

**HB 2673-S - DIGEST**

(SUBSTITUTED FOR - SEE 2ND SUB)

Recognizes that the state as a whole benefits from investment in public infrastructure because it promotes community and economic development. Public investment stimulates business activity and helps create jobs; stimulates the redevelopment of brownfields and blighted areas in the inner city; lowers the cost of housing; and promotes efficient land use.

Finds that these activities generate revenue for the state and that it is in the public interest to invest in these projects through a credit against the state sales and use tax and an allocation of property tax revenue to those local governments that can demonstrate the expected returns to the state.

Requires a local government to provide a report to the department by March 1st of each year. The report shall contain the following information: (1) The amount of tax allocation revenues, taxes under section 401 of this act, and local infrastructure financing received by the local government during the preceding calendar year, and a summary of how these revenues were expended;

(2) The names of any businesses locating within the revenue development area as a result of the public improvements undertaken by the local government and financed in whole or in part with local infrastructure financing;

(3) The total number of permanent jobs created as a result of the public improvements undertaken by the local government and financed in whole or in part with local infrastructure financing;

(4) The average wages and benefits received by all employees of businesses locating within the revenue development area as a result of the public improvements undertaken by the local government and financed in whole or in part with local infrastructure financing; and

(5) That the local government is in compliance with section 203 of this act.

Directs the department to make a report available to the public and the legislature by June 1st of each year. The report shall include a list of public improvements undertaken by local governments and financed in whole or in part with local infrastructure financing, and it shall also include a summary of the information provided to the department by local governments under this act.

Provides that, beginning September 1, 2013, and continuing every five years thereafter, the joint legislative audit and review committee shall submit a report to the appropriate committees of the legislature. The report shall,

at a minimum, evaluate the effectiveness of the local infrastructure financing tool program, including a project by project review. The report that is due September 1, 2028, should also include any recommendations regarding whether or not the program should be expanded statewide and what impact the expansion would have on economic development in Washington.