
SUBSTITUTE HOUSE BILL 1581

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Finance (originally sponsored by Representatives Gombosky, Wood, Ahern and Sullivan)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to parking and business improvement areas; and
2 amending RCW 35.87A.010, 35.87A.020, 35.87A.030, 35.87A.040,
3 35.87A.050, 35.87A.080, 35.87A.090, 35.87A.110, 35.87A.130, 35.87A.140,
4 and 35.87A.180.

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

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

8 To aid general economic development and neighborhood
9 revitalization, and to facilitate the cooperation of merchants,
10 businesses, and residential property owners which assists trade,
11 economic viability, and liveability, the legislature hereby authorizes
12 all counties and all incorporated cities and towns, including
13 unclassified cities and towns operating under special charters:

14 (1) To establish, after a petition submitted by the operators
15 responsible for sixty percent of the assessments by businesses and
16 multifamily residential or mixed-use projects within the area, parking
17 and business improvement areas(~~(, hereafter referred to as area or~~
18 ~~areas,~~)) 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 and
9 tourism activities in the area; (~~(e)~~)

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 levy an additional special assessment on the sale of or
17 charge made for the furnishing of lodging that is subject to tax under
18 chapter 82.08 RCW for the purpose of funding convention and tourism
19 promotion. This additional special assessment amount shall be a fixed
20 amount not to exceed two dollars on the sale of or charge made for the
21 furnishing of lodging.

22 **Sec. 2.** RCW 35.87A.020 and 1993 c 429 s 2 are each amended to read
23 as follows:

24 Unless the context clearly requires otherwise, the definitions in
25 this section apply throughout this chapter.

26 (1) "Area" means a parking and business improvement area.

27 (2) "Business" means all types of business, including professions.

28 (~~(2)~~) (3) "Convention and tourism promotion" means (a) activities
29 and expenditures designed to increase tourism, including but not
30 limited to advertising, publicizing, or otherwise distributing
31 information for the purpose of attracting and welcoming tourists;
32 developing strategies to expand tourism; operating tourism promotion
33 agencies; and funding marketing of special events and festivals
34 designed to attract tourists; and (b) the activities under (a) of this
35 subsection are located in a county with a population greater than four
36 hundred thousand, but less than one million.

1 (4) "Legislative authority" means the legislative authority of any
2 city or town, including unclassified cities or towns operating under
3 special charters, or the legislative authority of any county.

4 (~~(3)~~) (5) "Multifamily residential or mixed-use project" means
5 any building or buildings containing four or more residential units or
6 a combination of residential and commercial units, whether title to the
7 entire property is held in single or undivided ownership or title to
8 individual units is held by owners who also, directly or indirectly
9 through an association, own real property in common with the other unit
10 owners.

11 (~~(4)~~) (6) "Residential operator" means the owner or operator of
12 a multifamily residential or mixed-use project if title is held in
13 single or undivided ownership, or, if title is held in a form of common
14 interest ownership, the association of unit owners, condominium
15 association, homeowners' association, property owners' association, or
16 residential cooperative corporation.

17 **Sec. 3.** RCW 35.87A.030 and 1993 c 429 s 3 are each amended to read
18 as follows:

19 For the purpose of establishing a parking and business improvement
20 area, an initiation petition may be presented to the legislative
21 authority having jurisdiction of the area in which the proposed parking
22 and business improvement area is to be located (~~(or the legislative~~
23 ~~authority may by resolution initiate a parking and business improvement~~
24 ~~area))~~). The initiation petition (~~(or resolution)~~) shall contain the
25 following:

26 (1) A description of the boundaries of the proposed area;

27 (2) The proposed uses and projects to which the proposed special
28 assessment revenues shall be put and the total estimated cost thereof;

29 (3) The estimated rate of levy of special assessment under RCW
30 35.87A.010(2) with a proposed breakdown by class of business and
31 multifamily residential or mixed-use project if such classification is
32 to be used(~~(. The initiating petition shall also contain))~~;

33 (4) The estimated levy rate of special assessments under RCW
34 35.87A.010(3) with a proposed graduated assessment rate based on
35 location and the revenue that lodging businesses will receive from the
36 convention and tourism promotion; and

1 (5) The signatures of the persons who operate businesses and
2 residential operators in the proposed area which would pay fifty
3 percent of the proposed special assessments.

4 This section shall not be construed as prohibiting the legislative
5 authority from initiating the formation of an area by adopting a
6 resolution of intention to do so pursuant to RCW 35.87A.040.

7 **Sec. 4.** RCW 35.87A.040 and 1971 ex.s. c 45 s 4 are each amended to
8 read as follows:

9 The legislative authority shall, after receiving a valid initiation
10 petition (~~((or after passage of an initiation resolution, shall))~~), or
11 may, upon its own motion, adopt a resolution of intention to establish
12 an area. The resolution shall state:

13 (1) The time and place of a hearing to be held by the legislative
14 authority to consider establishment of an area and ((shall restate all
15 the information contained in the initiation petition or initiation
16 resolution regarding boundaries, projects and uses, and estimated rates
17 of assessment)) the rate or rates of levy of special assessments within
18 the proposed area;

19 (2) A description of boundaries of the proposed area;

20 (3) The proposed uses and projects to which the proposed special
21 assessment revenues shall be dedicated and the total estimated cost;
22 and

23 (4) The estimated rate or rates of levy of special assessment with
24 a proposed breakdown by class of business and multifamily residential
25 or mixed-use project if such classification is to be used.

26 **Sec. 5.** RCW 35.87A.050 and 1993 c 429 s 4 are each amended to read
27 as follows:

28 Notice of a hearing held under the provisions of this chapter shall
29 be given by:

30 (1) One publication of the resolution of intention in a newspaper
31 of general circulation in the city; and

32 (2) Mailing a complete copy of the resolution of intention to each
33 business and multifamily residential or mixed-use project or lodging
34 businesses in the proposed, or established, area. Publication and
35 mailing shall be completed at least ten days prior to the time of the
36 hearing.

1 **Sec. 6.** RCW 35.87A.080 and 1993 c 429 s 6 are each amended to read
2 as follows:

3 (1) For purposes of the special assessments to be imposed
4 (~~pursuant to this chapter~~) under RCW 35.87A.010(2), the legislative
5 authority may make a reasonable classification of businesses and
6 multifamily residential or mixed-use projects, giving consideration to
7 various factors such as business and occupation taxes imposed, square
8 footage of the business, number of employees, gross sales, or any other
9 reasonable factor relating to the benefit received, including the
10 degree of benefit received from parking. Whenever it is proposed that
11 a parking and business improvement area provide more than one of the
12 purposes listed in RCW 35.87A.010, special assessments may be imposed
13 in a manner that measures benefit from each of the separate purposes,
14 or any combination of the separate purposes.

15 (2) For the purposes of the additional special assessment under RCW
16 35.87A.010(3), the assessment amount charged for the furnishing of
17 lodging by businesses shall reflect the location and the revenue that
18 the lodging business will receive from the convention and tourism
19 promotion.

20 (3) Special assessments shall be imposed and collected annually, or
21 on another basis specified in the ordinance establishing the parking
22 and business improvement area.

23 **Sec. 7.** RCW 35.87A.090 and 1993 c 429 s 7 are each amended to read
24 as follows:

25 (1) The special assessments need not be imposed on different
26 classes of business and multifamily residential or mixed-use projects,
27 as determined pursuant to RCW 35.87A.080(1), on the same basis or the
28 same rate. The special assessments imposed for the purpose of the
29 acquisition, construction or maintenance of parking facilities for the
30 benefit of the area shall be imposed on the basis of benefit determined
31 by the legislative authority after giving consideration to the total
32 cost to be recovered from the businesses and multifamily residential or
33 mixed-use projects upon which the special assessment is to be imposed,
34 the total area within the boundaries of the parking and business
35 improvement area, the assessed value of the land and improvements
36 within the area, the total business volume generated within the area

1 and within each business, and such other factors as the legislative
2 authority may find and determine to be a reasonable measure of such
3 benefit.

4 (2) The special assessments on lodging businesses under RCW
5 35.87A.010(3) must reflect the location and the revenue that the
6 lodging business will derive from the convention and tourism promotion,
7 as well as factors such as increased business volume or other factors
8 the legislative authority determines to be a reasonable measure of the
9 benefit received.

10 **Sec. 8.** RCW 35.87A.110 and 1971 ex.s. c 45 s 11 are each amended
11 to read as follows:

12 Subject to the provisions of this chapter, the legislative
13 authority of each city or town or county shall have sole discretion as
14 to how the revenue derived from the special assessments is to be used
15 (~~within the scope of the purposes~~); however, the legislative
16 authority may appoint existing advisory boards or commissions to make
17 recommendations as to its use, or the legislative authority may create
18 a new advisory board or commission for the purpose.

19 The legislative authority may contract with a chamber of commerce
20 or other similar business association operating primarily within the
21 boundaries of the legislative authority to administer the operation of
22 a parking and business improvement area, including any funds derived
23 pursuant thereto: PROVIDED, That such administration must comply with
24 all applicable provisions of law including this chapter, with all
25 county, city, or town resolutions and ordinances, and with all
26 regulations lawfully imposed by the state auditor or other state
27 agencies.

28 **Sec. 9.** RCW 35.87A.130 and 1971 ex.s. c 45 s 13 are each amended
29 to read as follows:

30 Collections of assessments imposed pursuant to this chapter shall
31 be made at the same time and in the same manner as otherwise prescribed
32 by Title 35 RCW or in such other manner as the legislative authority
33 shall determine. The special assessment under RCW 35.87A.010(3) shall
34 be collected at the same time and in a similar manner as sales and use
35 taxes are collected under chapter 82.14 RCW. The department of revenue

1 shall administer the collection of this special assessment at no cost
2 to the city, town, or county.

3 **Sec. 10.** RCW 35.87A.140 and 1993 c 429 s 9 are each amended to
4 read as follows:

5 Changes may be made in the rate or additional rate of special
6 assessment as specified in the ordinance establishing the area, by
7 ordinance adopted after a hearing before the legislative authority.

8 The legislative authority shall adopt a resolution of intention to
9 change the rate or additional rate of special assessment at least
10 fifteen days prior to the hearing required by this section. This
11 resolution shall specify the proposed change and shall give the time
12 and place of the hearing. Proceedings to change the rate or impose an
13 additional rate of special assessments shall terminate if protest is
14 made by businesses or multifamily residential or mixed-use projects or
15 lodging businesses in the proposed area which would pay a majority of
16 the proposed increase or additional special assessments.

17 **Sec. 11.** RCW 35.87A.180 and 1971 ex.s. c 45 s 18 are each amended
18 to read as follows:

19 The legislative authority may disestablish an area by ordinance
20 after a hearing before the legislative authority. The legislative
21 authority shall adopt a resolution of intention to disestablish the
22 area at least fifteen days prior to the hearing required by this
23 section. The resolution shall give the time and place of the hearing.
24 Notwithstanding the foregoing, no area shall be disestablished prior to
25 the time the businesses have received special benefits for which
26 special assessments have been collected pursuant to RCW 35.87A.130.

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