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HOUSE BILL 2925

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State of Washington

57th Legislature

2002 Regular Session

By Representative Reardon

Read first time . Referred to Committee on .

1 AN ACT Relating to community infrastructure development  
2 initiatives; amending RCW 35.87A.010, 82.14.050, and 35.80.030; adding  
3 a new section to chapter 82.14 RCW; adding a new section to chapter  
4 35.80 RCW; adding a new chapter to Title 82 RCW; and creating a new  
5 section.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that in order to  
8 enhance income and employment opportunities for all residents, the  
9 state's economic development programs must:

10 (a) Make strategic targeted investment of limited resources in  
11 order to have meaningful impact;

12 (b) Invest public resources in those efforts that offer the  
13 greatest return to the region or local community; and

14 (c) Promote strong public and private partnerships that enhance the  
15 capacity for successful regional or local economic development.

16 (2) It is the goal of this chapter to provide financial resources  
17 for a limited time to assist local governments in the financing of  
18 public infrastructure improvements that are needed to:

19 (a) Encourage private development of selected areas;

1 (b) Prevent or arrest the decay of selected areas due to the  
2 inability of existing financing methods to provide needed public  
3 infrastructure improvements; and

4 (c) Encourage private investment designed to promote and facilitate  
5 the orderly redevelopment of selected areas.

6 **PART I--COMMUNITY REVITALIZATION FINANCING**

7 NEW SECTION. **Sec. 2.** The definitions in this section apply  
8 throughout this chapter unless the context clearly requires otherwise.

9 (1) "Apportionment district" means the geographic area from which  
10 taxes are to be appropriated to finance a community revitalization  
11 project.

12 (2) "Taxes" means excise taxes.

13 (3) "Excise taxes" means:

14 (a) Retail sales tax levied under chapter 82.08 RCW;

15 (b) Use tax levied under chapter 82.12 RCW; or

16 (c) Local retail sales and use taxes levied under RCW 82.14.030.

17 "Excise taxes" do not include sales and use taxes levied under RCW  
18 82.14.340 and 82.14.350.

19 (4) "Local government" means any city or town located in a county  
20 with population densities greater than one hundred and one persons per  
21 square mile as determined by the office financial management and  
22 published each year by the department of revenue for the period July  
23 1st to June 30th.

24 (5) "Ordinance" means any appropriate method of taking legislative  
25 action by a local government.

26 (6) "Project agreement" means an agreement between an owner and a  
27 municipality authorized under this chapter.

28 (7) "Sponsor" means a local government initiating and undertaking  
29 a community revitalization project.

30 (8) "Tax allocation revenues" means those tax revenues allocated to  
31 a sponsor under this chapter.

32 (9) "Taxing district" means a governmental entity that levies a tax  
33 that is collected within a proposed or approved apportionment district.

34 (10) "Community revitalization project" means:

35 (a) Infrastructure improvements within the apportionment district  
36 that include, but are not limited to:

37 (i) Street and road construction and maintenance;

- 1 (ii) Water and sewer system construction and improvements;  
2 (iii) Sidewalks and streetlights;  
3 (iv) Parking, terminal, and dock facilities;  
4 (v) Public transportation facilities; and  
5 (vi) Park facilities and recreational areas;  
6 (b) Health and safety improvements authorized to be publicly  
7 financed under chapter 35.80 or 35.81 RCW;  
8 (c) Publicly owned or leased facilities within the jurisdiction of  
9 a local government which the sponsor has authority to provide; and  
10 (d) Expenditure for any of the following purposes:  
11 (i) Providing environmental analysis, professional management,  
12 planning, and promotion within the apportionment district, including  
13 the management and promotion of retail trade activities in the  
14 apportionment district;  
15 (ii) Providing maintenance and security for common or public areas  
16 in the apportionment district; or  
17 (iii) Historic preservation activities authorized under RCW  
18 35.21.395.  
19 (11) "Community revitalization project costs" means: The costs of  
20 land use planning and associated environmental analysis, project design  
21 and planning, acquisition, site preparation, construction,  
22 reconstruction, rehabilitation, improvement, operation, and  
23 installation of the community revitalization project; the costs of  
24 relocation, maintenance, and operation of property pending construction  
25 of the community revitalization project; the costs of financing,  
26 including interest during construction, legal and other professional  
27 services, taxes, and insurance; the costs of apportioning the taxes and  
28 complying with this chapter and other applicable law; and the  
29 administrative costs reasonably necessary and related to these costs.  
30 (12) "Community revitalization project ordinance" means the  
31 ordinance passed under section 5 of this act.

32 NEW SECTION. **Sec. 3.** The use of tax revenues to finance community  
33 revitalization projects is subject to the following limitations:

34 (1) Regardless of the total number of community revitalization  
35 projects approved by a local government, the aggregate total of revenue  
36 available from the state for apportionment as the state's contribution  
37 to an individual local government must not exceed five million dollars  
38 annually. All revenue in excess of five million dollars in any given

1 year must be distributed to the appropriate taxing district as though  
2 an apportionment district had not been created;

3 (2) Regardless of the number of community revitalization projects  
4 approved by local governments, the aggregate total of revenue available  
5 from the state for apportionment as the state's contribution is  
6 annually limited to two-tenths of one percent of the state general fund  
7 annual budget;

8 (3) An apportionment district may not be established that includes  
9 a geographic area included within a previously established  
10 apportionment district that has outstanding bonds payable in whole or  
11 in part from tax revenues under this chapter or section 12 of this act;  
12 and

13 (4) Only one of the following taxes may be appropriated under this  
14 chapter:

15 (a) The local retail sales and use tax offset imposed under section  
16 12 of this act; or

17 (b) The incremental increase in excise taxes in an apportionment  
18 district approved under this chapter.

19 NEW SECTION. **Sec. 4.** (1)(a) A community revitalization project  
20 may be undertaken and coordinated with other programs or efforts  
21 undertaken by the sponsor or others and may be funded in whole or in  
22 part from sources other than those provided by this chapter.

23 (b) The sponsor shall assume all risk if sources authorized by this  
24 chapter are not adequate to fund the community revitalization project.

25 (2) A sponsor may contract with a nonprofit business association  
26 operating within the boundaries of the apportionment district or a  
27 parking and business improvement area, created under chapter 35.87A  
28 RCW, to administer the community revitalization project. The  
29 administration of the community revitalization project must comply with  
30 all applicable provisions of federal, state, or local law.

31 NEW SECTION. **Sec. 5.** In order to establish an apportionment  
32 district and secure an allocation of excise taxes to finance a  
33 community revitalization project:

34 (1) A sponsor shall propose by ordinance a plan for the community  
35 revitalization project that includes a description of the contemplated  
36 community revitalization project, the estimated cost of the community  
37 revitalization project, the boundaries of the apportionment district,

1 the estimated period during which tax revenue apportionment is  
2 contemplated, and ways in which the sponsor plans to use tax allocation  
3 revenues to finance the community revitalization project.

4 (2)(a) At least sixty days in advance of a public hearing at which  
5 the ordinance creating the apportionment district is first considered,  
6 the local government shall deliver notice of the hearing and the  
7 information required in subsection (1) of this section to the  
8 department of community, trade, and economic development and the  
9 department of revenue. The department of revenue shall review the  
10 information and determine whether there is sufficient revenue under the  
11 revenue apportionment cap in section 3 of this act to accommodate the  
12 proposed community revitalization project.

13 (b) No tax revenue generated from an apportionment district created  
14 under this chapter or section 12 of this act may be used to finance a  
15 community revitalization project until the department of community,  
16 trade, and economic development, or a successor department, has  
17 reviewed and approved a feasibility study paid for and submitted to the  
18 department by the sponsor. The department's review process shall  
19 include the following criteria:

20 (i) The community revitalization project meets the requirements of  
21 this chapter; and

22 (ii) The feasibility study demonstrates that:

23 (A) There is a reasonable likelihood that the present value return  
24 to the various taxing districts is in excess of forgone tax revenue as  
25 a result of the community revitalization project, using a discounted  
26 rate equal to the then current state borrowing rate;

27 (B) The community revitalization project is not feasible without  
28 the tax revenue generated from the apportionment district;

29 (C) The expected tax revenue generated from the apportionment  
30 district is likely to be sufficient to finance that portion of the  
31 public sources necessary to finance the community revitalization  
32 project;

33 (D) The community revitalization project will reasonably be  
34 expected to cause private investment within the apportionment district  
35 that probably would not have occurred without financing of the  
36 community revitalization project;

37 (E) The community revitalization project will result in a net  
38 increase in employment within the apportionment district; and

1 (F) There is sufficient management capacity and expertise of the  
2 organization responsible for the management of the community  
3 revitalization project; and

4 (iii) Other factors the department deems necessary to safeguard the  
5 state's contribution of tax revenue into the community revitalization  
6 project.

7 (3) The department of revenue and the department of community,  
8 trade, and economic development shall notify the sponsoring local  
9 government, and either the county legislative authority or, in a  
10 charter county, the county executive, of the results of the evaluation  
11 of the project at least fifteen days in advance of the public hearing  
12 required in subsection (1) of this section.

13 (4) If there are more projects proposed than apportioned revenue is  
14 available in a given year under the limit in section 3 of this act, the  
15 department of community, trade, and economic development shall  
16 establish rules to determine how the available revenue will be  
17 allocated among qualified projects.

18 (5) At the time and place fixed for the hearing under subsection  
19 (2) of this section, and at such times the hearing may be adjourned, a  
20 sponsor shall receive and consider all statements and materials as  
21 might be submitted, and objections and letters filed before and within  
22 ten days after the hearing. Any time during the process leading to the  
23 establishment of the apportionment district, the county legislative  
24 authority may notify the sponsor that it does not wish to participate  
25 in the district, and upon such notification all taxes due the county  
26 from the apportionment district shall remain the county's and may not  
27 be used for the community revitalization project without separate  
28 county approval.

29 (6) Within one hundred twenty days after completion of the public  
30 hearing, a sponsor shall pass an ordinance establishing the  
31 apportionment district and authorizing the proposed community  
32 revitalization project, including any modifications that in the  
33 sponsor's opinion the hearing indicated should be made, that includes  
34 the boundaries of the apportionment district, a description of the  
35 community revitalization project, the estimated cost of the community  
36 revitalization project, the method used to finance the state's portion  
37 of the community revitalization project under section 3 of this act,  
38 the portion of the estimated cost of the community revitalization  
39 project to be paid from tax allocation revenues, the estimated time

1 during which the taxes are to be apportioned, the date when the  
2 apportionment of taxes is to commence, and a finding that the community  
3 revitalization project meets the conditions in section 3 of this act  
4 and this section.

5 NEW SECTION. **Sec. 6.** (1) Except as provided in subsection (5) of  
6 this section, upon the date established in the community revitalization  
7 project ordinance, but not sooner than the first day of the calendar  
8 year following the passage of the ordinance, the department shall  
9 allocate and pay to the sponsor, or the sponsor's designated agent,  
10 until all community revitalization project costs to be paid from the  
11 tax allocation revenues have been paid, the following amounts:

12 (a) That portion of the tax levied in each year under chapter 82.08  
13 or 82.12 RCW upon any retail sale or any use of an article of tangible  
14 personal property within an apportionment district that is in excess of  
15 the tax imposed under chapter 82.08 or 82.12 RCW on sales or uses  
16 within the apportionment district in the year preceding the formation  
17 of the apportionment district;

18 (b) That portion of the tax levied in each year under RCW 82.14.030  
19 upon any retail sale or any use of an article of tangible personal  
20 property within an apportionment district that is in excess of the tax  
21 imposed under RCW 82.14.030 on sales or uses within the apportionment  
22 district in the year preceding the formation of the apportionment  
23 district, less any amounts that the department is entitled to retain as  
24 provided in RCW 82.14.050 for administration and collection expenses  
25 incurred by the department.

26 (2) The date upon which the apportionment district was established  
27 is considered the date that the community revitalization project  
28 ordinance was enacted by the sponsor.

29 (3) The apportionment of taxes under this section must cease when  
30 the tax allocation revenues are no longer necessary or obligated to pay  
31 community revitalization project costs or to pay principal and interest  
32 on bonds issued to finance community revitalization project costs to  
33 which tax allocation revenues are pledged. At the time of termination  
34 of the apportionment, any excess money and any earnings held by the  
35 sponsor must be distributed to the taxing districts that were subject  
36 to the allocation in proportion to their tax receipts due for the year  
37 in which the funds are returned.

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

6 (5) The sponsor may agree to receive less than the full amount  
7 provided in subsection (1) of this section, in which case the  
8 department shall distribute the balance to the respective taxing  
9 districts in accordance with law in the same manner as if this section  
10 did not exist.

11 NEW SECTION. **Sec. 7.** (1) Tax allocation revenues may be applied  
12 as follows:

13 (a) To pay community revitalization costs;

14 (b) To pay into bond redemption funds established to pay the  
15 principal and interest on general obligation bonds issued to finance a  
16 community revitalization project that is specified in the community  
17 revitalization project ordinance and constructed following the  
18 establishment of the apportionment district; or

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

20 (2) Tax allocation revenues may be pledged to the payment of bonds  
21 issued to finance a community revitalization project.

22 (3) No city may lower their tax rates after the creation of an  
23 apportionment district and using tax allocation revenues to finance a  
24 community revitalization project.

25 NEW SECTION. **Sec. 8.** The department of community, trade, and  
26 economic development, in consultation with the department of revenue,  
27 shall submit an annual report to appropriate legislative committees on  
28 the amount of tax revenue allocated to local governments under the  
29 community revitalization financing program created in this act. The  
30 report shall also contain information on: (1) The number, description,  
31 and location of requests for community revitalization projects, (2) the  
32 number of community revitalization projects approved by the department,  
33 and (3) an evaluation of how the community revitalization project is  
34 meeting criteria of the feasibility study required in section 5 of this  
35 act.





1 The rate of tax shall not exceed 0.017 percent of the selling price in  
2 the case of a sales tax or value of the article used in the case of a  
3 use tax.

4 (2) The tax imposed under subsection (1) of this section shall be  
5 deducted from the amount of tax otherwise required to be collected or  
6 paid over to the department of revenue under chapter 82.08 or 82.12  
7 RCW. The department of revenue shall perform the collection of the  
8 taxes on behalf of the county at no cost to the county.

9 (3) Moneys collected under this section shall only be used as the  
10 state's contribution toward the financing of a community revitalization  
11 project under chapter 82.-- RCW (sections 1 through 11 of this act).  
12 Only those community revitalization projects approved under section 5  
13 of this act may be financed with moneys collected under this section.

14 (4) No tax may be collected under this section before July 1, 2002.  
15 No tax may be collected under this section by a city more than twenty-  
16 five years after the date that a tax is first imposed under this  
17 section.

18 (5) For purposes of this section, "population density" means the  
19 number of persons per square mile as determined by the office of  
20 financial management and published each year by the department of  
21 community, trade, and economic development for the period July 1st to  
22 June 30th.

23 **PART III--MISCELLANEOUS**

24 **Sec. 13.** RCW 35.87A.010 and 2000 c 201 s 1 are each amended to  
25 read as follows:

26 To aid general economic development and neighborhood  
27 revitalization, and to facilitate the cooperation of merchants,  
28 businesses, and residential property owners which assists trade,  
29 economic viability, and liveability, the legislature hereby authorizes  
30 all counties and all incorporated cities and towns, including  
31 unclassified cities and towns operating under special charters:

32 (1) To establish, after a petition submitted by the operators  
33 responsible for sixty percent of the assessments by businesses and  
34 multifamily residential or mixed-use projects within the area, parking  
35 and business improvement areas, hereafter referred to as area or areas,  
36 for the following purposes:

1 (a) The acquisition, construction or maintenance of parking  
2 facilities for the benefit of the area;

3 (b) Decoration of any public place in the area;

4 (c) Sponsorship or promotion of public events which are to take  
5 place on or in public places in the area;

6 (d) Furnishing of music in any public place in the area;

7 (e) Providing professional management, planning, and promotion for  
8 the area, including the management and promotion of retail trade  
9 activities in the area; or

10 (f) Providing maintenance and security for common, public areas.

11 (2) To levy special assessments on all businesses and multifamily  
12 residential or mixed-use projects within the area and specially  
13 benefited by a parking and business improvement area to pay in whole or  
14 in part the damages or costs incurred therein as provided in this  
15 chapter.

16 (3) To enter into agreements with a legislative authority to  
17 administer community revitalization projects within an apportionment  
18 district established under sections 1 through 11 of this act.

19 **Sec. 14.** RCW 82.14.050 and 1999 c 165 s 14 are each amended to  
20 read as follows:

21 The counties, cities, and transportation authorities under RCW  
22 82.14.045 and public facilities districts under chapter 36.100 and  
23 35.57 RCW shall contract, prior to the effective date of a resolution  
24 or ordinance imposing a sales and use tax, the administration and  
25 collection to the state department of revenue, which shall deduct a  
26 percentage amount, as provided by contract, not to exceed two percent  
27 of the taxes collected for administration and collection expenses  
28 incurred by the department. Except as provided in section 6 of this  
29 act, the remainder of any portion of any tax authorized by this chapter  
30 which is collected by the department of revenue shall be deposited by  
31 the state department of revenue in the local sales and use tax account  
32 hereby created in the state treasury. Moneys in the local sales and  
33 use tax account may be spent only for distribution to counties, cities,  
34 transportation authorities, and public facilities districts imposing a  
35 sales and use tax. All administrative provisions in chapters 82.03,  
36 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be  
37 amended, shall, insofar as they are applicable to state sales and use  
38 taxes, be applicable to taxes imposed pursuant to this chapter. Except

1 as provided in RCW 43.08.190, all earnings of investments of balances  
2 in the local sales and use tax account shall be credited to the local  
3 sales and use tax account and distributed to the counties, cities,  
4 transportation authorities, and public facilities districts monthly.

5 **Sec. 15.** RCW 35.80.030 and 1989 c 133 s 3 are each amended to read  
6 as follows:

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

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

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

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

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

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

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

36 (e) That the determination of whether a dwelling, building,  
37 structure, or premises should be repaired or demolished, shall be based  
38 on specific stated standards on (i) the degree of structural  
39 deterioration of the dwelling, building, structure, or premises, or

1 (ii) the relationship that the estimated cost of repair bears to the  
2 value of the dwelling, building, structure, or premises, with the  
3 method of determining this value to be specified in the ordinance.

4 (f) That if, after the required hearing, the board or officer  
5 determines that the dwelling is unfit for human habitation, or building  
6 or structure or premises is unfit for other use, it shall state in  
7 writing its findings of fact in support of such determination, and  
8 shall issue and cause to be served upon the owner or party in interest  
9 thereof, as is provided in (~~(subdivision (1))~~)(c) of this subsection,

10 and shall post in a conspicuous place on said property, an order which  
11 (i) requires the owner or party in interest, within the time specified  
12 in the order, to repair, alter, or improve such dwelling, building,  
13 structure, or premises to render it fit for human habitation, or for  
14 other use, or to vacate and close the dwelling, building, structure, or  
15 premises, if such course of action is deemed proper on the basis of the  
16 standards set forth as required in (~~(subdivision (1))~~)(e) of this  
17 subsection; or (ii) requires the owner or party in interest, within the  
18 time specified in the order, to remove or demolish such dwelling,  
19 building, structure, or premises, if this course of action is deemed  
20 proper on the basis of said standards. If no appeal is filed, a copy  
21 of such order shall be filed with the auditor of the county in which  
22 the dwelling, building, structure, or premises is located.

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

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

37 The findings and orders of the appeals commission shall be reported  
38 in the same manner and shall bear the same legal consequences as if  
39 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 equal rank with state, county, and municipal taxes and  
33 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. 16.** 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 to: (a) Repair, alter, or improve a substandard building,  
18 structure, or premises; or (b) 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 a  
22 community revitalization project, the municipality may acquire property  
23 adjacent to the substandard building, as necessary to provide for the  
24 implementation of the approved community revitalization project, upon  
25 a finding by resolution of the local governing body that the  
26 acquisition is necessary in order to cure the problems associated with  
27 the substandard building or buildings, and that redevelopment of the  
28 site 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 provide for:

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

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

12 (iii) Repayment by the owner of the costs incurred by the  
13 municipality under the project agreement which repayment may be made in  
14 installments with interest on the unpaid portion as fixed by the local  
15 legislative body or paid in such other manner as may be provided in the  
16 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. 17.**    Sections 1 through 11 of this act  
2 constitute a new chapter in Title 82 RCW.

3        NEW SECTION.    **Sec. 18.**    Part headings as used in this act do not  
4 constitute any part of the law.

5        NEW SECTION.    **Sec. 19.**    If any provision of this act or its  
6 application to any person or circumstance is held invalid, the  
7 remainder of the act or the application of the provision to other  
8 persons or circumstances is not affected.

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