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**SUBSTITUTE SENATE BILL 6026**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senator West)

READ FIRST TIME 03/10/03.

1       AN ACT Relating to authorizing special assessments to fund  
2 convention and tourism promotion; and amending RCW 35.87A.010,  
3 35.87A.020, 35.87A.030, 35.87A.050, 35.87A.080, 35.87A.090, 35.87A.110,  
4 35.87A.130, and 35.87A.140.

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 areas,  
18 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; ((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 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 per room per night on the sale of or  
21 charge made for the 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) "Business" means all types of business, including professions.

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

36 (3) "Legislative authority" means the legislative authority of any

1 city or town, including unclassified cities or towns operating under  
2 special charters, or the legislative authority of any county.

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

10 ~~((4))~~ (5) "Residential operator" means the owner or operator of  
11 a multifamily residential or mixed-use project if title is held in  
12 single or undivided ownership, or, if title is held in a form of common  
13 interest ownership, the association of unit owners, condominium  
14 association, homeowners' association, property owners' association, or  
15 residential cooperative corporation.

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

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

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

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

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

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

36 The initiating petition shall also contain the signatures of the

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

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

6 Notice of a hearing held under the provisions of this chapter shall  
7 be given by:

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

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

15 **Sec. 5.** RCW 35.87A.080 and 1993 c 429 s 6 are each amended to read  
16 as follows:

17 (1) For purposes of the special assessments to be imposed  
18 (~~(pursuant to this chapter)~~) under RCW 35.87A.010(2), the legislative  
19 authority may make a reasonable classification of businesses and  
20 multifamily residential or mixed-use projects, giving consideration to  
21 various factors such as business and occupation taxes imposed, square  
22 footage of the business, number of employees, gross sales, or any other  
23 reasonable factor relating to the benefit received, including the  
24 degree of benefit received from parking. Whenever it is proposed that  
25 a parking and business improvement area provide more than one of the  
26 purposes listed in RCW 35.87A.010, special assessments may be imposed  
27 in a manner that measures benefit from each of the separate purposes,  
28 or any combination of the separate purposes.

29 (2) For the purposes of the additional special assessment under RCW  
30 35.87A.010(3), the assessment amount charged for the furnishing of  
31 lodging by businesses shall reflect the location and the revenue that  
32 the lodging business will receive from the convention and tourism  
33 promotion.

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

1       **Sec. 6.** RCW 35.87A.090 and 1993 c 429 s 7 are each amended to read  
2 as follows:

3       (1) The special assessments need not be imposed on different  
4 classes of business and multifamily residential or mixed-use projects,  
5 as determined pursuant to RCW 35.87A.080(1), on the same basis or the  
6 same rate. The special assessments imposed for the purpose of the  
7 acquisition, construction or maintenance of parking facilities for the  
8 benefit of the area shall be imposed on the basis of benefit determined  
9 by the legislative authority after giving consideration to the total  
10 cost to be recovered from the businesses and multifamily residential or  
11 mixed-use projects upon which the special assessment is to be imposed,  
12 the total area within the boundaries of the parking and business  
13 improvement area, the assessed value of the land and improvements  
14 within the area, the total business volume generated within the area  
15 and within each business, and such other factors as the legislative  
16 authority may find and determine to be a reasonable measure of such  
17 benefit.

18       (2) The special assessments on lodging businesses under RCW  
19 35.87A.010(3) must reflect the location and the revenue that the  
20 lodging business will derive from the convention and tourism promotion,  
21 as well as factors such as increased business volume or other factors  
22 the legislative authority determines to be a reasonable measure of the  
23 benefit received.

24       **Sec. 7.** RCW 35.87A.110 and 1971 ex.s. c 45 s 11 are each amended  
25 to read as follows:

26       Subject to the provisions of this chapter, the legislative  
27 authority of each city or town or county shall have sole discretion as  
28 to how the revenue derived from the special assessments is to be used  
29 ~~((within the scope of the purposes))~~; however, the legislative  
30 authority may appoint existing advisory boards or commissions to make  
31 recommendations as to its use, or the legislative authority may create  
32 a new advisory board or commission for the purpose.

33       The legislative authority may contract with a chamber of commerce  
34 or other similar business association operating primarily within the  
35 boundaries of the legislative authority to administer the operation of  
36 a parking and business improvement area, including any funds derived  
37 pursuant thereto: PROVIDED, That such administration must comply with

1 all applicable provisions of law including this chapter, with all  
2 county, city, or town resolutions and ordinances, and with all  
3 regulations lawfully imposed by the state auditor or other state  
4 agencies.

5 **Sec. 8.** RCW 35.87A.130 and 1971 ex.s. c 45 s 13 are each amended  
6 to read as follows:

7 Collections of assessments imposed pursuant to this chapter shall  
8 be made at the same time and in the same manner as otherwise prescribed  
9 by Title 35 RCW or in such other manner as the legislative authority  
10 shall determine. The special assessment under RCW 35.87A.010(3) shall  
11 be collected at the same time and in a similar manner as sales and use  
12 taxes are collected under chapter 82.14 RCW. The department of revenue  
13 shall administer the collection of this special assessment at no cost  
14 to the city, town, or county.

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

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

20 The legislative authority shall adopt a resolution of intention to  
21 change the rate or additional rate of special assessment at least  
22 fifteen days prior to the hearing required by this section. This  
23 resolution shall specify the proposed change and shall give the time  
24 and place of the hearing. Proceedings to change the rate or impose an  
25 additional rate of special assessments shall terminate if protest is  
26 made by businesses or multifamily residential or mixed-use projects or  
27 lodging businesses in the proposed area which would pay a majority of  
28 the proposed increase or additional special assessments.

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