

FINAL BILL REPORT

SSB 5525

C 363 L 11
Synopsis as Enacted

Brief Description: Concerning hospital benefit zones that have already formed.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kilmer and Carrell).

Senate Committee on Government Operations, Tribal Relations & Elections
Senate Committee on Ways & Means
House Committee on Ways & Means

Background: In 2006 the Legislature authorized counties, cities and towns to finance public improvements in a defined area with a new form of tax increment financing. The defined area, called a benefit zone, must include a hospital that has received a certificate of need. Local governments may establish a hospital benefit zone (HBZ) to finance public infrastructure improvements. Revenue for the projects is generated through a new local sales and use tax, up to \$2 million per project per year, credits against the state sales and use tax, and matched with an equivalent amount of local resources. Monies collected under the local tax credited against the state tax must be matched with an amount from local public sources dedicated through December 31 of the previous calendar year to finance public improvements authorized under chapter 39.100 RCW. Eligible public improvement projects include streets, water and sewer systems, parking facilities, sidewalks, street lighting, and parks.

Summary: The definition of public improvements is amended to include construction, maintenance, and improvement of state highways that are connected to the benefit zone, including interchanges connected to the benefit zone.

A local government may modify the public improvements to be financed with the use of HBZ financing by amending the enabling ordinance and holding a public hearing, provided that the total cost of the public improvements is not increased.

Local public sources may include amounts expended by a hospital in the zone since the date of formation of the zone and may be applied to the year or years designated by the local government.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The definition of items excluded from local public sources are amended to exclude local government funds derived from the state-subsidized portion of any state loan or state grant.

The requirement that monies collected under the local tax credited against the state tax be matched with local public sources are amended to the amount from local public sources dedicated since the date the HBZ was formed.

A city, town, or county is not required to expend the local tax credited against the state taxes imposed under an HBZ in the fiscal year in which the taxes are received.

Votes on Final Passage:

Senate	49	0	
House	95	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 22, 2011.