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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1306

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State of Washington

63rd Legislature

2013 Regular Session

By House Finance (originally sponsored by Representatives Wylie, Moeller, Harris, Pike, Johnson, Chandler, Sells, Pollet, Upthegrove, and Moscoso)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to extending the expiration dates of the local  
2 infrastructure financing tool program; amending RCW 82.14.475,  
3 39.102.150, and 39.102.020; reenacting and amending RCW 39.102.140;  
4 adding a new section to chapter 39.102 RCW; repealing RCW 39.102.904;  
5 and providing expiration dates.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 39.102 RCW  
8 to read as follows:

9 This chapter expires June 30, 2044.

10 NEW SECTION. **Sec. 2.** RCW 39.102.904 (Expiration date--2006 c 181)  
11 and 2006 c 181 s 707 are each repealed.

12 **Sec. 3.** RCW 82.14.475 and 2010 c 164 s 12 are each amended to read  
13 as follows:

14 (1) A sponsoring local government, and any cosponsoring local  
15 government, that has been approved by the board to use local  
16 infrastructure financing may impose a sales and use tax in accordance  
17 with the terms of this chapter and subject to the criteria set forth in

1 this section. Except as provided in this section, the tax is in  
2 addition to other taxes authorized by law and is collected from those  
3 persons who are taxable by the state under chapters 82.08 and 82.12 RCW  
4 upon the occurrence of any taxable event within the taxing jurisdiction  
5 of the sponsoring local government or cosponsoring local government.

6 (2) The tax authorized under subsection (1) of this section is  
7 credited against the state taxes imposed under RCW 82.08.020(1) and  
8 82.12.020 at the rate provided in RCW 82.08.020(1). The department  
9 must perform the collection of such taxes on behalf of the sponsoring  
10 local government or cosponsoring local government at no cost to the  
11 sponsoring local government or cosponsoring local government and must  
12 remit the taxes as provided in RCW 82.14.060.

13 (3) The aggregate rate of tax imposed by the sponsoring local  
14 government, and any cosponsoring local government, must not exceed the  
15 lesser of:

16 (a) The rate provided in RCW 82.08.020(1) less:

17 (i) The aggregate rates of all other local sales and use taxes  
18 imposed by any taxing authority on the same taxable events;

19 (ii) The aggregate rates of all taxes under RCW 82.14.465 and this  
20 section that are authorized to be imposed on the same taxable events  
21 but have not yet been imposed by a sponsoring local government or  
22 cosponsoring local government that has been approved by the department  
23 or the community economic revitalization board to receive a state  
24 contribution under chapter 39.100 or 39.102 RCW; and

25 (iii) The percentage amount of distributions required under RCW  
26 82.08.020(5) multiplied by the rate of state taxes imposed under RCW  
27 82.08.020(1); and

28 (b) The rate, as determined by the sponsoring local government, and  
29 any cosponsoring local government, in consultation with the department,  
30 reasonably necessary to receive the state contribution over ten months.

31 (4) Sponsoring local governments that have been approved before  
32 October 1, 2008, by the community economic revitalization board for a  
33 state contribution must select the rate of tax under this section no  
34 later than September 1, 2009.

35 (5) The department, upon request, must assist a sponsoring local  
36 government and cosponsoring local government in establishing their tax  
37 rate in accordance with subsection (3) of this section. Once the rate  
38 of tax is selected, it may not be increased.

1 (6)(a) No tax may be imposed under the authority of this section:  
2 (i) Before July 1st of the second calendar year following the year  
3 approval by the board under RCW 39.102.040 was made; and  
4 (ii) Until a sponsoring local government reports to the board and  
5 the department as required by RCW 39.102.140 that the state has  
6 benefited through the receipt of state excise tax allocation revenues  
7 or state property tax allocation revenues, or both.  
8 (b) The tax imposed under this section expires when all  
9 indebtedness issued under the authority of RCW 39.102.150 is retired  
10 and all other contractual obligations relating to the financing of  
11 public improvements under chapter 39.102 RCW are satisfied, but not  
12 more than twenty-five years after the tax is first imposed.  
13 (7) An ordinance adopted by the legislative authority of a  
14 sponsoring local government or cosponsoring local government imposing  
15 a tax under this section must provide that:  
16 (a) The tax is first imposed on the first day of a fiscal year;  
17 (b) The cumulative amount of tax received by the sponsoring local  
18 government, and any cosponsoring local government, in any fiscal year  
19 may not exceed the amount of the state contribution;  
20 (c) The tax will cease to be distributed for the remainder of any  
21 fiscal year in which either:  
22 (i) The amount of tax received by the sponsoring local government,  
23 and any cosponsoring local government, equals the amount of the state  
24 contribution;  
25 (ii) The amount of revenue from taxes imposed under this section by  
26 all sponsoring and cosponsoring local governments equals the annual  
27 state contribution limit; or  
28 (iii) The amount of tax received by the sponsoring local government  
29 equals the amount of project award granted in the approval notice  
30 described in RCW 39.102.040;  
31 (d) Neither the local excise tax allocation revenues nor the local  
32 property tax allocation revenues may constitute more than eighty  
33 percent of the total local funds as described in RCW 39.102.020(~~(+28)~~)  
34 (29)(b). This requirement applies beginning January 1st of the fifth  
35 calendar year after the calendar year in which the sponsoring local  
36 government begins allocating local excise tax allocation revenues under  
37 RCW 39.102.110;

1 (e) The tax must be distributed again, should it cease to be  
2 distributed for any of the reasons provided in (c) of this subsection,  
3 at the beginning of the next fiscal year, subject to the restrictions  
4 in this section; and

5 (f) Any revenue generated by the tax in excess of the amounts  
6 specified in (c) of this subsection belongs to the state of Washington.

7 (8) If a county and city cosponsor a revenue development area, the  
8 combined amount of distributions received by both the city and county  
9 may not exceed the state contribution.

10 (9) The department must determine the amount of tax receipts  
11 distributed to each sponsoring local government, and any cosponsoring  
12 local government, imposing sales and use tax under this section and  
13 shall advise a sponsoring or cosponsoring local government when tax  
14 distributions for the fiscal year equal the amount of state  
15 contribution for that fiscal year as provided in subsection (11) of  
16 this section. Determinations by the department of the amount of tax  
17 distributions attributable to each sponsoring or cosponsoring local  
18 government are final and may not be used to challenge the validity of  
19 any tax imposed under this section. The department must remit any tax  
20 receipts in excess of the amounts specified in subsection (7)(c) of  
21 this section to the state treasurer who must deposit the money in the  
22 general fund.

23 (10) If a sponsoring or cosponsoring local government fails to  
24 comply with RCW 39.102.140, no tax may be distributed in the subsequent  
25 fiscal year until such time as the sponsoring or cosponsoring local  
26 government complies and the department calculates the state  
27 contribution amount for such fiscal year.

28 (11) Each year, the amount of taxes approved by the department for  
29 distribution to a sponsoring or cosponsoring local government in the  
30 next fiscal year must be equal to the state contribution and may be no  
31 more than the total local funds as described in RCW 39.102.020(~~(+28)~~)  
32 (29)(b). The department must consider information from reports  
33 described in RCW 39.102.140 when determining the amount of state  
34 contributions for each fiscal year. The department's determination of  
35 the amount of the state contribution is final and conclusive, and may  
36 not be changed once such determination is made and such contribution is  
37 distributed to the sponsoring or cosponsoring local government, unless  
38 the department subsequently determines that local revenue information

1 contained in a report described in RCW 39.102.140 differs from the  
2 actual dedicated local revenue. If a discrepancy is found, the  
3 department must adjust its determination accordingly. A sponsoring or  
4 cosponsoring local government may not receive, in any fiscal year, more  
5 revenues from taxes imposed under the authority of this section than  
6 the amount approved annually by the department. The department may not  
7 approve the receipt of more distributions of sales and use tax under  
8 this section to a sponsoring or cosponsoring local government than is  
9 authorized under subsection (7) of this section.

10 (12) The amount of tax distributions received from taxes imposed  
11 under the authority of this section by all sponsoring and cosponsoring  
12 local governments is limited annually to not more than seven million  
13 five hundred thousand dollars.

14 (13) The definitions in RCW 39.102.020 apply to this section unless  
15 the context clearly requires otherwise.

16 (14) If a sponsoring local government is a federally recognized  
17 Indian tribe, the distribution of the sales and use tax authorized  
18 under this section must be authorized through an interlocal agreement  
19 pursuant to chapter 39.34 RCW.

20 (15) Subject to RCW 39.102.195, the tax imposed under the authority  
21 of this section may be applied either to provide for the payment of  
22 debt service on bonds issued under RCW 39.102.150 by the sponsoring  
23 local government or to pay public improvement costs on a pay-as-you-go  
24 basis, or both.

25 (16) The tax imposed under the authority of this section must cease  
26 to be imposed if the sponsoring local government or cosponsoring local  
27 government (~~((fails to issue indebtedness under the authority of RCW~~  
28 ~~39.102.150, — and))~~) fails to commence construction on public  
29 improvements(~~((7))~~) by June (~~((30th of the fifth fiscal year in which the~~  
30 ~~local tax authorized under this section is imposed))~~) 30, 2017.

31 (17) For purposes of this section, the following definitions apply:

32 (a) "Local sales and use taxes" means sales and use taxes imposed  
33 by cities, counties, public facilities districts, and other local  
34 governments under the authority of this chapter, chapter 67.28 or 67.40  
35 RCW, or any other chapter, and that are credited against the state  
36 sales and use taxes.

37 (b) "State sales and use taxes" means the tax imposed in RCW

1 82.08.020(1) and the tax imposed in RCW 82.12.020 at the rate provided  
2 in RCW 82.08.020(1).

3 (18) This section expires June 30, 2044.

4 **Sec. 4.** RCW 39.102.150 and 2009 c 267 s 6 are each amended to read  
5 as follows:

6 (1) A sponsoring local government that has designated a revenue  
7 development area and instead of paying public improvement costs on a  
8 pay-as-you-go basis has been authorized the use of local infrastructure  
9 financing may incur general indebtedness, including issuing general  
10 obligation bonds, to finance the public improvements and retire the  
11 indebtedness in whole or in part from local excise tax allocation  
12 revenues, local property tax allocation revenues, and sales and use  
13 taxes imposed under the authority of RCW 82.14.475 that it receives,  
14 subject to the following requirements:

15 (a)(i) The ordinance adopted by the sponsoring local government and  
16 authorizing the use of local infrastructure financing indicates an  
17 intent to incur this indebtedness and the maximum amount of this  
18 indebtedness that is contemplated; and

19 (ii) The sponsoring local government includes this statement of the  
20 intent in all notices required by RCW 39.102.100; or

21 (b) The sponsoring local government adopts a resolution, after  
22 opportunity for public comment, that indicates an intent to incur this  
23 indebtedness and the maximum amount of this indebtedness that is  
24 contemplated.

25 (2)(a) Except as provided in (b) of this subsection, the general  
26 indebtedness incurred under subsection (1) of this section may be  
27 payable from other tax revenues, the full faith and credit of the local  
28 government, and nontax income, revenues, fees, and rents from the  
29 public improvements, as well as contributions, grants, and nontax money  
30 available to the local government for payment of costs of the public  
31 improvements or associated debt service on the general indebtedness.

32 (b) A sponsoring local government that issues bonds under this  
33 section (~~shall~~) may not pledge any money received from the state of  
34 Washington for the payment of such bonds, other than the local sales  
35 and use taxes imposed under the authority of RCW 82.14.475 and  
36 collected by the department.

1 (3) In addition to the requirements in subsection (1) of this  
2 section, a sponsoring local government designating a revenue  
3 development area and authorizing the use of local infrastructure  
4 financing may require the nonpublic participant to provide adequate  
5 security to protect the public investment in the public improvement  
6 within the revenue development area.

7 (4) Bonds issued under this section (~~shall~~) must be authorized by  
8 ordinance of the governing body of the sponsoring local government and  
9 may be issued in one or more series and (~~shall~~) must bear such date  
10 or dates, be payable upon demand or mature at such time or times, bear  
11 interest at such rate or rates, be in such denomination or  
12 denominations, be in such form either coupon or registered as provided  
13 in RCW 39.46.030, carry such conversion or registration privileges,  
14 have such rank or priority, be executed in such manner, be payable in  
15 such medium of payment, at such place or places, and be subject to such  
16 terms of redemption with or without premium, be secured in such manner,  
17 and have such other characteristics, as may be provided by such  
18 ordinance or trust indenture or mortgage issued pursuant thereto.

19 (5) The sponsoring local government may annually pay into a fund to  
20 be established for the benefit of bonds issued under this section a  
21 fixed proportion or a fixed amount of any local excise tax allocation  
22 revenues and local property tax allocation revenues derived from  
23 property or business activity within the revenue development area  
24 containing the public improvements funded by the bonds, such payment to  
25 continue until all bonds payable from the fund are paid in full. The  
26 local government may also annually pay into the fund established in  
27 this section a fixed proportion or a fixed amount of any revenues  
28 derived from taxes imposed under RCW 82.14.475, such payment to  
29 continue until all bonds payable from the fund are paid in full.  
30 Revenues derived from taxes imposed under RCW 82.14.475 are subject to  
31 the use restriction in RCW 39.102.130.

32 (6) In case any of the public officials of the sponsoring local  
33 government whose signatures appear on any bonds or any coupons issued  
34 under this chapter (~~shall~~) cease to be such officials before the  
35 delivery of such bonds, such signatures (~~shall~~), nevertheless, (~~be~~)  
36 are valid and sufficient for all purposes, the same as if such  
37 officials had remained in office until such delivery. Any provision of

1 any law to the contrary notwithstanding, any bonds issued under this  
2 chapter are fully negotiable.

3 (7) Notwithstanding subsections (4) through (6) of this section,  
4 bonds issued under this section may be issued and sold in accordance  
5 with chapter 39.46 RCW.

6 **Sec. 5.** RCW 39.102.140 and 2009 c 518 s 12 and 2009 c 267 s 5 are  
7 each reenacted and amended to read as follows:

8 (1) A sponsoring local government shall provide a report to the  
9 board and the department by March 1st of each year. The report shall  
10 contain the following information:

11 (a) The amount of local excise tax allocation revenues, local  
12 property tax allocation revenues, other revenues from local public  
13 sources, and taxes under RCW 82.14.475 received by the sponsoring local  
14 government, cosponsoring local government, or any participating local  
15 government during the preceding calendar year that were dedicated to  
16 pay the public improvements financed in whole or in part with local  
17 infrastructure financing, and a summary of how these revenues were  
18 expended;

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

23 (c) The total number of permanent jobs created in the revenue  
24 development area as a result of the public improvements undertaken by  
25 the sponsoring local government and financed in whole or in part with  
26 local infrastructure financing;

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

31 (e) That the sponsoring local government is in compliance with RCW  
32 39.102.070; and

33 (f) Beginning with the reports due March 1, 2010, the following  
34 must also be included:

35 (i) A list of public improvements financed on a pay-as-you-go basis  
36 in previous calendar years and by indebtedness issued under this  
37 chapter;

1 (ii) The date when any indebtedness issued under this chapter is  
2 expected to be retired;

3 (iii) At least once every three years, updated estimates of state  
4 excise tax allocation revenues, state property tax allocation revenues,  
5 and local excise tax increments, as determined by the sponsoring local  
6 government, that are estimated to have been received by the state, any  
7 participating local government, sponsoring local government, and  
8 cosponsoring local government, since the approval of the project award  
9 under RCW 39.102.040 by the board; and

10 (iv) Any other information required by the department or the board  
11 to enable the department or the board to fulfill its duties under this  
12 chapter and RCW 82.14.475.

13 (2) The board shall make a report available to the public and the  
14 legislature by June 1st of each even-numbered year. The report shall  
15 include a list of public improvements undertaken by sponsoring local  
16 governments and financed in whole or in part with local infrastructure  
17 financing and it shall also include a summary of the information  
18 provided to the department by sponsoring local governments under  
19 subsection (1) of this section.

20 (3) The department, upon request, must assist a sponsoring local  
21 government in estimating the amount of state excise tax allocation  
22 revenues and local excise tax increments required in subsection  
23 (1)(f)(iii) of this section.

24 **Sec. 6.** RCW 39.102.020 and 2010 c 164 s 11 are each amended to  
25 read as follows:

26 The definitions in this section apply throughout this chapter  
27 unless the context clearly requires otherwise.

28 (1) "Annual state contribution limit" means seven million five  
29 hundred thousand dollars statewide per fiscal year.

30 (2) "Assessed value" means the valuation of taxable real property  
31 as placed on the last completed assessment roll.

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

34 (4) "Dedicated" means pledged, set aside, allocated, received,  
35 budgeted, or otherwise identified.

36 (5) "Demonstration project" means one of the following projects:

37 (a) Bellingham waterfront redevelopment project;

1 (b) Spokane river district project at Liberty Lake; and

2 (c) Vancouver riverwest project.

3 ~~((+5))~~ (6) "Department" means the department of revenue.

4 ~~((+6))~~ (7) "Fiscal year" means the twelve-month period beginning  
5 July 1st and ending the following June 30th.

6 ~~((+7))~~ (8) "Local excise tax allocation revenue" means an amount  
7 of local excise taxes equal to some or all of the sponsoring local  
8 government's local excise tax increment, amounts of local excise taxes  
9 equal to some or all of any participating local government's excise tax  
10 increment as agreed upon in the written agreement under RCW  
11 39.102.080(1), or both, and dedicated to local infrastructure  
12 financing.

13 ~~((+8))~~ (9) "Local excise tax increment" means an amount equal to  
14 the estimated annual increase in local excise taxes in each calendar  
15 year following the approval of the revenue development area by the  
16 board from taxable activity within the revenue development area, as set  
17 forth in the application provided to the board under RCW 39.102.040,  
18 and updated in accordance with RCW 39.102.140(1)(f).

19 ~~((+9))~~ (10) "Local excise taxes" means local revenues derived from  
20 the imposition of sales and use taxes authorized in RCW 82.14.030.

21 ~~((+10))~~ (11) "Local government" means any city, town, county, port  
22 district, and any federally recognized Indian tribe.

23 ~~((+11))~~ (12) "Local infrastructure financing" means the use of  
24 revenues received from local excise tax allocation revenues, local  
25 property tax allocation revenues, other revenues from local public  
26 sources, and revenues received from the local option sales and use tax  
27 authorized in RCW 82.14.475, dedicated to pay either the principal and  
28 interest on bonds authorized under RCW 39.102.150 or to pay public  
29 improvement costs on a pay-as-you-go basis subject to RCW 39.102.195,  
30 or both.

31 ~~((+12))~~ (13) "Local property tax allocation revenue" means those  
32 tax revenues derived from the receipt of regular property taxes levied  
33 on the property tax allocation revenue value and used for local  
34 infrastructure financing.

35 ~~((+13))~~ (14) "Low-income housing" means residential housing for  
36 low-income persons or families who lack the means which is necessary to  
37 enable them, without financial assistance, to live in decent, safe, and  
38 sanitary dwellings, without overcrowding. For the purposes of this

1 subsection, "low income" means income that does not exceed eighty  
2 percent of the median family income for the standard metropolitan  
3 statistical area in which the revenue development area is located.

4 ~~((14))~~ (15) "Ordinance" means any appropriate method of taking  
5 legislative action by a local government.

6 ~~((15))~~ (16) "Participating local government" means a local  
7 government having a revenue development area within its geographic  
8 boundaries that has entered into a written agreement with a sponsoring  
9 local government as provided in RCW 39.102.080 to allow the use of all  
10 or some of its local excise tax allocation revenues or other revenues  
11 from local public sources dedicated for local infrastructure financing.

12 ~~((16))~~ (17) "Participating taxing district" means a local  
13 government having a revenue development area within its geographic  
14 boundaries that has entered into a written agreement with a sponsoring  
15 local government as provided in RCW 39.102.080 to allow the use of some  
16 or all of its local property tax allocation revenues or other revenues  
17 from local public sources dedicated for local infrastructure financing.

18 ~~((17))~~ (18) "Property tax allocation revenue base value" means  
19 the assessed value of real property located within a revenue  
20 development area less the property tax allocation revenue value.

21 ~~((18))~~ (19)(a)(i) "Property tax allocation revenue value" means  
22 seventy-five percent of any increase in the assessed value of real  
23 property in a revenue development area resulting from:

24 (A) The placement of new construction, improvements to property, or  
25 both, on the assessment roll, where the new construction and  
26 improvements are initiated after the revenue development area is  
27 approved by the board;

28 (B) The cost of new housing construction, conversion, and  
29 rehabilitation improvements, when such cost is treated as new  
30 construction for purposes of chapter 84.55 RCW as provided in RCW  
31 84.14.020, and the new housing construction, conversion, and  
32 rehabilitation improvements are initiated after the revenue development  
33 area is approved by the board;

34 (C) The cost of rehabilitation of historic property, when such cost  
35 is treated as new construction for purposes of chapter 84.55 RCW as  
36 provided in RCW 84.26.070, and the rehabilitation is initiated after  
37 the revenue development area is approved by the board.

1 (ii) Increases in the assessed value of real property in a revenue  
2 development area resulting from (a)(i)(A) through (C) of this  
3 subsection are included in the property tax allocation revenue value in  
4 the initial year. These same amounts are also included in the property  
5 tax allocation revenue value in subsequent years unless the property  
6 becomes exempt from property taxation.

7 (b) "Property tax allocation revenue value" includes seventy-five  
8 percent of any increase in the assessed value of new construction  
9 consisting of an entire building in the years following the initial  
10 year, unless the building becomes exempt from property taxation.

11 (c) Except as provided in (b) of this subsection, "property tax  
12 allocation revenue value" does not include any increase in the assessed  
13 value of real property after the initial year.

14 (d) There is no property tax allocation revenue value if the  
15 assessed value of real property in a revenue development area has not  
16 increased as a result of any of the reasons specified in (a)(i)(A)  
17 through (C) of this subsection.

18 (e) For purposes of this subsection, "initial year" means:

19 (i) For new construction and improvements to property added to the  
20 assessment roll, the year during which the new construction and  
21 improvements are initially placed on the assessment roll;

22 (ii) For the cost of new housing construction, conversion, and  
23 rehabilitation improvements, when such cost is treated as new  
24 construction for purposes of chapter 84.55 RCW, the year when such cost  
25 is treated as new construction for purposes of levying taxes for  
26 collection in the following year; and

27 (iii) For the cost of rehabilitation of historic property, when  
28 such cost is treated as new construction for purposes of chapter 84.55  
29 RCW, the year when such cost is treated as new construction for  
30 purposes of levying taxes for collection in the following year.

31 (~~(19)~~) (20) "Public improvement costs" means the cost of: (a)  
32 Design, planning, acquisition including land acquisition, site  
33 preparation including land clearing, construction, reconstruction,  
34 rehabilitation, improvement, and installation of public improvements;  
35 (b) demolishing, relocating, maintaining, and operating property  
36 pending construction of public improvements; (c) the local government's  
37 portion of relocating utilities as a result of public improvements; (d)  
38 financing public improvements, including interest during construction,

1 legal and other professional services, taxes, insurance, principal and  
2 interest costs on general indebtedness issued to finance public  
3 improvements, and any necessary reserves for general indebtedness; (e)  
4 assessments incurred in revaluing real property for the purpose of  
5 determining the property tax allocation revenue base value that are in  
6 excess of costs incurred by the assessor in accordance with the  
7 revaluation plan under chapter 84.41 RCW, and the costs of apportioning  
8 the taxes and complying with this chapter and other applicable law; (f)  
9 administrative expenses and feasibility studies reasonably necessary  
10 and related to these costs; and (g) any of the above-described costs  
11 that may have been incurred before adoption of the ordinance  
12 authorizing the public improvements and the use of local infrastructure  
13 financing to fund the costs of the public improvements.

14 ~~((+20))~~ (21) "Public improvements" means:

15 (a) Infrastructure improvements within the revenue development area  
16 that include:

17 (i) Street, bridge, and road construction and maintenance,  
18 including highway interchange construction;

19 (ii) Water and sewer system construction and improvements,  
20 including wastewater reuse facilities;

21 (iii) Sidewalks, traffic controls, and streetlights;

22 (iv) Parking, terminal, and dock facilities;

23 (v) Park and ride facilities of a transit authority;

24 (vi) Park facilities and recreational areas, including trails; and

25 (vii) Storm water and drainage management systems;

26 (b) Expenditures for facilities and improvements that support  
27 affordable housing as defined in RCW 43.63A.510.

28 ~~((+21))~~ (22) "Real property" has the same meaning as in RCW  
29 84.04.090 and also includes any privately owned improvements located on  
30 publicly owned land that are subject to property taxation.

31 ~~((+22))~~ (23) "Regular property taxes" means regular property taxes  
32 as defined in RCW 84.04.140, except: (a) Regular property taxes levied  
33 by public utility districts specifically for the purpose of making  
34 required payments of principal and interest on general indebtedness;  
35 (b) regular property taxes levied by the state for the support of the  
36 common schools under RCW 84.52.065; and (c) regular property taxes  
37 authorized by RCW 84.55.050 that are limited to a specific purpose.

1 "Regular property taxes" do not include excess property tax levies that  
2 are exempt from the aggregate limits for junior and senior taxing  
3 districts as provided in RCW 84.52.043.

4 ~~((+23+))~~ (24) "Relocating a business" means the closing of a  
5 business and the reopening of that business, or the opening of a new  
6 business that engages in the same activities as the previous business,  
7 in a different location within a one-year period, when an individual or  
8 entity has an ownership interest in the business at the time of closure  
9 and at the time of opening or reopening. "Relocating a business" does  
10 not include the closing and reopening of a business in a new location  
11 where the business has been acquired and is under entirely new  
12 ownership at the new location, or the closing and reopening of a  
13 business in a new location as a result of the exercise of the power of  
14 eminent domain.

15 ~~((+24+))~~ (25) "Revenue development area" means the geographic area  
16 adopted by a sponsoring local government and approved by the board,  
17 from which local excise and property tax allocation revenues are  
18 derived for local infrastructure financing.

19 ~~((+25+))~~ (26)(a) "Revenues from local public sources" means:

20 (i) Amounts of local excise tax allocation revenues and local  
21 property tax allocation revenues, dedicated by sponsoring local  
22 governments, participating local governments, and participating taxing  
23 districts, for local infrastructure financing; and

24 (ii) Any other local revenues, except as provided in (b) of this  
25 subsection, including revenues derived from federal and private  
26 sources.

27 (b) Revenues from local public sources do not include any local  
28 funds derived from state grants, state loans, or any other state moneys  
29 including any local sales and use taxes credited against the state  
30 sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

31 ~~((+26+))~~ (27) "Small business" has the same meaning as provided in  
32 RCW 19.85.020.

33 ~~((+27+))~~ (28) "Sponsoring local government" means a city, town, or  
34 county, and for the purpose of this chapter a federally recognized  
35 Indian tribe or any combination thereof, that adopts a revenue  
36 development area and applies to the board to use local infrastructure  
37 financing.

38 ~~((+28+))~~ (29) "State contribution" means the lesser of:

1 (a) One million dollars;

2 (b) The total amount of local excise tax allocation revenues, local  
3 property tax allocation revenues, and other revenues from local public  
4 sources, that are dedicated by a sponsoring local government, any  
5 participating local governments, and participating taxing districts, in  
6 the preceding calendar year to the payment of principal and interest on  
7 bonds issued under RCW 39.102.150 or to pay public improvement costs on  
8 a pay-as-you-go basis subject to RCW 39.102.195, or both;

9 (c) The amount of project award granted by the board in the notice  
10 of approval to use local infrastructure financing under RCW 39.102.040;  
11 or

12 (d) The highest amount of state excise tax allocation revenues and  
13 state property tax allocation revenues for any one calendar year as  
14 determined by the sponsoring local government and reported to the board  
15 and the department as required by RCW 39.102.140.

16 ~~((+29+))~~ (30) "State excise tax allocation revenue" means an amount  
17 equal to the annual increase in state excise taxes estimated to be  
18 received by the state in each calendar year following the approval of  
19 the revenue development area by the board, from taxable activity within  
20 the revenue development area as set forth in the application provided  
21 to the board under RCW 39.102.040 and periodically updated and reported  
22 as required in RCW 39.102.140(1)(f).

23 ~~((+30+))~~ (31) "State excise taxes" means revenues derived from  
24 state retail sales and use taxes under RCW 82.08.020(1) and 82.12.020  
25 at the rate provided in RCW 82.08.020(1), less the amount of tax  
26 distributions from all local retail sales and use taxes, other than the  
27 local sales and use taxes authorized by RCW 82.14.475 for the  
28 applicable revenue development area, imposed on the same taxable events  
29 that are credited against the state retail sales and use taxes under  
30 chapters 82.08 and 82.12 RCW.

31 ~~((+31+))~~ (32) "State property tax allocation revenue" means an  
32 amount equal to the estimated tax revenues derived from the imposition  
33 of property taxes levied by the state for the support of common schools  
34 under RCW 84.52.065 on the property tax allocation revenue value, as  
35 set forth in the application submitted to the board under RCW  
36 39.102.040 and updated annually in the report required under RCW  
37 39.102.140(1)(f).

1        (~~(32)~~) (33) "Taxing district" means a government entity that  
2 levies or has levied for it regular property taxes upon real property  
3 located within a proposed or approved revenue development area.

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