

SB 5512 - H COMM AMD  
By Committee on Finance

ADOPTED 04/04/2007

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that local  
4 governments need flexible financing for public improvements that do not  
5 increase the combined state and local sales tax rate.

6 **Sec. 2.** RCW 39.100.010 and 2006 c 111 s 1 are each amended to read  
7 as follows:

8 The definitions in this section apply throughout this chapter  
9 unless the context clearly requires otherwise.

10 (1) "Benefit zone" means the geographic zone from which taxes are  
11 to be appropriated to finance public improvements authorized under this  
12 chapter and in which a hospital that has received a certificate of need  
13 is to be constructed.

14 (2) "Department" means the department of revenue.

15 (3) "Local government" means any city, town, county, or any  
16 combination thereof.

17 (4) "Ordinance" means any appropriate method of taking legislative  
18 action by a local government.

19 (5) "Participating taxing authority" means a taxing authority that  
20 has entered into a written agreement with a local government for the  
21 use of hospital benefit zone financing to the extent of allocating  
22 excess local excise taxes to the local government for the purpose of  
23 financing all or a portion of the costs of designated public  
24 improvements.

25 (6) "Public improvements" means infrastructure improvements within  
26 the benefit zone that include:

27 (a) Street and road construction and maintenance;

28 (b) Water and sewer system construction and improvements;

29 (c) Sidewalks and streetlights;

- 1 (d) Parking, terminal, and dock facilities;  
2 (e) Park and ride facilities of a transit authority;  
3 (f) Park facilities and recreational areas; and  
4 (g) Storm water and drainage management systems.

5 (7) "Public improvement costs" means the costs of: (a) Design,  
6 planning, acquisition including land acquisition, site preparation  
7 including land clearing, construction, reconstruction, rehabilitation,  
8 improvement, and installation of public improvements; (b) demolishing,  
9 relocating, maintaining, and operating property pending construction of  
10 public improvements; (c) relocating utilities as a result of public  
11 improvements; and (d) financing public improvements, including interest  
12 during construction, legal and other professional services, taxes,  
13 insurance, principal and interest costs on indebtedness issued to  
14 finance public improvements, and any necessary reserves for  
15 indebtedness; and administrative expenses and feasibility studies  
16 reasonably necessary and related to these costs, including related  
17 costs that may have been incurred before adoption of the ordinance  
18 authorizing the public improvements and the use of hospital benefit  
19 zone financing to fund the costs of the public improvements.

20 (8) "Tax allocation revenues" means those tax revenues derived from  
21 the receipt of excess local excise taxes under RCW 39.100.050 and  
22 distributed by a local government, participating taxing authority, or  
23 both, to finance public improvements.

24 (9) "Taxing authority" means a governmental entity that imposes a  
25 sales or use tax under chapter 82.14 RCW upon the occurrence of any  
26 taxable event within a proposed or approved benefit zone.

27 **Sec. 3.** RCW 39.100.020 and 2006 c 111 s 2 are each amended to read  
28 as follows:

29 A local government may finance public improvements using hospital  
30 benefit zone financing subject to the following conditions:

31 (1) The local government adopts an ordinance designating a benefit  
32 zone within its boundaries and specifying the public improvements  
33 proposed to be financed in whole or in part with the use of hospital  
34 benefit zone financing;

35 (2) The public improvements proposed to be financed in whole or in  
36 part using hospital benefit zone financing are expected both to

1 encourage private development within the benefit zone and to support  
2 the development of a hospital that has received a certificate of need;

3 (3) Private development that is anticipated to occur within the  
4 benefit zone, as a result of the public improvements, will be  
5 consistent with the county-wide planning policy adopted by the county  
6 under RCW 36.70A.210 and the local government's comprehensive plan and  
7 development regulations adopted under chapter 36.70A RCW; (~~and~~)

8 (4) The governing body of the local government finds that the  
9 public improvements proposed to be financed in whole or in part using  
10 hospital benefit zone financing are reasonably likely to:

11 (a) Increase private investment within the benefit zone;

12 (b) Increase employment within the benefit zone; and

13 (c) Generate, over the period of time that the local sales and use  
14 tax will be imposed under RCW 82.14.465, excess state (~~and local sales~~  
15 ~~and use tax revenues~~) excise taxes that are equal to or greater than  
16 the (~~respective~~) state (~~and local~~) contributions made under this  
17 chapter;

18 (5) The boundaries of a hospital benefit zone may not overlap any  
19 part of the boundaries of another hospital benefit zone or a revenue  
20 development area defined in chapter 39.102 RCW; and

21 (6) The boundaries of a hospital benefit zone may not change once  
22 the hospital benefit zone is established and approved by the  
23 department.

24 **Sec. 4.** RCW 39.100.030 and 2006 c 111 s 3 are each amended to read  
25 as follows:

26 (1) Before adopting an ordinance creating the benefit zone, a local  
27 government must:

28 (a) Obtain written agreement for the use of hospital benefit zone  
29 financing to finance all or a portion of the costs of the designated  
30 public improvements from any taxing authority that imposes a sales or  
31 use tax under chapter 82.14 RCW within the benefit zone if the taxing  
32 authority chooses to participate in the public improvements to the  
33 extent of providing limited funding under hospital benefit zone  
34 financing authorized under this chapter. The agreement must be  
35 authorized by the governing body of such participating taxing  
36 authorities; and

1 (b) Hold a public hearing on the proposed financing of the public  
2 improvement in whole or in part with hospital benefit zone financing.

3 (i) Notice of the public hearing must be published in a legal  
4 newspaper of general circulation within the proposed benefit zone at  
5 least ten days before the public hearing and posted in at least six  
6 conspicuous public places located in the proposed benefit zone.

7 (ii) Notices must describe the contemplated public improvements,  
8 estimate the costs of the public improvements, describe the portion of  
9 the costs of the public improvements to be borne by hospital benefit  
10 zone financing, describe any other sources of revenue to finance the  
11 public improvements, describe the boundaries of the proposed benefit  
12 zone, and estimate the period during which hospital benefit zone  
13 financing is contemplated to be used. The public hearing may be held  
14 by either the governing body of the local government, or a committee of  
15 the governing body that includes at least a majority of the whole  
16 governing body.

17 (2) In order to create a benefit zone, a local government must  
18 adopt an ordinance establishing the benefit zone that:

19 (a) Describes the public improvements;

20 (b) Describes the boundaries of the benefit zone;

21 (c) Estimates the cost of the public improvements and the portion  
22 of these costs to be financed by hospital benefit zone financing;

23 (d) Estimates the time during which excess local excise taxes are  
24 to be used to finance public improvement costs associated with the  
25 public improvements financed in whole or in part by hospital benefit  
26 zone financing;

27 (e) Estimates the average amount of tax revenue to be received in  
28 all fiscal years through the imposition of a sales and use tax under  
29 RCW 82.14.465;

30 (f) Provides the date when the use of excess local excise taxes  
31 will commence; and

32 (g) Finds that the conditions of RCW 39.100.020 are met.

33 (3) For purposes of this section, "fiscal year" means the year  
34 beginning July 1st and ending the following June 30th.

35 **Sec. 5.** RCW 39.100.040 and 2006 c 111 s 4 are each amended to read  
36 as follows:

1       (1) A local government that adopts an ordinance creating a benefit  
2 zone under this chapter shall, within ninety days of adopting the  
3 ordinance:

4       ~~((1))~~ (a) Publish notice in a legal newspaper of general  
5 circulation within the benefit zone that describes the public  
6 improvement, describes the boundaries of the benefit zone, and  
7 identifies the location and times where the ordinance and other public  
8 information concerning the public improvement may be inspected; and

9       ~~((2))~~ (b) Deliver a certified copy of the ordinance to the county  
10 treasurer, the county assessor, the department of revenue, and the  
11 governing body of each participating taxing authority within which the  
12 benefit zone is located.

13       (2) Any challenge to the formation shall be brought within sixty  
14 days of the later of the date of its formation or July 1, 2007. All  
15 parties, including the holders of bonds payable from tax revenue under  
16 this act, may rely upon the presumption of validity of formation of the  
17 benefit zone following the expiration of the sixty-day period.

18       **Sec. 6.** RCW 39.100.050 and 2006 c 111 s 5 are each amended to read  
19 as follows:

20       (1) A local government that creates a benefit zone and has received  
21 approval from the department under RCW 82.32.700 to impose the local  
22 option sales and use tax authorized in RCW 82.14.465 may use annually  
23 any excess local excise taxes received by it from taxable activity  
24 within the benefit zone to finance public improvement costs associated  
25 with the public improvements financed in whole or in part by hospital  
26 benefit zone financing. The use of excess local excise taxes must  
27 cease when tax allocation revenues are no longer necessary or obligated  
28 to pay the costs of the public improvements. Any participating taxing  
29 authority is authorized to allocate excess local excise taxes to the  
30 local government as long as the local government has received approval  
31 from the department under RCW 82.32.700 to impose the local option  
32 sales and use tax authorized in RCW 82.14.465. The legislature  
33 declares that it is a proper purpose of a local government or  
34 participating taxing authority to allocate excess local excise taxes  
35 for purposes of financing public improvements under this chapter.

36       (2) A local government shall provide the department accurate  
37 information describing the geographical boundaries of the benefit zone

1 at least seventy-five days before the effective date of the ordinance  
2 creating the benefit zone. The local government shall ensure that the  
3 boundary information provided to the department is kept current.

4 (3) The department shall provide the necessary information to  
5 calculate excess local excise taxes to each local government that has  
6 provided boundary information to the department as provided in this  
7 section and that has received approval from the department under RCW  
8 82.32.700 to impose the local option sales and use tax authorized in  
9 RCW 82.14.465.

10 (4) The definitions in this subsection apply throughout this  
11 section unless the context clearly requires otherwise.

12 (a) "Base year" means the calendar year immediately following the  
13 creation of a benefit zone.

14 (b) "Excess local excise taxes" means the amount of local excise  
15 taxes received by the local government during the measurement year from  
16 taxable activity within the benefit zone over and above the amount of  
17 local excise taxes received by the local government during the base  
18 year from taxable activity within the benefit zone. However, if a  
19 local government creates the benefit zone and reasonably determines  
20 that no activity subject to tax under chapters 82.08 and 82.12 RCW  
21 occurred in the twelve months immediately preceding the creation of the  
22 benefit zone within the boundaries of the area that became the benefit  
23 zone, "excess local excise taxes" means the entire amount of local  
24 excise taxes received by the local government during a calendar year  
25 period beginning with the calendar year immediately following the  
26 creation of the benefit zone and continuing with each measurement year  
27 thereafter.

28 (c) "Local excise taxes" means local (~~(retail)~~) revenues derived  
29 from the imposition of sales and use taxes authorized in RCW 82.14.030  
30 at the tax rate that was in effect at the time the hospital benefit  
31 zone is approved by the department, except that if a local government  
32 reduces the rate of such tax after the revenue development area was  
33 approved, "local excise taxes" means the local revenues derived from  
34 the imposition of the sales and use taxes authorized in RCW 82.14.030  
35 at the lower tax rate.

36 (d) "Measurement year" means a calendar year, beginning with the  
37 calendar year following the base year and each calendar year  
38 thereafter, that is used annually to measure the amount of excess state

1 excise taxes and excess local excise taxes required to be used to  
2 finance public improvement costs associated with public improvements  
3 financed in whole or in part by hospital benefit zone financing.

4 **Sec. 7.** RCW 82.14.465 and 2006 c 111 s 7 are each amended to read  
5 as follows:

6 (1) A city, town, or county that creates a benefit zone and  
7 finances public improvements pursuant to chapter 39.100 RCW may impose  
8 a sales and use tax in accordance with the terms of this chapter and  
9 subject to the criteria set forth in this section. Except as provided  
10 in this section, the tax is in addition to other taxes authorized by  
11 law and shall be collected from those persons who are taxable by the  
12 state under chapters 82.08 and 82.12 RCW upon the occurrence of any  
13 taxable event within the taxing jurisdiction of the city, town, or  
14 county. The rate of tax shall not exceed the rate provided in RCW  
15 82.08.020(1) in the case of a sales tax or the rate provided in RCW  
16 82.12.020(5) in the case of a use tax, less the aggregate rates of any  
17 other taxes imposed on the same events that are credited against the  
18 state taxes imposed under chapters 82.08 and 82.12 RCW. The tax rate  
19 shall be no higher than what is reasonably necessary for the local  
20 government to receive its entire annual state contribution in a ten-  
21 month period of time.

22 (2) The tax imposed under subsection (1) of this section shall be  
23 deducted from the amount of tax otherwise required to be collected or  
24 paid over to the department under chapter 82.08 or 82.12 RCW. The  
25 department shall perform the collection of such taxes on behalf of the  
26 city, town, or county at no cost to the city, town, or county.

27 (3) No tax may be imposed under this section before July 1, 2007.  
28 Before imposing a tax under this section, the city, town, or county  
29 shall first have received tax allocation revenues (~~((derived from excess~~  
30 ~~excise taxes))~~) during the preceding calendar year. The tax imposed  
31 under this section shall expire (~~((when))~~) on the earlier of the date:  
32 (a) The tax allocation revenues are no longer used for public  
33 improvements and public improvement costs; (b) the bonds issued under  
34 the authority of chapter 39.100 RCW are retired, ((but not more than))  
35 if the bonds are issued; or (c) that is thirty years after the tax is  
36 first imposed.

1 (4) An ordinance adopted by the legislative authority of a city,  
2 town, or county imposing a tax under this section shall provide that:

3 (a) The tax shall first be imposed on the first day of a fiscal  
4 year;

5 (b) The amount of tax received by the local government in any  
6 fiscal year shall not exceed the amount of the state contribution;

7 (c) The tax shall cease to be (~~imposed~~) distributed for the  
8 remainder of any fiscal year in which either:

9 (i) The amount of tax (~~receipts~~) distributions totals the amount  
10 of the state contribution;

11 (ii) The amount of tax (~~receipts~~) distributions totals the amount  
12 of (~~"~~)local public sources, (~~" as that term is used in RCW~~  
13 ~~82.14.470,~~) dedicated in the previous calendar year to finance public  
14 improvements authorized under chapter 39.100 RCW, expended in the  
15 previous year for public improvement costs or used to pay for other  
16 bonds issued to pay for public improvements; or

17 (iii) The amount of revenue from taxes imposed under this section  
18 by all cities, towns, and counties totals the annual state credit limit  
19 as provided in RCW 82.32.700(3);

20 (d) The tax shall be (~~reimposed~~) distributed again, should it  
21 cease to be (~~imposed~~) distributed for any of the reasons provided in  
22 (c) of this subsection, at the beginning of the next fiscal year,  
23 subject to the restrictions in this section; and

24 (e) Any revenue generated by the tax in excess of the amounts  
25 specified in (~~(a)~~) (b)(~~7~~) and (c) of this subsection shall belong  
26 to the state of Washington.

27 (5) If both a county and a city or town impose a tax under this  
28 section, the tax imposed by the city, town, or county shall be credited  
29 as follows:

30 (a) If the county has created a benefit zone before the city or  
31 town, the tax imposed by the county shall be credited against the tax  
32 imposed by the city or town, the purpose of such credit is to give  
33 priority to the county tax; and

34 (b) If the city or town has created a benefit zone before the  
35 county, the tax imposed by the city or town shall be credited against  
36 the tax imposed by the county, the purpose of such credit is to give  
37 priority to the city or town tax.



1 (6) The department shall determine the amount of tax (~~((receipts))~~)  
2 distributions attributable to each city, town, and county imposing a  
3 sales and use tax under this section and shall advise a city, town, or  
4 county when (~~((it must cease imposing))~~) the tax will cease to be  
5 distributed for the remainder of the fiscal year as provided in  
6 subsection (4)(c) of this section. Determinations by the department of  
7 the amount of taxes attributable to a city, town, or county are final  
8 and shall not be used to challenge the validity of any tax imposed  
9 under this section. The department shall remit any tax (~~((receipts))~~)  
10 revenues in excess of the amounts specified in subsection (4)(~~((a),~~)  
11 (b)(~~((7))~~) and (c) of this section to the state treasurer who shall  
12 deposit the moneys in the general fund.

13 (7) The definitions in this subsection apply throughout this  
14 section and RCW 82.14.470 unless the context clearly requires  
15 otherwise.

16 (a) "Base year" means the calendar year immediately following the  
17 creation of a benefit zone.

18 (b) "Benefit zone" has the same meaning as provided in RCW  
19 39.100.010.

20 (c) "Excess local excise taxes" has the same meaning as provided in  
21 RCW 39.100.050.

22 (d) "Excess state excise taxes" means the amount of excise taxes  
23 received by the state during the measurement year from taxable activity  
24 within the benefit zone over and above the amount of excise taxes  
25 received by the state during the base year from taxable activity within  
26 the benefit zone. However, if a local government creates the benefit  
27 zone and reasonably determines that no activity subject to tax under  
28 chapters 82.08 and 82.12 RCW occurred in the twelve months immediately  
29 preceding the creation of the benefit zone within the boundaries of the  
30 area that became the benefit zone, "excess state excise taxes" means  
31 the entire amount of state excise taxes (~~((received by))~~) the state  
32 receives during a calendar year period beginning with the calendar year  
33 immediately following the creation of the benefit zone and continuing  
34 with each measurement year thereafter.

35 (e) "State excise taxes" means (~~((the))~~) revenues derived from state  
36 retail sales and use taxes (~~((imposed))~~) under chapters 82.08 and 82.12  
37 RCW, less the amount of tax distributions from all local retail sales

1 and use taxes imposed on the same taxable events that are credited  
2 against the state retail sales and use taxes under chapters 82.08 and  
3 82.12 RCW except for the local tax authorized in this section.

4 (f) "Fiscal year" has the same meaning as provided in RCW  
5 39.100.030.

6 (g) "Measurement year" means a calendar year, beginning with the  
7 calendar year following the base year and each calendar year  
8 thereafter, that is used annually to measure the amount of excess state  
9 excise taxes and excess local excise taxes (~~required to be used to~~  
10 ~~finance public improvement costs associated with public improvements~~  
11 ~~financed in whole or in part by hospital benefit zone financing~~)).

12 (h) "State contribution" means the lesser of two million dollars or  
13 an amount equal to excess state excise taxes received by the state  
14 during the preceding calendar year.

15 (i) "Tax allocation revenues" has the same meaning as provided in  
16 RCW 39.100.010.

17 (j) "Public improvements" and "public improvement costs" have the  
18 same meanings as provided in RCW 39.100.010.

19 (k) "Local public sources" includes, but is not limited to, private  
20 monetary contributions, assessments, dedicated local government funds,  
21 and tax allocation revenues. "Local public sources" does not include  
22 local government funds derived from any state loan or state grant, any  
23 local tax that is credited against the state sales and use taxes, or  
24 any other state funds.

25 **Sec. 8.** RCW 82.14.470 and 2006 c 111 s 8 are each amended to read  
26 as follows:

27 (1)(a)(i) Moneys collected from the taxes imposed under RCW  
28 82.14.465 shall be used only for the following purposes (~~(of)~~):

29 (A) Principal and interest payments on bonds issued under the  
30 authority of RCW 39.100.060 (~~(and)~~);

31 (B) Principal and interest payments on other bonds issued by the  
32 local government to finance public improvements; or

33 (C) Payments for public improvement costs.

34 (ii) Moneys collected and used as provided in (a)(i) of this  
35 subsection must be matched with an amount from local public sources  
36 dedicated through December 31st of the previous calendar year to

1 finance public improvements authorized under chapter 39.100 RCW.  
2 (~~Such local public sources include but are not limited to private~~  
3 ~~monetary contributions and tax allocation revenues.~~)

4 (b) Local public sources are dedicated to finance public  
5 improvements if they: (i) Are actually expended to pay public  
6 improvement costs or debt service on bonds issued for public  
7 improvements; or (ii) are required by law or an agreement to be used  
8 exclusively to pay public improvement costs or debt service on bonds  
9 issued for public improvements.

10 (2) A local government shall inform the department by the first day  
11 of March of the amount of local public sources dedicated in the  
12 preceding calendar year to finance public improvements authorized under  
13 chapter 39.100 RCW.

14 (3) If a local government fails to comply with subsection (2) of  
15 this section, no tax may be imposed under RCW 82.14.465 in the  
16 subsequent fiscal year.

17 (4) A local government shall provide a report to the department and  
18 the state auditor by March 1st of each year. A local government shall  
19 make a good faith effort to provide information required for the  
20 report.

21 The report shall contain the following information:

22 (a) The amount of tax allocation revenues, taxes under RCW  
23 82.14.465, and local public sources received by the local government  
24 during the preceding calendar year, and a summary of how these revenues  
25 were expended; and

26 (b) The names of any businesses (~~(locating)~~) known to the local  
27 government that have located within the benefit zone as a result of the  
28 public improvements undertaken by the local government and financed in  
29 whole or in part with hospital benefit zone financing(~~(+~~

30 ~~(c)~~ ~~The total number of permanent jobs created as a result of the~~  
31 ~~public improvements undertaken by the local government and financed in~~  
32 ~~whole or in part with hospital benefit zone financing; and~~

33 ~~(d)~~ ~~The average wages and benefits received by all employees of~~  
34 ~~businesses locating within the benefit zone as a result of the public~~  
35 ~~improvements undertaken by the local government and financed in whole~~  
36 ~~or in part with hospital benefit zone financing)).~~

37 (5) The department shall make a report available to the public and  
38 the legislature by June 1st of each year. The report shall include a

1 list of public improvements undertaken by local governments and  
2 financed in whole or in part with hospital benefit zone financing, and  
3 it shall also include a summary of the information provided to the  
4 department by local governments under subsection (4) of this section.

5 ~~((6) The definitions in this subsection apply throughout this~~  
6 ~~section unless the context clearly requires otherwise.~~

7 ~~(a) "Public improvement costs" has the same meaning as in RCW~~  
8 ~~39.100.010.~~

9 ~~(b) "Tax allocation revenues" has the same meaning as provided in~~  
10 ~~RCW 39.100.010.))~~

11 **Sec. 9.** RCW 82.32.700 and 2006 c 111 s 9 are each amended to read  
12 as follows:

13 (1) As a condition to imposing a sales and use tax under RCW  
14 82.14.465, a city, town, or county must apply to the department at  
15 least seventy-five days before the effective date of any such tax. The  
16 application shall be in a form and manner prescribed by the department  
17 and shall include but is not limited to information establishing that  
18 the applicant is eligible to impose such a tax, the anticipated  
19 effective date for imposing the tax, the estimated number of years that  
20 the tax will be imposed, and the estimated amount of tax revenue to be  
21 received in each fiscal year that the tax will be imposed. For  
22 purposes of this section, "fiscal year" means the year beginning July  
23 1st and ending the following June 30th. The department shall make  
24 available forms to be used for this purpose. As part of the  
25 application, a city, town, or county must provide to the department a  
26 copy of the ordinance creating the benefit zone as required in RCW  
27 39.100.040. The department shall rule on completed applications within  
28 sixty days of receipt. The department may begin accepting and  
29 approving applications August 1, 2006. No new applications shall be  
30 considered by the department after the thirtieth day of September of  
31 the third year following the year in which the first application was  
32 received by the department.

33 (2) The authority to impose the local option sales and use taxes  
34 under RCW 82.14.465 is on a first-come basis. Priority for collecting  
35 the taxes authorized under RCW 82.14.465 among approved applicants  
36 shall be based on the date that the approved application was received  
37 by the department. As a part of the approval of applications under

1 this section, the department shall approve the amount of tax under RCW  
2 82.14.465 that an applicant may impose. The amount of tax approved by  
3 the department shall not exceed the lesser of two million dollars or  
4 the average amount of tax revenue that the applicant estimates that it  
5 will receive in all fiscal years through the imposition of a sales and  
6 use tax under RCW 82.14.465. A city, town, or county shall not  
7 receive, in any fiscal year, more revenues from taxes imposed under RCW  
8 82.14.465 than the amount approved by the department. The department  
9 shall not approve the receipt of more credit against the state sales  
10 and use tax than is authorized under subsection (3) of this section.

11 (3) No more than two million dollars of credit against the state  
12 sales and use tax provided for under RCW 82.14.465(2), may be received  
13 in any fiscal year by all cities, towns, and counties imposing a tax  
14 under RCW 82.14.465.

15 (4)(a) The credit against the state sales and use tax shall be  
16 available to any city, town, or county imposing a tax under RCW  
17 82.14.465 only as long as the city, town, or county has outstanding  
18 indebtedness under ~~((RCW 82.14.465))~~ chapter 39.100 RCW or the tax  
19 allocation revenues are used for public improvement costs, but in no  
20 case shall the credit be available for more than thirty years after the  
21 tax is first imposed by the city, town, or county.

22 (b) Local governments may pledge any receipts from taxes levied and  
23 collected under chapter 39.100 RCW and RCW 82.14.465 to the repayment  
24 of its bonds or bond anticipation notes. A local government shall  
25 notify the department when all outstanding indebtedness secured in  
26 whole or in part from receipts is no longer outstanding or tax  
27 allocation revenues are no longer used for public improvement costs,  
28 and the credit provided for under RCW 82.14.465 shall be terminated.

29 (5) The department may adopt any rules under chapter 34.05 RCW it  
30 considers necessary for the administration of chapter 39.100 RCW.

31 NEW SECTION. Sec. 10. This act applies retroactively to July 1,  
32 2006.

1        NEW SECTION.   **Sec. 11.**   This act is necessary for the immediate  
2   preservation of the public peace, health, or safety, or support of the  
3   state government and its existing public institutions, and takes effect  
4   July 1, 2007."

--- END ---