
HOUSE BILL 2314

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By Representatives Ogden, Dunn, Carlson, O'Brien, Romero, Edwards and D. Sommers

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1 AN ACT Relating to downtown and neighborhood commercial district
2 revitalization; adding a new section to chapter 82.04 RCW; adding a new
3 section to chapter 82.14 RCW; adding a new chapter to Title 43 RCW; and
4 creating a new section.

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

6 **PART I--LEGISLATIVE INTENT**

7 NEW SECTION. **Sec. 101.** (1) The legislature finds:

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

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

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

1 (d) Business owners in these districts need to maintain their local
2 economies in order to provide goods and services to adjacent residents,
3 to provide employment opportunities, and to avoid disinvestment and
4 economic dislocations, and have developed downtown and neighborhood
5 commercial district revitalization programs to address these problems.

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

7 (a) Work in partnership with these organizations;

8 (b) Provide technical assistance and training to local governments,
9 business organizations, downtown and neighborhood commercial district
10 organizations, and business and property owners to accomplish community
11 and economic revitalization and development of business districts; and

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

14 **PART II--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
15 **REVITALIZATION INCENTIVES**

16 NEW SECTION. **Sec. 201.** A new section is added to chapter 82.04
17 RCW to read as follows:

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

22 (2) The credit allowed under this section is limited to an amount
23 equal to seventy-five percent of the value of the contribution that is
24 made directly, by the business, to a downtown and neighborhood
25 commercial district revitalization program. The total credits allowed
26 on a state-wide basis cannot exceed two million dollars in a calendar
27 year.

28 (3) Prior to claiming the credit under this section, the business
29 must obtain approval from the department of community, trade, and
30 economic development. The businesses' request for approval must
31 include a description of the contribution and the value of the
32 contribution.

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

35 (5) As used in this section:

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

1 (b) "Downtown and neighborhood commercial district revitalization
2 program" means a program certified by the department of community,
3 trade, and economic development under sections 101 and 301 through 306
4 of this act.

5 NEW SECTION. **Sec. 202.** A new section is added to chapter 82.14
6 RCW to read as follows:

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

15 (2) The tax imposed under subsection (1) of this section shall be
16 deducted from the amount of tax otherwise required to be collected or
17 paid to the department of revenue under chapter 82.08 or 82.12 RCW.
18 The department of revenue shall perform the collection of such taxes on
19 behalf of the county at no cost to the county.

20 (3) Moneys collected under this section shall only be used for the
21 purpose of paying the costs for a downtown and neighborhood commercial
22 district revitalization project in an eligible area.

23 (4) No tax may be collected under this section before January 1,
24 2000.

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

28 (6) As used in this section:

29 (a) "Downtown and neighborhood commercial district revitalization
30 project" means: Public infrastructure improvements, including street
31 and utility improvements; professional management, planning, and
32 promotion within the eligible area, including the management and
33 promotion of retail trade activities in the eligible area; maintenance
34 and security for common or public areas in the eligible area; and
35 historic preservation activities authorized under RCW 35.21.395.

36 (b) "Eligible area" means a geographic area that has been
37 designated by the department of community, trade, and economic
38 development at the partner-level under section 303 of this act.

1 (c) "Local government" means a city, code city, or town.

2 **PART III--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
3 **REVITALIZATION PROGRAM**

4 NEW SECTION. **Sec. 301.** The definitions in this section apply
5 throughout this section and sections 101 and 302 through 306 of this
6 act unless the context clearly requires otherwise.

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

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

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

13 (4) "Local government" means a city, code city, or town.

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

18 NEW SECTION. **Sec. 302.** The Washington main street program is
19 created within the department. In order to implement the Washington
20 main street program, the department shall:

21 (1) Provide technical assistance to businesses, property owners,
22 organizations, and local governments undertaking a comprehensive
23 downtown and neighborhood commercial district revitalization and
24 management strategy within a specified area. Technical assistance
25 includes, but is not limited to: Initial site evaluations and
26 assessments; training for local programs; training for local program
27 staff; site visits and assessments by technical specialists; local
28 program design assistance and evaluation; and continued local program
29 on-site assistance;

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

34 (3) Develop objective criteria for selecting recipients of
35 financial assistance under subsection (1) of this section and providing
36 designation of a local program under section 303 of this act;

1 (4) Operate the Washington main street program in accordance with
2 the plan developed by the department, in consultation with the
3 Washington main street advisory committee created under section 304 of
4 this act;

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

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

10 NEW SECTION. **Sec. 303.** The department shall, by rule, adopt
11 criteria for the designation of local downtown and neighborhood
12 commercial district revitalization programs and official local main
13 street programs. The categories are limited to: Partner-level,
14 associate-level, and participant-level. In establishing the criteria,
15 the department shall consider:

16 (1) The degree of interest and commitment to downtown and
17 neighborhood commercial district revitalization and, where applicable,
18 historic preservation by both the public and private sectors;

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

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

24 (4) Organization and financial commitment to implement a long-term
25 downtown and neighborhood commercial district revitalization program
26 that includes a commitment to employ a professional project manager
27 with an operating budget;

28 (5) The department's existing downtown revitalization services tier
29 system;

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

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

34 NEW SECTION. **Sec. 304.** (1) The Washington main street advisory
35 committee is created within the department. The members of the
36 advisory committee are appointed by the director and consist of:

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

3 (b) One representative of private industry councils;

4 (c) Two representatives of local governments;

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

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

8 (f) One representative of the Washington state office of
9 archaeology and historic preservation.

10 (2) The plan required under section 302 of this act must describe:

11 (a) The objectives and strategies of the Washington main street
12 program;

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

16 (c) The means by which private investment will be solicited and
17 employed;

18 (d) The methods of selecting and providing assistance to
19 participating local programs; and

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

22 NEW SECTION. **Sec. 305.** The Washington main street trust fund
23 account is created in the state treasury. All receipts from private
24 contributions, federal funds, legislative appropriations, and fees for
25 services, if levied, must be deposited into the account. Moneys in the
26 account may be spent only after appropriation. Expenditures from the
27 account may be used only for the operation of the Washington main
28 street program.

29 NEW SECTION. **Sec. 306.** Sections 101 and 301 through 306 of this
30 act may be known and cited as the Washington main street act.

31 **PART IV--TECHNICAL PROVISIONS**

32 NEW SECTION. **Sec. 401.** Sections 101 and 301 through 306 of this
33 act constitute a new chapter in Title 43 RCW.

1 NEW SECTION. **Sec. 402.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 403.** Part headings as used in this act
6 constitute no part of the law.

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