

1 (d) Business owners in these districts need to maintain their local
2 economies in order to provide goods and services to adjacent residents,
3 to provide employment opportunities, to avoid disinvestment and
4 economic dislocations, and to develop and sustain downtown and
5 neighborhood commercial district revitalization programs to address
6 these problems.

7 (2) It is the intent of the legislature to establish a program to:

8 (a) Work in partnership with these organizations;

9 (b) Provide technical assistance and training to local governments,
10 business organizations, downtown and neighborhood commercial district
11 organizations, and business and property owners to accomplish community
12 and economic revitalization and development of business districts; and

13 (c) Certify a downtown or neighborhood commercial district
14 organization's use of available tax incentives.

15 **PART II--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
16 **REVITALIZATION INCENTIVES**

17 NEW SECTION. **Sec. 201.** Unless the context clearly requires
18 otherwise, the definitions in this section apply throughout this
19 chapter.

20 (1) "Applicant" means a person applying for a tax credit under this
21 chapter.

22 (2) "Contribution" means cash contributions.

23 (3) "Department" means the department of revenue.

24 (4) "Person" has the meaning given in RCW 82.04.030.

25 (5) "Program" means a downtown or neighborhood commercial district
26 revitalization program. For the purposes of this section, "downtown or
27 neighborhood commercial district revitalization program" means a
28 nonprofit organization under internal revenue code sections 501(c)(3)
29 or 501(c)(6), with the sole mission of revitalizing a downtown or
30 neighborhood commercial district area, that is designated by the
31 department of community, trade, and economic development as described
32 in sections 301 through 305 of this act.

33 (6) "Main street trust fund" means the department of community,
34 trade, and economic development's main street trust fund account under
35 section 305 of this act.

1 NEW SECTION. **Sec. 202.** (1) Application for tax credits under this
2 chapter must be made to the department before making a contribution to
3 a program or the main street trust fund. The application shall be made
4 to the department in a form and manner prescribed by the department.
5 The application shall contain information regarding the proposed amount
6 of contribution to a program or the main street trust fund, and other
7 information required by the department to determine eligibility under
8 this act. The department shall rule on the application within forty-
9 five days. Applications shall be approved on a first-come basis.

10 (2) The person must make the contribution described in the approved
11 application by the end of the calendar year in which the application is
12 approved to claim a credit allowed under section 203 of this act.

13 (3) The department shall not accept any applications before
14 September 1, 2005.

15 NEW SECTION. **Sec. 203.** (1) Subject to the limitations in this
16 chapter, a credit is allowed against the tax imposed by chapters 82.04
17 and 82.16 RCW for approved contributions that are made by a person to
18 a program or the main street trust fund.

19 (2) The credit allowed under this section is equal to:

20 (a) Seventy-five percent of the approved contribution made by a
21 person to a program; and

22 (b) Fifty percent of the approved contribution made by a person to
23 the main street trust fund.

24 (3) The department shall keep a running total of all credits
25 approved under this chapter for each calendar year. The department
26 shall not approve any credits under this section that would cause the
27 total amount of approved credits statewide to exceed two million
28 dollars in any calendar year.

29 (4) The total credits allowed under this chapter for contributions
30 made to each program cannot exceed one hundred thousand dollars in a
31 calendar year. The total credits allowed under this chapter for a
32 person cannot exceed two hundred fifty thousand dollars in a calendar
33 year.

34 (5) The credit may be claimed against any tax due under chapters
35 82.04 and 82.16 RCW in the calendar year following the calendar year in
36 which the credit was approved by the department and the contribution

1 was made to the program or the main street trust fund. Credits cannot
2 be carried over to subsequent years. No refunds may be granted for
3 credits under this chapter.

4 (6) A person may claim all or part of its approved credit against
5 taxes due under chapters 82.04 and 82.16 RCW, except that a person
6 cannot claim the same credit against taxes due under chapters 82.04 and
7 82.16 RCW. For purposes of this subsection, "same credit" means credit
8 for the same contribution.

9 (7) The total amount of credit claimed in any calendar year by a
10 person cannot exceed the lesser of the amount of the approved credit,
11 or seventy-five percent of the amount of the contribution that is made
12 by the person to a program and fifty percent of the amount of the
13 contribution that is made by the person to the main street trust fund,
14 in the prior calendar year.

15 NEW SECTION. **Sec. 204.** To claim credit under this chapter, a
16 person must electronically file with the department all returns, forms,
17 and other information the department requires in an electronic format
18 as provided or approved by the department. Any return, form, or
19 information required to be filed in an electronic format under this
20 section is not filed until received by the department in an electronic
21 format. As used in this subsection, "returns" has the same meaning as
22 "return" in RCW 82.32.050.

23 NEW SECTION. **Sec. 205.** The department of community, trade, and
24 economic development shall provide information to the department to
25 administer this chapter, including a list of designated programs that
26 shall be updated as necessary.

27 NEW SECTION. **Sec. 206.** Chapter 82.32 RCW applies to the
28 administration of this chapter.

29 **PART III--DOWNTOWN AND NEIGHBORHOOD COMMERCIAL DISTRICT**
30 **REVITALIZATION PROGRAM**

31 NEW SECTION. **Sec. 301.** The definitions in this section apply
32 throughout this chapter unless the context clearly requires otherwise.

1 (1) "Area" means a geographic area within a local government that
2 is described by a closed perimeter boundary.

3 (2) "Department" means the department of community, trade, and
4 economic development.

5 (3) "Director" means the director of the department of community,
6 trade, and economic development.

7 (4) "Local government" means a city, code city, or town.

8 (5) "Qualified levels of participation" means a local downtown or
9 neighborhood commercial district revitalization program that has been
10 designated by the department.

11 NEW SECTION. **Sec. 302.** The Washington main street program is
12 created within the department. In order to implement the Washington
13 main street program, the department shall:

14 (1) Provide technical assistance to businesses, property owners,
15 organizations, and local governments undertaking a comprehensive
16 downtown or neighborhood commercial district revitalization initiative
17 and management strategy. Technical assistance may include, but is not
18 limited to, initial site evaluations and assessments, training for
19 local programs, training for local program staff, site visits and
20 assessments by technical specialists, local program design assistance
21 and evaluation, and continued local program on-site assistance;

22 (2) To the extent funds are made available, provide financial
23 assistance to local governments or local organizations to assist in
24 initial downtown or neighborhood commercial district revitalization
25 program start-up costs, specialized training, specific project
26 feasibility studies, market studies, and design assistance;

27 (3) Develop objective criteria for selecting recipients of
28 assistance under subsections (1) and (2) of this section and provide
29 for designation of local programs under section 303 of this act;

30 (4) Operate the Washington main street program in accordance with
31 the plan developed by the department, in consultation with the
32 Washington main street advisory committee created under section 304 of
33 this act; and

34 (5) Consider other factors the department deems necessary for the
35 implementation of this chapter.

1 NEW SECTION. **Sec. 303.** (1) The department shall adopt criteria
2 for the designation of local downtown or neighborhood commercial
3 district revitalization programs and official local main street
4 programs. In establishing the criteria, the department shall consider:

5 (a) The degree of interest and commitment to comprehensive downtown
6 or neighborhood commercial district revitalization and, where
7 applicable, historic preservation by both the public and private
8 sectors;

9 (b) The evidence of potential private sector investment in the
10 downtown or neighborhood commercial district;

11 (c) Where applicable, a downtown or neighborhood commercial
12 district with sufficient historic fabric to become a foundation for an
13 enhanced community image;

14 (d) The capacity of the organization to undertake a comprehensive
15 program and the financial commitment to implement a long-term downtown
16 or neighborhood commercial district revitalization program that
17 includes a commitment to employ a professional program manager and
18 maintain a sufficient operating budget;

19 (e) The department's existing downtown revitalization program's
20 tier system;

21 (f) The national main street center's criteria for designating
22 official main street cities; and

23 (g) Other factors the department deems necessary for the
24 designation of a local program.

25 (2) The department shall designate local downtown or neighborhood
26 commercial district revitalization programs and official local main
27 street programs. The programs shall be limited to three categories of
28 designation, one of which shall be the main street level.

29 (3) Sections 201 through 206 of this act do not apply to any local
30 downtown or neighborhood commercial district revitalization program
31 unless the boundaries of the program have been identified and approved
32 by the department. The boundaries of a local downtown or neighborhood
33 commercial district revitalization program are typically defined using
34 the pedestrian core of a traditional commercial district.

35 NEW SECTION. **Sec. 304.** (1) The Washington main street advisory
36 committee is created within the department. The members of the
37 advisory committee are appointed by the director and consist of:

1 (a) The director, or the director's designee, who shall serve as
2 chair;

3 (b) Two representatives from local governments;

4 (c) Five representatives from existing local main street programs
5 or downtown and neighborhood commercial district programs including a
6 combination of staff, property owners, and business owners; and

7 (d) One representative from the Washington trust for historic
8 preservation.

9 (2) The department shall develop a plan for the Washington main
10 street program, in consultation with the Washington main street
11 advisory committee. The plan must describe:

12 (a) The objectives and strategies of the Washington main street
13 program;

14 (b) How the Washington main street program will be coordinated with
15 existing federal, state, local, and private sector business development
16 and historic preservation efforts;

17 (c) The means by which private investment will be solicited and
18 employed;

19 (d) The methods of selecting and providing assistance to
20 participating local programs; and

21 (e) A means to solicit private contributions for state and local
22 operations of the Washington main street program.

23 NEW SECTION. **Sec. 305.** The Washington main street trust fund
24 account is created in the state treasury. All receipts from private
25 contributions, federal funds, legislative appropriations, and fees for
26 services, if levied, must be deposited into the account. Expenditures
27 from the account may be used only for the operation of the Washington
28 main street program.

29 **PART IV--TECHNICAL PROVISIONS**

30 NEW SECTION. **Sec. 401.** Sections 101 and 301 through 305 of this
31 act constitute a new chapter in Title 43 RCW.

32 NEW SECTION. **Sec. 402.** Sections 201 through 206 of this act
33 constitute a new chapter in Title 82 RCW.

1 NEW SECTION. **Sec. 403.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 404.** Part headings used in this act are not
6 part of the law.

7 NEW SECTION. **Sec. 405.** This act may be known and cited as the
8 Washington main street act.

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