

SENATE BILL REPORT

SB 5260

As Reported By Senate Committee On:
Commerce & Labor, February 20, 1997

Title: An act relating to urban stabilization.

Brief Description: Adopting the urban stabilization act.

Sponsors: Senators Schow, Wojahn, Haugen, Winsley, Roach, Sellar and Long.

Brief History:

Committee Activity: Commerce & Labor: 2/17/97, 2/20/97 [DPS-WM].
Ways & Means: 3/9/98.

SENATE COMMITTEE ON WAYS & MEANS

Staff: David Schumacher (786-7474)

Background: City officials have identified a series of reasons which deter investment in certain distressed urban areas, including:

- Lack of sites large enough for modern commercial development due to complicated ownership patterns;
- Aging infrastructure, including streets, traffic control, sidewalks, curbs, gutters, and outdated or inadequate utilities;
- Haphazard commercial development permitted under old zoning codes;
- Contaminated sites and older buildings that are structurally sound but do not meet modern seismic codes; and
- Buildings that do not meet the requirements of the federal Americans with Disabilities Act.

Summary of Bill: The Legislature establishes the urban stabilization program. The program authorizes Washington cities to allocate a portion of state and local retail sales taxes and business and occupation taxes to assist in the financing of needed health, safety, and general public improvements in urban areas in order to encourage private development.

The revenues which may be allocated to the cities and towns under the program are limited to the additional tax revenues that are generated as a result of the new developments within the urban area.

The local government process for participation in the program is as follows:

- A city or town which is termed the sponsor— proposes by ordinance a plan for an urban stabilization project, describing the project, estimated costs, timelines and the proposed boundaries.
- The sponsoring city or town holds a public hearing for review and comment.

- Within 100 days after the hearing, the sponsor passes an ordinance establishing the urban stabilization district and authorizing the project.
- After one year, the urban stabilization district may allocate its authorized tax revenues for payment of the projects costs.

The permitted costs under the program include design, environmental analysis, planning, acquisition, site preparation, construction, reconstruction, rehabilitation, relocation, maintenance, security, financing, and administrative costs.

The Department of Community, Trade, and Economic Development must determine the eligibility of stabilization projects under the policy provisions of the program. The Department of Revenue must determine the eligibility of the project under the fiscal limitations of the program.

The allocation of taxes under the program is limited to \$5 million per project per year and \$30 million per year for all projects statewide.

The authority to establish new apportionment districts terminates on July 1, 2007.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.