

2SHB 2673 - H AMD TO H AMD (H5219.1/06) **932**

By Representative Orcutt

ADOPTED 2/14/2006

1 On page 1 of the amendment, line 26, strike all of subsection
2 (5) and insert the following:

3 "(5) "Board" means the community economic revitalization board
4 under chapter 43.160 RCW."

5 On page 6 of the amendment, line 16, after "the" strike
6 "department" and insert "board"

7 On page 6 of the amendment, line 27, after "by the" strike
8 "department" and insert "board"

9 On page 8 of the amendment, line 7, after "the" strike
10 "department" and insert "board"

11 On page 8 of the amendment, line 17, strike the remainder of
12 the section and insert the following:

13 (2) As a condition to imposing a sales and use tax under
14 section 301 of this act, a city, town, or county must apply to the
15 board at least one hundred fifty days before the effective date of
16 any such tax. The application shall be in a form and manner
17 prescribed by the board and shall include but is not limited to
18 information establishing that the applicant is eligible to impose
19 such a tax, the anticipated effective date for imposing the tax,
20 the estimated number of years that the tax will be imposed, and the
21 estimated amount of tax revenue to be received in each fiscal year
22 that the tax will be imposed. For purposes of this section, "fiscal
23 year" means the year beginning July 1st and ending the following
24 June 30th. The board shall make available forms to be used for this
25 purpose. As part of the application, a city, town, or county must

1 provide to the board a copy of the ordinance creating the revenue
2 development area as required in section 206 of this act. The board
3 shall rule on completed applications within sixty days of receipt.
4 The board may begin accepting and approving applications August 1,
5 2006. No new applications shall be considered by the board after
6 the thirtieth day of September of the third year following the year
7 in which the first application was received by the board.

8 (3) The board shall establish a competitive process to
9 prioritize applications and shall approve any tax that may be
10 imposed under section 401 of this act. The board shall consult with
11 the department of revenue in approving a proposed tax.

12 (4) The board shall apply the following criteria for evaluation
13 and ranking of applications:

14 (a) The relative benefits provided to the community by the
15 proposed economic or community development, including employment;

16 (b) The present level of economic activity in the community and
17 the existing local financial capacity to increase economic activity
18 in the community;

19 (c) The rate of return of the state's investment, that includes
20 the expected increase in state and local tax revenues associated
21 with the project;

22 (d) The lack of another timely source of funding available to
23 finance the project which would likely prevent the proposed
24 community or economic development, absent the financing available
25 under this act;

26 (e) The ability of the project to improve the viability of
27 existing business entities in the project area;

28 (f) Whether or not the project is a partnership of multiple
29 jurisdictions;

30 (g) Demonstration that the requested assistance will directly
31 stimulate community and economic development by facilitating the
32 creation of new jobs or the retention of existing jobs; and

33 (h) The availability of existing assets that applicants may
34 apply to projects.

35 (5)(a) A proposed tax may not be approved unless the applicant
36 has entered into or expects to enter into a contract with a private

1 developer relating to private investment that will result in the
2 creation or retention of jobs upon completion of the project; and

3 (b) A proposed tax may not be approved if the expected
4 development will result in the relocation of jobs from another part
5 of the state into the revenue development area, as defined in
6 section 102 of this act.

7 (6) As a part of the approval of applications under this
8 section, the board shall approve the project award, the amount of
9 tax under section 401 of this act, that an applicant may impose.
10 The board shall consult with the department of revenue in
11 determining the amount. The amount of tax approved by the board
12 shall not exceed the lesser of one million dollars or the average
13 amount of tax revenue that the applicant estimates that it will
14 receive in all fiscal years through the imposition of a sales and
15 use tax under section 401 of this act. A city, town, or county
16 shall not receive, in any fiscal year, more revenues from taxes
17 imposed under section 401 of this act than the amount approved by
18 the board. The board shall not approve the receipt of more credit
19 against the state sales and use tax than is authorized under
20 subsection (7) of this section.

21 (7) No more than five million dollars of credit against the
22 state sales and use tax may be received by all cities, towns, and
23 counties in any fiscal year.

24 (8) The credit against the state sales and use tax shall be
25 available to any city, town, or county imposing a tax under section
26 401 of this act only as long as the city, town, or county has
27 outstanding indebtedness under section 501 of this act."

28 Correct internal references accordingly

29 On page 13 of the amendment, line 9, after "located," insert
30 "the board,"

31 On page 14 of the amendment, line 7, after "located," insert
32 "the board,"

1 On page 14 of the amendment, line 22, strike all of subsection
2 (2) and insert the following:

3 "(2) A sponsoring local government shall provide the board and
4 the department accurate information describing the geographical
5 boundaries of the revenue development area at the time of
6 application. The information shall be provided in an electronic
7 format or manner as prescribed by the department. The sponsoring
8 local government shall ensure that the boundary information
9 provided to the board and the department is kept current. "

10 On p. 16 of the amendment, line 23, after "the" strike
11 "department" and insert "board"

12 On p. 17 of the amendment, line 10, after "the" strike
13 "department" and insert "board"

14 On p. 18 of the amendment, line 30, strike all of subsection
15 (8) and insert the following:

16 "(8) Each year, the amount of taxes approved by the board for
17 distribution to a sponsoring local government in the next fiscal
18 year shall be the lesser of the amount of the project award in the
19 approval notice described in section 202 of this act or the amount
20 equal to the state contribution. The board shall consider
21 information from reports described in section 403 of this act when
22 determining the amount of state contributions for each fiscal year.
23 A sponsoring local government shall not receive, in any fiscal
24 year, more revenues from taxes imposed under the authority of this
25 section than the amount approved annually by the board. The board
26 shall not approve the receipt of more distributions of sales and
27 use tax under this section to a sponsoring local government than is
28 authorized under subsection (3) of this section. "

29 On p. 19 of the amendment, line 11, after "(10)" insert "(a)
30 For the purposes of this section, "Board" means the community
31 economic revitalization board under chapter 43.160 RCW.

32 (b) "

1 On p. 19 of the amendment, line 18, after "the" strike
2 "department" and insert "board"

3 On p. 20 of the amendment, line 6, after "The" strike
4 "department" and insert "board"

5 On p. 20 of the amendment, line 10, after "to the" strike
6 "department" and insert "board"

EFFECT: Removes the demonstration projects and makes
eligibility to impose new state-shared tax contingent upon
approval by CERB.