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HOUSE BILL 2592

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Gombosky, Ahern, Eickmeyer, Clements, Grant, Dunn, Fromhold, Mulliken, Wood, Ogden, Linville, Hatfield and Conway

Read first time 01/22/2002. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to community revitalization financing under chapter  
2 39.89 RCW; amending RCW 39.89.030; adding a new section to chapter  
3 39.89 RCW; and repealing RCW 39.89.901.

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

5 **Sec. 1.** RCW 39.89.030 and 2001 c 212 s 3 are each amended to read  
6 as follows:

7 A local government may finance public improvements using community  
8 revitalization financing subject to the following conditions:

9 (1) The local government adopts an ordinance designating an  
10 increment area within its boundaries and specifying the public  
11 improvements proposed to be financed in whole or in part with the use  
12 of community revitalization financing;

13 (2) The public improvements proposed to be financed in whole or in  
14 part using community revitalization financing are expected to encourage  
15 private development within the increment area and to increase the fair  
16 market value of real property within the increment area;

17 (3) Private development that is anticipated to occur within the  
18 increment area, as a result of the public improvements, will be  
19 consistent with the countywide planning policy adopted by the county

1 under RCW 36.70A.210 and the local government's comprehensive plan and  
2 development regulations adopted under chapter 36.70A RCW;

3 (4) Taxing districts, in the aggregate, that levy at least seventy-  
4 five percent of the regular property tax within which the increment  
5 area is located approves the community revitalization financing of the  
6 project under RCW 39.89.050(1); and

7 (5) In an increment area that includes any portion of a fire  
8 protection district as defined in Title 52 RCW, the fire protection  
9 district (~~((must))~~) may either approve or opt out of their participation  
10 in the community revitalization financing of the project under chapter  
11 212, Laws of 2001. (~~((Approval by the fire protection district shall be~~  
12 considered as part of the required participation by taxing districts  
13 under subsection (4) of this section.)) If the fire protection  
14 district elects to opt out of their participation in the community  
15 revitalization financing of the project, the fire protection district  
16 shall retain the full amount of their regular property tax.

17 NEW SECTION. Sec. 2. A new section is added to chapter 39.89 RCW  
18 to read as follows:

19 (1) A local government may issue revenue bonds to fund revenue  
20 generating public improvements, or portions of public improvements,  
21 that are located within an increment area and that it is authorized to  
22 provide or operate. Whenever revenue bonds are to be issued, the  
23 legislative authority of the local government shall create or have  
24 created a special fund or funds from which, along with any reserves  
25 created pursuant to RCW 39.44.140, the principal and interest on these  
26 revenue bonds shall exclusively be payable. The legislative authority  
27 of the local government may obligate the local government to set aside  
28 and pay into the special fund or funds a fixed proportion or a fixed  
29 amount of the revenues from the public improvements that are funded by  
30 the revenue bonds. This amount or proportion is a lien and charge  
31 against these revenues, subject only to operating and maintenance  
32 expenses. The local government shall have due regard for the cost of  
33 operation and maintenance of the public improvements that are funded by  
34 the revenue bonds, and shall not set aside into the special fund or  
35 funds a greater amount or proportion of the revenues that in its  
36 judgment will be available over and above the cost of maintenance and  
37 operation and the amount or proportion, if any, of the revenue  
38 previously pledged. The local government may also provide that revenue

1 bonds payable out of the same source or sources of revenue may later be  
2 issued on a parity with any revenue bonds being issued and sold.

3 (2) Revenue bonds issued pursuant to this section are not an  
4 indebtedness of the local government issuing the bonds, and the  
5 interest and principal on the bonds shall only be payable from the  
6 revenues lawfully pledged to meet the principal and interest  
7 requirements and any reserves created pursuant to RCW 39.44.140. The  
8 owner or bearer of a revenue bond or any interest coupon issued  
9 pursuant to this section shall not have any claim against the local  
10 government arising from the bond or coupon except for payment from the  
11 revenues lawfully pledged to meet the principal and interest  
12 requirements and any reserves created pursuant to RCW 39.44.140. The  
13 substance of the limitations included in this subsection shall be  
14 plainly printed, written, or engraved on each bond issued pursuant to  
15 this section.

16 (3) Revenue bonds with a maturity in excess of thirty years shall  
17 not be issued. The legislative authority of the local government shall  
18 by resolution determine for each revenue bond issue the amount, date,  
19 form, terms, conditions, denominations, maximum fixed or variable  
20 interest rate or rates, maturity or maturities, redemption rights,  
21 registration privileges, manner of execution, manner of sale, callable  
22 provisions, if any, and covenants including the refunding of existing  
23 revenue bonds. Facsimile signatures may be used on the bonds and any  
24 coupons. Refunding revenue bonds may be issued in the same manner as  
25 revenue bonds are issued.

26 NEW SECTION. **Sec. 3.** RCW 39.89.901 (Expiration of chapter) and  
27 2001 c 212 s 29 are each repealed.

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