.04.090 and
20 also includes any privately owned improvements located on publicly
21 owned land that are subject to property taxation.

22 (20)(a) "Regular property taxes" means regular property taxes as
23 defined in RCW 84.04.140, except: (i) Regular property taxes levied
24 by public utility districts specifically for the purpose of making
25 required payments of principal and interest on general indebtedness;
26 (ii) regular property taxes levied by the state for the support of
27 common schools under RCW 84.52.065; and (iii) regular property taxes
28 authorized by RCW 84.55.050 that are limited to a specific purpose.

29 (b) "Regular property taxes" do not include:

30 (i) Excess property tax levies that are exempt from the aggregate
31 limits for junior and senior taxing districts as provided in RCW
32 84.52.043; and

33 (ii) Property taxes that are specifically excluded through an
34 interlocal agreement between the sponsoring local government and a
35 participating taxing district as set forth in RCW 39.104.060(3).

36 (21)(a) "Revenues from local public sources" means:

37 (i) The local sales and use tax amounts received as a result of
38 interlocal agreement, local sales and use tax amounts from sponsoring
39 local governments based on its local sales and use tax increment, and
40 local property tax allocation revenues, which are dedicated by a

1 sponsoring local government, participating local governments, and
2 participating taxing districts, for payment of bonds under RCW
3 39.104.110 or public improvement costs within the revitalization area
4 on a pay-as-you-go basis; and

5 (ii) Any other local revenues, except as provided in (b) of this
6 subsection, including revenues derived from federal and private
7 sources and amounts received by taxing districts as set forth by an
8 interlocal agreement as described in RCW 39.104.060(4), which are
9 dedicated for the payment of bonds under RCW 39.104.110 or public
10 improvement costs within the revitalization area on a pay-as-you-go
11 basis.

12 (b) Revenues from local public sources do not include any local
13 funds derived from state grants, state loans, or any other state
14 moneys including any local sales and use taxes credited against the
15 state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

16 (22) "Revitalization area" means the geographic area adopted by a
17 sponsoring local government and approved by the approving agency,
18 from which local sales and use tax increments are estimated and
19 property tax allocation revenues are derived for local revitalization
20 financing.

21 (23) "Sponsoring local government" means a city, town, county, or
22 any combination thereof, that adopts a revitalization area.

23 (24) "State contribution" means the lesser of:

24 (a) Five hundred thousand dollars;

25 (b) The project award amount approved by the approving agency as
26 provided in RCW 39.104.100 or 82.14.505; or

27 (c) The total amount of revenues from local public sources
28 dedicated in the preceding calendar year to the payment of principal
29 and interest on bonds issued under RCW 39.104.110 and public
30 improvement costs within the revitalization area on a pay-as-you-go
31 basis. Revenues from local public sources dedicated in the preceding
32 calendar year that are in excess of the project award may be carried
33 forward and used in later years for the purpose of this subsection
34 (24) (c).

35 (25) "State property tax increment" means the estimated amount of
36 annual tax revenues estimated to be received by the state from the
37 imposition of property taxes levied by the state for the support of
38 common schools under RCW 84.52.065 on the property tax allocation
39 revenue value, as determined by the sponsoring local government in an

1 application under RCW 39.104.100 and updated periodically as required
2 in RCW 82.32.765.

3 (26) "State sales and use tax increment" means the estimated
4 amount of annual increase in state sales and use taxes to be received
5 by the state from taxable activity within the revitalization area in
6 the years following the approval of the revitalization area as
7 determined by the sponsoring local government in an application under
8 RCW 39.104.100 and updated periodically as required in RCW 82.32.765.

9 (27) "State sales and use taxes" means state retail sales and use
10 taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided in
11 RCW 82.08.020(1), less the amount of tax distributions from all local
12 retail sales and use taxes, other than the local sales and use taxes
13 authorized by RCW 82.14.510 for the applicable revitalization area,
14 imposed on the same taxable events that are credited against the
15 state retail sales and use taxes under RCW 82.08.020(1) and
16 82.12.020.

17 (28) "Taxing district" means a government entity that levies or
18 has levied for it regular property taxes upon real property located
19 within a proposed or approved revitalization area.

20 (29) "Permanently affordable housing" means housing, regardless
21 of ownership, for which there is a legally binding, recorded document
22 in effect that limits the price at which the owner may sell. These
23 documents include, but are not limited to, affordability covenants,
24 deed restrictions, and community land trust leases. Resale
25 restrictions exercised by providers of permanently affordable housing
26 can include, but are not limited to:

27 (a) Continuous ownership of land by a public entity or nonprofit
28 housing provider with a lease allowing ownership of the structure by
29 an income-eligible household;

30 (b) A nonpossessory interest or right in real property, such as a
31 deed restriction, restrictive covenant, resale restriction or other
32 contractual agreement, that ensures affordability.

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