
HOUSE BILL 2379

State of Washington

55th Legislature

1998 Regular Session

By Representatives Dunn, Ogden, Kastama, Sullivan, Conway, Lantz and Fisher

Read first time 01/12/98. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to urban stabilization; amending RCW 35.80.030;
2 adding a new section to chapter 35.80 RCW; and adding a new chapter to
3 Title 82 RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) In many areas of the state, deteriorating buildings, vacant
7 buildings that cannot be legally occupied, and vacant brownfield infill
8 sites pose significant health and safety problems to tenants and
9 pedestrians, and constitute a significant blight and detrimental impact
10 on the health, safety, and welfare of the community;

11 (2) Many of these buildings were constructed before 1961 when laws
12 were enacted that require buildings to be designed and constructed to
13 resist seismic loads;

14 (3) Many of these buildings do not meet the requirements of the
15 federal Americans with disabilities act and laws governing the removal
16 of environmental hazards;

17 (4) Adaptive reuse of these blighted lands and buildings often
18 requires a significant investment to correct necessary life-safety
19 problems;

1 (5) It is in the best interest of the state of Washington to stop
2 the decay of urban areas and to promote and facilitate the orderly
3 redevelopment of these areas; and

4 (6) Existing laws need to be amended to authorize additional
5 remedies that municipalities may use in achieving the public purposes
6 to be accomplished.

7 NEW SECTION. **Sec. 2.** It is the purpose of this chapter to provide
8 for the allocation of a portion of state and local retail sales and
9 business and occupation taxes for a limited time to assist in the
10 financing of needed health and safety improvements, public
11 improvements, and other public investments in urban areas that are
12 needed to encourage private development and to strengthen existing law
13 to remedy problems arising from substandard and deteriorating
14 buildings.

15 NEW SECTION. **Sec. 3.** The definitions in this section apply
16 throughout this chapter unless the context clearly requires otherwise.

17 (1) "Apportionment district" means the geographic area, within a
18 city, from which excise taxes are to be appropriated to finance an
19 urban stabilization project.

20 (2) "Excise taxes" means:

21 (a) Retail sales taxes levied under chapter 82.08 RCW;

22 (b) Local retail sales taxes levied under chapter 82.14 RCW, except
23 those taxes levied under RCW 82.14.360;

24 (c) Business and occupation taxes levied under chapter 82.04 RCW;
25 and

26 (d) Use taxes levied under chapter 82.12 RCW.

27 (3) "Local government" means any city or town.

28 (4) "Ordinance" means any appropriate method of taking legislative
29 action by a local government.

30 (5) "Project agreement" means an agreement between an owner and a
31 municipality authorized under this chapter.

32 (6) "Sponsor" means a local government initiating and undertaking
33 an urban stabilization project.

34 (7) "Tax allocation revenues" means those tax revenues allocated to
35 a sponsor under this chapter.

1 (8) "Taxing districts" means a governmental entity that levies an
2 excise tax which is collected within a proposed or approved
3 apportionment district.

4 (9) "Urban stabilization project" means:

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

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

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

10 (i) Providing environmental analysis, professional management,
11 planning, and promotion within the apportionment district, including
12 the management and promotion of retail trade activities in the
13 apportionment district;

14 (ii) Providing maintenance and security for common or public areas
15 in the apportionment district; or

16 (iii) Historic preservation activities authorized under RCW
17 35.21.395.

18 (10) "Urban stabilization project costs" means: The costs of land
19 use planning and associated environmental analysis, project design and
20 planning, acquisition, site preparation, construction, reconstruction,
21 rehabilitation, improvement, operation, and installation of the urban
22 stabilization project; the costs of relocation, maintenance, and
23 operation of property pending construction of the urban stabilization
24 project; the costs of financing, including interest during
25 construction, legal and other professional services, taxes, and
26 insurance; the costs of apportioning the taxes and complying with this
27 chapter and other applicable law; and the administrative costs
28 reasonably necessary and related to these costs.

29 (11) "Urban stabilization project ordinance" means the ordinance
30 passed under section 6 of this act.

31 NEW SECTION. **Sec. 4.** Apportionment of excise tax revenues to
32 finance an urban stabilization project is subject to the following
33 limitations:

34 (1) For each urban stabilization project, the total revenue
35 apportioned under this chapter shall not exceed five million dollars
36 annually. All revenue in excess of five million dollars in any given
37 year shall be distributed to the appropriate taxing district as though
38 an apportionment district had not been created;

1 (2) Regardless of the number of urban stabilization projects
2 approved by local governments, the aggregate total of revenue available
3 from the state for apportionment is annually limited to two-tenths of
4 one percent of the state general fund annual budget;

5 (3) An apportionment district may not be established that includes
6 a geographic area included within a previously established
7 apportionment district that has outstanding bonds payable in whole or
8 in part from tax allocation revenues; and

9 (4) Taxes other than excise taxes may not be apportioned under this
10 chapter.

11 NEW SECTION. **Sec. 5.** An urban stabilization project may be
12 undertaken and coordinated with other programs or efforts undertaken by
13 the sponsor or others and may be funded in whole or in part from
14 sources other than those provided by this chapter.

15 NEW SECTION. **Sec. 6.** In order to establish an apportionment
16 district and secure an allocation of excise taxes to finance an urban
17 stabilization project:

18 (1) A sponsor shall propose by ordinance a plan for the urban
19 stabilization project that includes a description of the contemplated
20 urban stabilization project, the estimated cost of the urban
21 stabilization project, the boundaries of the apportionment district,
22 the estimated period during which tax revenue apportionment is
23 contemplated, and ways in which the sponsor plans to use tax allocation
24 revenues to finance the urban stabilization project;

25 (2)(a) At least sixty days in advance of a public hearing at which
26 the ordinance creating the apportionment district is first considered,
27 the local government shall deliver notice of the hearing and the
28 information required in subsection (1) of this section to the
29 department of community, trade, and economic development and the
30 department of revenue. The department of revenue shall review the
31 information and determine whether there is sufficient revenue under the
32 revenue apportionment cap in section 4 of this act to accommodate the
33 proposed urban stabilization project.

34 (b) The department of community, trade, and economic development
35 shall review the proposed urban stabilization project and evaluate the
36 project using the following criteria: (i) The urban stabilization
37 project must be consistent with the local comprehensive plan; (ii) the

1 urban stabilization project will result in reuse of existing unused or
2 underutilized buildings; (iii) the urban stabilization project will
3 eliminate blight or reduce public safety expenditures within the
4 apportionment district; (iv) the urban stabilization project must be
5 reasonably expected to cause private investment within the district
6 that would probably not have occurred without formation of the
7 apportionment district; (v) the urban stabilization project will result
8 in a net increase in employment within the apportionment district; and
9 (vi) the revenue apportioned is likely to be sufficient to finance the
10 portion of the public expenditures proposed to be paid from the
11 sources.

12 (c) In addition to the criteria in (b) of this subsection, if a
13 local government applies for a subsequent apportionment district
14 following the creation of a first district within its corporate limits,
15 the department of community, trade, and economic development shall
16 determine, if a previously approved apportionment district still exists
17 within the corporate limits of the sponsor, whether the revenue
18 apportioned in the district equaled or exceeded the revenue projected
19 to be apportioned;

20 (3) The evaluation of the department of community, trade, and
21 economic development of a proposed project must demonstrate that it is
22 more likely than not that at least five of the six criteria in
23 subsection (2) of this section are met. A project in a jurisdiction
24 where an apportionment district still exists must satisfy six of the
25 criteria in subsection (2) of this section;

26 (4) The department of revenue and the department of community,
27 trade, and economic development shall notify the sponsoring local
28 government, and either the county legislative authority or, in a
29 charter county, the county executive, of the results of the evaluation
30 of the project at least fifteen days in advance of the public hearing
31 required in subsection (1) of this section;

32 (5) If there are more projects proposed than apportioned revenue is
33 available in a given year under the limit in section 4 of this act, the
34 department of community, trade, and economic development shall
35 establish rules to determine how the available revenue will be
36 allocated among qualified projects;

37 (6) At the time and place fixed for the hearing under subsection
38 (2) of this section, and at such times the hearing may be adjourned, a
39 sponsor shall receive and consider all statements and materials as

1 might be submitted, and objections and letters filed before and within
2 ten days after the hearing. Any time during the process leading to the
3 establishment of the apportionment district, the county legislative
4 authority may notify the sponsor that it does not wish to participate
5 in the district, and upon such notification all taxes due the county
6 from the apportionment district shall remain the county's and may not
7 be used for the urban stabilization project without separate county
8 approval;

9 (7) Within one hundred twenty days after completion of the public
10 hearing, a sponsor shall pass an ordinance establishing the
11 apportionment district and authorizing the proposed urban stabilization
12 project, including any modifications that in the sponsor's opinion the
13 hearing indicated should be made, that includes the boundaries of the
14 apportionment, a description of the urban stabilization project, the
15 estimated cost of the urban stabilization project, the portion of the
16 estimated cost of the urban stabilization project to be paid from tax
17 allocation revenues, the estimated time during which the excise taxes
18 are to be apportioned, the date when the apportionment of excise taxes
19 is to commence, and a finding that the urban stabilization project
20 meets the conditions in section 4 of this act and this section.

21 NEW SECTION. **Sec. 7.** (1) Upon the date established in the urban
22 stabilization project ordinance, but not sooner than the first day of
23 the calendar year following the passage of the ordinance, the excise
24 taxes levied upon the sales and business activities within the
25 apportionment district subject to taxation must be divided as follows:

26 (a) That portion of excise taxes collected for a taxing district in
27 each year within an apportionment district that is equal to the taxes
28 collected for the taxing district within the apportionment district in
29 the year preceding the formation of the apportionment district, must be
30 allocated to and paid to the taxing district; and

31 (b) That portion of the excise taxes collected for a taxing
32 district in each year within an apportionment district that is in
33 excess of the excise tax collected in the year preceding the formation
34 of the apportionment district must be allocated and paid to the
35 sponsor, or the sponsor's designated agent, until all urban
36 stabilization project costs to be paid from the tax allocation revenues
37 have been paid, except that the sponsor may agree to receive less than
38 the full amount of the portion, in which case the balance of the excise

1 taxes must be allocated to the respective taxing districts in
2 proportion to their excise tax levies due for the year in which the
3 funds are returned.

4 (2) The date upon which the apportionment district was established
5 is considered the date that the urban stabilization project ordinance
6 was enacted by the sponsor.

7 (3) The apportionment of excise taxes under this section must cease
8 when the tax allocation revenues are no longer necessary or obligated
9 to pay urban stabilization project costs or to pay principal and
10 interest on bonds issued to finance urban stabilization project costs
11 to which tax allocation revenues are pledged. At the time of
12 termination of the apportionment, any excess money and any earnings
13 held by the sponsor must be distributed to the taxing districts that
14 were subject to the allocation in proportion to their excise tax
15 receipts due for the year in which the funds are returned.

16 (4) The amount of excise taxes determined to be collected in the
17 year preceding the formation of the apportionment district shall be
18 adjusted upward or downward to reflect increases or decreases in the
19 rate of taxation to determine the amount of excess taxes to be
20 apportioned in accordance with subsection (1)(b) of this section.

21 NEW SECTION. **Sec. 8.** (1) Tax allocation revenues may be applied
22 as follows:

23 (a) To pay urban stabilization costs;

24 (b) To pay into bond redemption funds established to pay the
25 principal and interest on general obligation or revenue bonds issued to
26 finance an urban stabilization project that is specified in the urban
27 stabilization project ordinance and constructed following the
28 establishment of the apportionment district; or

29 (c) To pay any combination of (a) and (b) of this subsection.

30 (2) Tax allocation revenues may be pledged to the payment of bonds
31 issued to finance an urban stabilization project.

32 NEW SECTION. **Sec. 9.** This chapter supplements and neither
33 restricts nor limits any powers that the state or any municipal
34 corporation might otherwise have under laws of this state.

35 NEW SECTION. **Sec. 10.** The authority to establish an apportionment
36 district under this chapter expires July 1, 2007.

1 NEW SECTION. **Sec. 11.** This chapter may be known and cited as the
2 urban stabilization act.

3 **Sec. 12.** RCW 35.80.030 and 1989 c 133 s 3 are each amended to read
4 as follows:

5 (1) Whenever the local governing body of a municipality finds that
6 one or more conditions of the character described in RCW 35.80.010
7 exist within its territorial limits, said governing body may adopt
8 ordinances relating to such dwellings, buildings, structures, or
9 premises. Such ordinances may provide for the following:

10 (a) That an "improvement board" or officer be designated or
11 appointed to exercise the powers assigned to such board or officer by
12 the ordinance as specified herein. Said board or officer may be an
13 existing municipal board or officer in the municipality, or may be a
14 separate board or officer appointed solely for the purpose of
15 exercising the powers assigned by said ordinance.

16 If a board is created, the ordinance shall specify the terms,
17 method of appointment, and type of membership of said board, which may
18 be limited, if the local governing body chooses, to public officers as
19 herein defined.

20 (b) If a board is created, a public officer, other than a member of
21 the improvement board, may be designated to work with the board and
22 carry out the duties and exercise the powers assigned to said public
23 officer by the ordinance.

24 (c) That if, after a preliminary investigation of any dwelling,
25 building, structure, or premises, the board or officer finds that it is
26 unfit for human habitation or other use, he shall cause to be served
27 either personally or by certified mail, with return receipt requested,
28 upon all persons having any interest therein, as shown upon the records
29 of the auditor's office of the county in which such property is
30 located, and shall post in a conspicuous place on such property, a
31 complaint stating in what respects such dwelling, building, structure,
32 or premises is unfit for human habitation or other use. If the
33 whereabouts of any of such persons is unknown and the same cannot be
34 ascertained by the board or officer in the exercise of reasonable
35 diligence, and the board or officer makes an affidavit to that effect,
36 then the serving of such complaint or order upon such persons may be
37 made either by personal service or by mailing a copy of the complaint
38 and order by certified mail, postage prepaid, return receipt requested,

1 to each such person at the address of the building involved in the
2 proceedings, and mailing a copy of the complaint and order by first
3 class mail to any address of each such person in the records of the
4 county assessor or the county auditor for the county where the property
5 is located. Such complaint shall contain a notice that a hearing will
6 be held before the board or officer, at a place therein fixed, not less
7 than ten days nor more than thirty days after the serving of said
8 complaint; and that all parties in interest shall be given the right to
9 file an answer to the complaint, to appear in person, or otherwise, and
10 to give testimony at the time and place in the complaint. The rules of
11 evidence prevailing in courts of law or equity shall not be controlling
12 in hearings before the board or officer. A copy of such complaint
13 shall also be filed with the auditor of the county in which the
14 dwelling, building, structure, or (~~premise~~ ~~[premises]~~) premises is
15 located, and such filing of the complaint or order shall have the same
16 force and effect as other lis pendens notices provided by law.

17 (d) That the board or officer may determine that a dwelling,
18 building, structure, or premises is unfit for human habitation or other
19 use if it finds that conditions exist in such dwelling, building,
20 structure, or premises which are dangerous or injurious to the health
21 or safety of the occupants of such dwelling, building, structure, or
22 premises, the occupants of neighboring dwellings, or other residents of
23 such municipality. Such conditions may include the following, without
24 limitations: Defects therein increasing the hazards of fire or
25 accident; inadequate ventilation, light, or sanitary facilities,
26 dilapidation, disrepair, structural defects, uncleanliness,
27 overcrowding, or inadequate drainage. The ordinance shall state
28 reasonable and minimum standards covering such conditions, including
29 those contained in ordinances adopted in accordance with
30 (~~subdivision~~) subsection (7)(a) (~~herein~~) of this section, to guide
31 the board or the public officer and the agents and employees of either,
32 in determining the fitness of a dwelling for human habitation, or
33 building, structure, or premises for other use.

34 (e) That the determination of whether a dwelling, building,
35 structure, or premises should be repaired or demolished, shall be based
36 on specific stated standards on (i) the degree of structural
37 deterioration of the dwelling, building, structure, or premises, or
38 (ii) the relationship that the estimated cost of repair bears to the

1 value of the dwelling, building, structure, or premises, with the
2 method of determining this value to be specified in the ordinance.

3 (f) That if, after the required hearing, the board or officer
4 determines that the dwelling is unfit for human habitation, or building
5 or structure or premises is unfit for other use, it shall state in
6 writing its findings of fact in support of such determination, and
7 shall issue and cause to be served upon the owner or party in interest
8 thereof, as is provided in (~~(subdivision (1))~~)(c) of this subsection,
9 and shall post in a conspicuous place on said property, an order which
10 (i) requires the owner or party in interest, within the time specified
11 in the order, to repair, alter, or improve such dwelling, building,
12 structure, or premises to render it fit for human habitation, or for
13 other use, or to vacate and close the dwelling, building, structure, or
14 premises, if such course of action is deemed proper on the basis of the
15 standards set forth as required in (~~(subdivision (1))~~)(e) of this
16 subsection; or (ii) requires the owner or party in interest, within the
17 time specified in the order, to remove or demolish such dwelling,
18 building, structure, or premises, if this course of action is deemed
19 proper on the basis of said standards. If no appeal is filed, a copy
20 of such order shall be filed with the auditor of the county in which
21 the dwelling, building, structure, or premises is located.

22 (g) The owner or any party in interest, within thirty days from the
23 date of service upon the owner and posting of an order issued by the
24 board under the provisions of (~~(subdivision)~~) (c) of this subsection,
25 may file an appeal with the appeals commission.

26 The local governing body of the municipality shall designate or
27 establish a municipal agency to serve as the appeals commission. The
28 local governing body shall also establish rules of procedure adequate
29 to assure a prompt and thorough review of matters submitted to the
30 appeals commission, and such rules of procedure shall include the
31 following, without being limited thereto: (i) All matters submitted to
32 the appeals commission must be resolved by the commission within sixty
33 days from the date of filing therewith and (ii) a transcript of the
34 findings of fact of the appeals commission shall be made available to
35 the owner or other party in interest upon demand.

36 The findings and orders of the appeals commission shall be reported
37 in the same manner and shall bear the same legal consequences as if
38 issued by the board, and shall be subject to review only in the manner

1 and to the extent provided in (~~(subdivision)~~) subsection (2) of this
2 section.

3 If the owner or party in interest, following exhaustion of his
4 rights to appeal, fails to comply with the final order to repair,
5 alter, improve, vacate, close, remove, or demolish the dwelling,
6 building, structure, or premises, the board or officer may direct or
7 cause such dwelling, building, structure, or premises to be repaired,
8 altered, improved, vacated, and closed, removed, or demolished.

9 (h) That the amount of the cost of such repairs, alterations or
10 improvements; or vacating and closing; or removal or demolition by the
11 board or officer, shall be assessed against the real property upon
12 which such cost was incurred unless such amount is previously paid.
13 Upon certification to him by the treasurer of the municipality in cases
14 arising out of the city or town or by the county improvement board or
15 officer, in cases arising out of the county, of the assessment amount
16 being due and owing, the county treasurer shall enter the amount of
17 such assessment upon the tax rolls against the property for the current
18 year and the same shall become a part of the general taxes for that
19 year to be collected at the same time and with interest at such rates
20 and in such manner as provided for in RCW 84.56.020, as now or
21 hereafter amended, for delinquent taxes, and when collected to be
22 deposited to the credit of the general fund of the municipality. If
23 the dwelling, building, structure, or premises is removed or demolished
24 by the board or officer, the board or officer shall, if possible, sell
25 the materials of such dwelling, building, structure, (~~{or}~~) or
26 premises in accordance with procedures set forth in said ordinance, and
27 shall credit the proceeds of such sale against the cost of the removal
28 or demolition and if there be any balance remaining, it shall be paid
29 to the parties entitled thereto, as determined by the board or officer,
30 after deducting the costs incident thereto.

31 The assessment shall constitute a lien against the property which
32 shall be of at least equal rank with state, county, and municipal taxes
33 and shall have a first priority and shall be paid before the payment of
34 other state, county, and municipal taxes from any tax payments
35 collected or the proceeds of any sale of the property through
36 foreclosure or sale by the county including, but not limited to, the
37 proceeds of sales of any property acquired by the county by tax deed.

38 (2) Any person affected by an order issued by the appeals
39 commission pursuant to (~~(subdivision)~~) subsection (1)(f) (~~(hereof)~~) of

1 this section may, within thirty days after the posting and service of
2 the order, petition to the superior court for an injunction restraining
3 the public officer or members of the board from carrying out the
4 provisions of the order. In all such proceedings the court is
5 authorized to affirm, reverse, or modify the order and such trial shall
6 be heard de novo.

7 (3) An ordinance adopted by the local governing body of the
8 municipality may authorize the board or officer to exercise such powers
9 as may be necessary or convenient to carry out and effectuate the
10 purposes and provisions of this section. These powers shall include
11 the following in addition to others herein granted: (a)(i) To
12 determine which dwellings within the municipality are unfit for human
13 habitation; (ii) to determine which buildings, structures, or premises
14 are unfit for other use; (b) to administer oaths and affirmations,
15 examine witnesses and receive evidence; and (c) to investigate the
16 dwelling and other property conditions in the municipality or county
17 and to enter upon premises for the purpose of making examinations when
18 the board or officer has reasonable ground for believing they are unfit
19 for human habitation, or for other use: PROVIDED, That such entries
20 shall be made in such manner as to cause the least possible
21 inconvenience to the persons in possession, and to obtain an order for
22 this purpose after submitting evidence in support of an application
23 which is adequate to justify such an order from a court of competent
24 jurisdiction in the event entry is denied or resisted.

25 (4) The local governing body of any municipality adopting an
26 ordinance pursuant to this chapter may appropriate the necessary funds
27 to administer such ordinance.

28 (5) Nothing in this section shall be construed to abrogate or
29 impair the powers of the courts or of any department of any
30 municipality to enforce any provisions of its charter or its ordinances
31 or regulations, nor to prevent or punish violations thereof; and the
32 powers conferred by this section shall be in addition and supplemental
33 to the powers conferred by any other law.

34 (6) Nothing in this section shall be construed to impair or limit
35 in any way the power of the municipality to define and declare
36 nuisances and to cause their removal or abatement, by summary
37 proceedings or otherwise.

38 (7) Any municipality may (by ordinance adopted by its governing
39 body) (a) prescribe minimum standards for the use and occupancy of

1 dwellings throughout the municipality, or county, (b) prescribe minimum
2 standards for the use or occupancy of any building, structure, or
3 premises used for any other purpose, (c) prevent the use or occupancy
4 of any dwelling, building, structure, or premises, which is injurious
5 to the public health, safety, morals, or welfare, and (d) prescribe
6 punishment for the violation of any provision of such ordinance.

7 NEW SECTION. **Sec. 13.** A new section is added to chapter 35.80 RCW
8 to read as follows:

9 (1) The municipality, as an alternative or additional remedy, may
10 acquire by negotiation the substandard building, structure, or premises
11 and the land on which it is located, and after the acquisition may
12 utilize public or other available funds to improve the property
13 acquired and the property may be used or transferred, as authorized
14 under chapter 35.80A RCW, as if the property were acquired under RCW
15 35.80A.010, if the owner or the owner's representative notifies the
16 municipality in writing that the owner refuses or is unable to proceed
17 or fails: (a) To repair, alter, or improve a substandard building,
18 structure, or premises; or (b) to remove or demolish a substandard
19 building, structure, or premises as required by the order of the board
20 or officer under RCW 35.80.030.

21 (2) If the substandard building to be acquired is part of an urban
22 stabilization project, the municipality may acquire property adjacent
23 to the substandard building, as necessary to provide for the
24 implementation of the approved urban stabilization project, upon a
25 finding by resolution of the local governing body that the acquisition
26 is necessary in order to cure the problems associated with the
27 substandard building or buildings, and that redevelopment of the site
28 is not feasible unless the adjacent property is acquired. This
29 subsection provides supplemental and alternative authority for
30 acquisition of property by a municipality.

31 (3)(a) If the owner of a substandard building presents evidence
32 satisfactory to the municipality that the owner does not have available
33 sufficient funds or is unable to obtain financing on reasonable terms
34 to repair, alter, or improve a substandard building as required by the
35 order of the board or officer, under RCW 35.80.030, and in a manner
36 that will place the substandard building in a condition that will cure
37 the functional obsolescence of the building for its intended use, then

1 the municipality may, through its local governing body, approve a
2 project agreement with the owner that may:

3 (i) Provide for repair, alterations, and improvement of the
4 substandard building so as to comply with the order of the board or
5 officer, under RCW 35.80.030, and with the terms and conditions of the
6 project agreement;

7 (ii) Provide for the manner in which work under the project
8 agreement will be accomplished and how payment will be made, that may
9 include, but is not limited to, work let by the municipality and
10 payment by the municipality for work completed on the substandard
11 building in accordance with the project agreement; and

12 (iii) Provide for repayment by the owner of the costs incurred by
13 the municipality under the project agreement which repayment may be
14 made in installments with interest on the unpaid portion as fixed by
15 the local legislative body or paid in such other manner as may be
16 provided in the project agreement.

17 (b) If not otherwise provided in the project agreement, the amount
18 of costs incurred by the municipality in accordance with the project
19 agreement must be treated as if it were an assessment on an approved
20 final assessment roll for improvements constructed within a local
21 improvement district, under chapter 35.44 RCW, and the costs shall be
22 a lien on the property improved, in the same manner and to the same
23 extent as a local improvement district assessment lien, and shall be
24 collected in the same manner as assessments, installment payments,
25 interest, and penalties are collected under chapter 35.49 RCW.

26 (c) The project agreement may provide that the lien for the
27 repayment of all or a portion of the costs incurred by the municipality
28 under the project agreement may be subordinated to a deed of trust
29 securing the loan of private funds to the owner for payment of project
30 costs incurred by the owner under the project agreement.

31 (4) The municipality or a public corporation created by a
32 municipality under RCW 35.21.660 or 35.21.730 may provide for the
33 payment of the costs and expenses incurred by the municipality under a
34 project agreement by revenue or general obligation bonds or notes
35 payable in whole or in part from the repayment of project costs by
36 owners and through enforcement of the assessments against the property
37 benefited or from any other federal, public, or private funds that may
38 be made available for such purposes.

1 NEW SECTION. **Sec. 14.** Sections 1 through 11 of this act
2 constitute a new chapter in Title 82 RCW.

3 NEW SECTION. **Sec. 15.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

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