

1 **SHB 1283 - H AMDS 154 ADOPTED 3-15-97**

2 By Representative L. Thomas

3 On page 1, after line 3, insert the following:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds:

5 (a) The continued economic vitality of downtown and  
6 neighborhood commercial districts in our state's cities are  
7 essential to community preservation, social cohesion, and economic  
8 growth;

9 (b) In recent years there has been a deterioration of downtown  
10 and neighborhood commercial districts in rural and urban  
11 communities due to a shifting population base, changes in the  
12 marketplace, and greater competition from suburban shopping malls  
13 and discount centers;

14 (c) This decline has eroded the ability of businesses and  
15 property owners to renovate and enhance their commercial and  
16 residential properties; and

17 (d) Business owners in these districts need to maintain their  
18 local economies in order to provide goods and services to adjacent  
19 residents, to provide employment opportunities, and to avoid  
20 disinvestment and economic dislocations, and have developed  
21 downtown and neighborhood commercial district revitalization  
22 programs to address these problems.

23 (2) It is the intent of the legislature to establish a program  
24 to:

25 (a) Work in partnership with these organizations;

26 (b) Provide technical assistance and training to local  
27 governments, business organizations, downtown and neighborhood  
28 commercial district organizations, and business and property owners  
29 to accomplish community and economic revitalization and development  
30 of business districts; and

31 (c) Certify a downtown and neighborhood commercial district  
32 organization's use of available tax incentives.

33 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04  
34 RCW to read as follows:

1 (1) There may be credit against the tax imposed by this  
2 chapter, the value of private contributions that are designed to  
3 assist in the development and operation of a downtown and  
4 neighborhood commercial district revitalization program.

5 (2) The credit allowed under this section is limited to an  
6 amount equal to:

7 (a) Seventy-five percent of the value of the contribution that  
8 is made directly, by the business, to a downtown and neighborhood  
9 commercial district revitalization program; or

10 (b) Fifty percent of the value of the contribution that is  
11 made directly, by the business, to the department of community,  
12 trade, and economic development for distribution as financial or  
13 technical assistance under section 6 of this act.

14 (3) The total credits allowed under this section for an  
15 individual downtown and neighborhood commercial district cannot  
16 exceed one hundred thousand dollars in a calendar year. The total  
17 credits allowed under this section for a business cannot exceed two  
18 hundred fifty thousand dollars in a calendar year. The total  
19 credits allowed on a state-wide basis cannot exceed two million  
20 dollars in a calendar year.

21 (4) Prior to claiming the credit under this section, the  
22 business must obtain approval from the department of community,  
23 trade, and economic development. The businesses' request for  
24 approval must include a description of the contribution and the  
25 value of the contribution.

26 (5) This section applies only to contributions for which an  
27 application is approved on or after the effective date of this act.

28 (6) As used in this section:

29 (a) "Contribution" means either cash or other in-kind  
30 contributions or both.

31 (b) "Downtown and neighborhood commercial district  
32 revitalization program" means a program certified by the department  
33 of community, trade, and economic development under sections 1 and  
34 5 through 10 of this act.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36  
36 RCW to read as follows:

1 (1) A physical improvement to a commercial building upon real  
2 property, that is located in an area designated by the department  
3 of community, trade, and economic development under section 7 of  
4 this act, is exempt from taxation for the ten assessment years  
5 subsequent to the completion of the improvement. The improvement  
6 guidelines established by the local downtown and neighborhood  
7 commercial district revitalization program shall be compatible with  
8 existing voluntary or required historic preservation guidelines,  
9 and laws and regulations of the local governmental entity.

10 (2) A taxpayer desiring to obtain the exemption granted by  
11 this section must file notice of their intent to construct the  
12 improvement prior to the improvement being made on forms prescribed  
13 by the department of revenue and furnished to the taxpayer by the  
14 county assessor. This exemption cannot be claimed more than once  
15 in a fifteen-year period. As used in this section, "downtown and  
16 neighborhood commercial district revitalization program" has the  
17 same meaning as in section 2 of this act.

18 (3) The department of revenue must adopt those rules as are  
19 necessary to properly administer the provisions of this section.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.14  
21 RCW to read as follows:

22 (1) The legislative authority of a local government may impose  
23 a sales and use tax in accordance with the terms of this chapter.  
24 The tax is in addition to other taxes authorized by law and shall  
25 be collected from those persons who are taxable by the state under  
26 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
27 event within an eligible area of the local government. The rate of  
28 tax shall not exceed two-tenths of one percent of the selling price  
29 in the case of a sales tax or value of the article used in the case  
30 of a use tax.

31 (2) The tax imposed under subsection (1) of this section shall  
32 be deducted from the amount of tax otherwise required to be  
33 collected or paid to the department of revenue under chapter 82.08  
34 or 82.12 RCW. The department of revenue shall perform the  
35 collection of such taxes on behalf of the county at no cost to the  
36 county.

1 (3) Any county ordinance or resolution adopted under this  
2 section shall contain a provision allowing a credit against the  
3 county tax for the full amount of any city tax imposed under this  
4 section upon the same taxable event.

5 (4) All monies collected under this section shall only be used  
6 for the purpose of paying the costs for a downtown and neighborhood  
7 commercial district revitalization project in the eligible area  
8 where it was collected.

9 (5) No tax may be collected under this section before January  
10 1, 1998.

11 (5) Moneys collected under this section must be matched with  
12 one dollar of local or private funds for every two dollars of funds  
13 collected under this section.

14 (6) As used in this section:

15 (a) "Downtown and neighborhood commercial district  
16 revitalization project" means: Public infrastructure improvements,  
17 including street and utility improvements; professional management,  
18 planning, and promotion within the eligible area, including the  
19 management and promotion of retail trade activities in the eligible  
20 area; maintenance and security for common or public areas in the  
21 eligible area; and historic preservation activities authorized  
22 under RCW 35.21.395.

23 (b) "Eligible area" means a geographic area that has been  
24 designated by the department of community, trade, and economic  
25 development at the partner-level or associate-level under section  
26 7 of this act.

27 (c) "Local government" means a city, code city, town, or  
28 county with a population of at least three hundred thousand.

29 NEW SECTION. **Sec. 5.** The definitions in this section apply  
30 throughout this section and sections 1 and 6 through 10 of this act  
31 unless the context clearly requires otherwise.

32 (1) "Area" means a geographic area within a local government  
33 that is described by a close perimeter boundary.

34 (2) "Department" means the department of community, trade, and  
35 economic development.

36 (3) "Director" means the director of community, trade, and  
37 economic development.

1 (4) "Local government" means a city, code city, town, or  
2 county with a population of at least three hundred thousand.

3 (5) "Qualified levels of participation" means a local downtown  
4 and neighborhood commercial district revitalization effort that has  
5 been certified by the department, as being at the participant-  
6 level, associate-level, or partner-level.

7 NEW SECTION. **Sec. 6.** The Washington main street program is  
8 created within the department. In order to implement the  
9 Washington main street program, the department shall:

10 (1) Provide technical assistance to businesses, property  
11 owners, organizations, and local governments undertaking a  
12 comprehensive downtown and neighborhood commercial district  
13 revitalization and management strategy within a specified area.  
14 Technical assistance includes, but is not limited to: Initial site  
15 evaluations and assessments; training for local programs; training  
16 for local program staff; site visits and assessments by technical  
17 specialists; local program design assistance and evaluation; and  
18 continued local program on-site assistance;

19 (2) To the extent funds are made available, provide financial  
20 assistance to local governments or local organizations to assist in  
21 initial program start-up costs, specific project feasibility  
22 studies, market studies, and design assistance;

23 (3) Develop objective criteria for selecting recipients of  
24 financial assistance under subsection (1) of this section and  
25 providing designation of a local program under section 7 of this  
26 act;

27 (4) Operate the Washington main street program in accordance  
28 with the plan developed by the department, in consultation with the  
29 Washington main street advisory committee created under section 8  
30 of this act;

31 (5) Allow certification of local downtown and neighborhood  
32 commercial district revitalization programs by local governments  
33 with a population greater than one hundred thousand; and

34 (6) Consider other factors the department deems necessary for  
35 the implementation of this chapter.

1           NEW SECTION.   **Sec. 7.** The department shall, by rule, adopt  
2 criteria for the designation of local downtown and neighborhood  
3 commercial district revitalization programs and official local main  
4 street programs. The categories are limited to: Partner-level,  
5 associate-level, and participant-level. In establishing the  
6 criteria, the department shall consider:

7           (1) The degree of interest and commitment to downtown and  
8 neighborhood commercial district revitalization and, where  
9 applicable, historic preservation by both the public and private  
10 sectors;

11           (2) The evidence of potential private sector investment in the  
12 downtown and neighborhood commercial district;

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

16           (4) Organization and financial commitment to implement a long-  
17 term downtown and neighborhood commercial district revitalization  
18 program that includes a commitment to employ a professional project  
19 manager with an operating budget;

20           (5) The department's existing downtown revitalization services  
21 tier system;

22           (6) The national main street center's criteria for designating  
23 official main street cities; and

24           (7) Other factors the department deems necessary for the  
25 designation of a local program.

26           NEW SECTION.   **Sec. 8.** (1) The Washington main street advisory  
27 committee is created within the department. The members of the  
28 advisory committee are appointed by the director and consist of:

29           (a) The director, or the director's designee, who shall serve  
30 as chair;

31           (b) One representative of private industry councils;

32           (c) Two representatives of local governments;

33           (d) The chair of the governor's small business improvement  
34 council;

35           (e) Five representatives from existing main street programs or  
36 downtown and neighborhood commercial district programs; and

1 (f) One representative of the Washington state office of  
2 archaeology and historic preservation.

3 (2) The plan required under section 6 of this act must  
4 describe:

5 (a) The objectives and strategies of the Washington main  
6 street program;

7 (b) How the Washington main street program will be coordinated  
8 with existing federal, state, local, and private sector business  
9 development and historic preservation efforts;

10 (c) The means by which private investment will be solicited  
11 and employed;

12 (d) The methods of selecting and providing assistance to  
13 participating local programs; and

14 (e) A means to solicit private contributions for state and  
15 local operations of the Washington main street program.

16 NEW SECTION. **Sec. 9.** The Washington main street trust fund  
17 account is created in the state treasury. All receipts from  
18 private contributions, federal funds, legislative appropriations,  
19 and fees for services, if levied, must be deposited into the  
20 account. Moneys in the account may be spent only after  
21 appropriation. Expenditures from the account may be used only for  
22 the operation of the Washington main street program.-

23 Renumber the remaining sections consecutively and correct internal  
24 references accordingly.

25 On page 2, after line 21, insert the following:

26 NEW SECTION. **Sec. 12.** Sections 1 and 5 through 10 of this  
27 act may be known and cited as the Washington main street act.

28 NEW SECTION. **Sec. 13.** Sections 1 and 5 through 10 of this  
29 act constitute a new chapter in Title 43 RCW.

30 NEW SECTION. **Sec. 14.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the

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1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.-

3 Correct the title of the bill.

**EFFECT:** Codifies the Washington main street program in the department of community, trade, and economic development. Provides the following incentives (1) B&O tax credit for contributions, (2) 10-year property tax exemption for improvements to commercial buildings, and (3) State-shared retail sales tax on sales in area.