

---

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5109

---

State of Washington                      64th Legislature                      2016 Regular Session

By Senate Ways & Means (originally sponsored by Senator Brown)

READ FIRST TIME 02/09/16.

1            AN    ACT    Relating to infrastructure financing for local  
2 governments; and amending RCW 39.104.020, 39.104.100, 39.104.150,  
3 82.14.510, and 82.32.765.

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

5            **Sec. 1.**    RCW 39.104.020 and 2010 c 164 s 1 are each amended to  
6 read as follows:

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

9            (1) "Annual state contribution limit" means two million five  
10 hundred thousand dollars statewide per fiscal year, plus the  
11 additional amounts approved for demonstration projects in RCW  
12 82.14.505.

13            (2) "Approving agency" means the department of revenue for  
14 project awards approved before the effective date of this section,  
15 and the department of commerce for project awards approved after the  
16 effective date of this section.

17            (3) "Assessed value" means the valuation of taxable real property  
18 as placed on the last completed assessment roll.

19            (~~(3)~~) (4) "Bond" means a bond, a note or other evidence of  
20 indebtedness, including but not limited to a lease-purchase agreement  
21 or an executory conditional sales contract.

1       ~~((4))~~ (5) "Department" means the department of revenue.

2       ~~((5))~~ (6) "Fiscal year" means the twelve-month period beginning  
3 July 1st and ending the following June 30th.

4       ~~((6))~~ (7) "Local government" means any city, town, county, and  
5 port district.

6       ~~((7))~~ (8) "Local property tax allocation revenue" means those  
7 tax revenues derived from the receipt of regular property taxes  
8 levied on the property tax allocation revenue value and used for  
9 local revitalization financing.

10       ~~((8))~~ (9) "Local revitalization financing" means the use of  
11 revenues from local public sources, dedicated to pay the principal  
12 and interest on bonds authorized under RCW 39.104.110 and public  
13 improvement costs within the revitalization area on a pay-as-you-go  
14 basis, and revenues received from the local option sales and use tax  
15 authorized in RCW 82.14.510, dedicated to pay the principal and  
16 interest on bonds authorized under RCW 39.104.110.

17       ~~((9))~~ (10) "Local sales and use tax increment" means the  
18 estimated annual increase in local sales and use taxes as determined  
19 by the local government in the calendar years following the approval  
20 of the revitalization area by the department from taxable activity  
21 within the revitalization area.

22       ~~((10))~~ (11) "Local sales and use taxes" means local revenues  
23 derived from the imposition of sales and use taxes authorized in RCW  
24 82.14.030.

25       ~~((11))~~ (12) "Ordinance" means any appropriate method of taking  
26 legislative action by a local government.

27       ~~((12))~~ (13) "Participating local government" means a local  
28 government having a revitalization area within its geographic  
29 boundaries that has taken action as provided in RCW 39.104.070(1) to  
30 allow the use of all or some of its local sales and use tax increment  
31 or other revenues from local public sources dedicated for local  
32 revitalization financing.

33       ~~((13))~~ (14) "Participating taxing district" means a taxing  
34 district that:

35       (a) Has a revitalization area wholly or partially within its  
36 geographic boundaries;

37       (b) Levies or has levied for it regular property taxes as defined  
38 in this section; and

39       (c) Has not taken action as provided in RCW 39.104.060(2).

1       (~~(14)~~) (15) "Property tax allocation revenue base value" means  
2 the assessed value of real property located within a revitalization  
3 area, less the property tax allocation revenue value.

4       (~~(15)~~) (16)(a)(i) "Property tax allocation revenue value" means  
5 seventy-five percent of any increase in the assessed value of real  
6 property in a revitalization area resulting from:

7       (A) The placement of new construction, improvements to property,  
8 or both, on the assessment roll, where the new construction and  
9 improvements are initiated after the revitalization area is approved  
10 (~~by the department~~);

11       (B) The cost of new housing construction, conversion, and  
12 rehabilitation improvements, when the cost is treated as new  
13 construction for purposes of chapter 84.55 RCW as provided in RCW  
14 84.14.020, and the new housing construction, conversion, and  
15 rehabilitation improvements are initiated after the revitalization  
16 area is approved (~~by the department~~);

17       (C) The cost of rehabilitation of historic property, when the  
18 cost is treated as new construction for purposes of chapter 84.55 RCW  
19 as provided in RCW 84.26.070, and the rehabilitation is initiated  
20 after the revitalization area is approved (~~by the department~~).

21       (ii) Increases in the assessed value of real property in a  
22 revitalization area resulting from (a)(i)(A) through (C) of this  
23 subsection are included in the property tax allocation revenue value  
24 in the initial year. These same amounts are also included in the  
25 property tax allocation revenue value in subsequent years unless the  
26 property becomes exempt from property taxation.

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

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

34       (d) There is no property tax allocation revenue value if the  
35 assessed value of real property in a revitalization area has not  
36 increased as a result of any of the reasons specified in (a)(i)(A)  
37 through (C) of this subsection.

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

1 (i) For new construction and improvements to property added to  
2 the assessment roll, the year during which the new construction and  
3 improvements are initially placed on the assessment roll;

4 (ii) For the cost of new housing construction, conversion, and  
5 rehabilitation improvements, when the cost is treated as new  
6 construction for purposes of chapter 84.55 RCW, the year when the  
7 cost is treated as new construction for purposes of levying taxes for  
8 collection in the following year; and

9 (iii) For the cost of rehabilitation of historic property, when  
10 the cost is treated as new construction for purposes of chapter 84.55  
11 RCW, the year when such cost is treated as new construction for  
12 purposes of levying taxes for collection in the following year.

13 (~~(16)~~) (17) "Public improvement costs" means the costs of:

14 (a) Design, planning, acquisition, including land acquisition,  
15 site preparation including land clearing, construction,  
16 reconstruction, rehabilitation, improvement, and installation of  
17 public improvements;

18 (b) Demolishing, relocating, maintaining, and operating property  
19 pending construction of public improvements;

20 (c) Relocating utilities as a result of public improvements;

21 (d) Financing public improvements, including interest during  
22 construction, legal and other professional services, taxes,  
23 insurance, principal and interest costs on general indebtedness  
24 issued to finance public improvements, and any necessary reserves for  
25 general indebtedness; and

26 (e) Administrative expenses and feasibility studies reasonably  
27 necessary and related to these costs, including related costs that  
28 may have been incurred before adoption of the ordinance authorizing  
29 the public improvements and the use of local revitalization financing  
30 to fund the costs of the public improvements.

31 (~~(17)~~) (18) "Public improvements" means:

32 (a) Infrastructure improvements within the revitalization area  
33 that include:

34 (i) Street, road, bridge, and rail construction and maintenance;

35 (ii) Water and sewer system construction and improvements;

36 (iii) Sidewalks, streetlights, landscaping, and streetscaping;

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

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

39 (vi) Park facilities, recreational areas, and environmental  
40 remediation;

1 (vii) Storm water and drainage management systems;

2 (viii) Electric, gas, fiber, and other utility infrastructures;

3 and

4 (b) Expenditures for any of the following purposes:

5 (i) Providing environmental analysis, professional management,  
6 planning, and promotion within the revitalization area, including the  
7 management and promotion of retail trade activities in the  
8 revitalization area;

9 (ii) Providing maintenance and security for common or public  
10 areas in the revitalization area; or

11 (iii) Historic preservation activities authorized under RCW  
12 35.21.395.

13 (~~(18)~~) (19) "Real property" has the same meaning as in RCW  
14 84.04.090 and also includes any privately owned improvements located  
15 on publicly owned land that are subject to property taxation.

16 (~~(19)~~) (20)(a) "Regular property taxes" means regular property  
17 taxes as defined in RCW 84.04.140, except: (i) Regular property taxes  
18 levied by public utility districts specifically for the purpose of  
19 making required payments of principal and interest on general  
20 indebtedness; (ii) regular property taxes levied by the state for the  
21 support of common schools under RCW 84.52.065; and (iii) regular  
22 property taxes authorized by RCW 84.55.050 that are limited to a  
23 specific purpose.

24 (b) "Regular property taxes" do not include:

25 (i) Excess property tax levies that are exempt from the aggregate  
26 limits for junior and senior taxing districts as provided in RCW  
27 84.52.043; and

28 (ii) Property taxes that are specifically excluded through an  
29 interlocal agreement between the sponsoring local government and a  
30 participating taxing district as set forth in RCW 39.104.060(3).

31 (~~(20)~~) (21)(a) "Revenues from local public sources" means:

32 (i) The local sales and use tax amounts received as a result of  
33 interlocal agreement, local sales and use tax amounts from sponsoring  
34 local governments based on its local sales and use tax increment, and  
35 local property tax allocation revenues, which are dedicated by a  
36 sponsoring local government, participating local governments, and  
37 participating taxing districts, for payment of bonds under RCW  
38 39.104.110 or public improvement costs within the revitalization area  
39 on a pay-as-you-go basis; and

1 (ii) Any other local revenues, except as provided in (b) of this  
2 subsection, including revenues derived from federal and private  
3 sources and amounts received by taxing districts as set forth by an  
4 interlocal agreement as described in RCW 39.104.060(4), which are  
5 dedicated for the payment of bonds under RCW 39.104.110 or public  
6 improvement costs within the revitalization area on a pay-as-you-go  
7 basis.

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

12 ~~((+21))~~ (22) "Revitalization area" means the geographic area  
13 adopted by a sponsoring local government and approved by the  
14 ~~((department))~~ approving agency, from which local sales and use tax  
15 increments are estimated and property tax allocation revenues are  
16 derived for local revitalization financing.

17 ~~((+22))~~ (23) "Sponsoring local government" means a city, town,  
18 county, or any combination thereof, that adopts a revitalization  
19 area.

20 ~~((+23))~~ (24) "State contribution" means the lesser of:

21 (a) Five hundred thousand dollars;

22 (b) The project award amount approved by the ~~((department))~~  
23 approving agency as provided in RCW 39.104.100 or 82.14.505; or

24 (c) The total amount of revenues from local public sources  
25 dedicated in the preceding calendar year to the payment of principal  
26 and interest on bonds issued under RCW 39.104.110 and public  
27 improvement costs within the revitalization area on a pay-as-you-go  
28 basis. Revenues from local public sources dedicated in the preceding  
29 calendar year that are in excess of the project award may be carried  
30 forward and used in later years for the purpose of this subsection  
31 ~~((+23))~~ (24)(c).

32 ~~((+24))~~ (25) "State property tax increment" means the estimated  
33 amount of annual tax revenues estimated to be received by the state  
34 from the imposition of property taxes levied by the state for the  
35 support of common schools under RCW 84.52.065 on the property tax  
36 allocation revenue value, as determined by the sponsoring local  
37 government in an application under RCW 39.104.100 and updated  
38 periodically as required in RCW 82.32.765.

39 ~~((+25))~~ (26) "State sales and use tax increment" means the  
40 estimated amount of annual increase in state sales and use taxes to

1 be received by the state from taxable activity within the  
2 revitalization area in the years following the approval of the  
3 revitalization area (~~by the department~~) as determined by the  
4 sponsoring local government in an application under RCW 39.104.100  
5 and updated periodically as required in RCW 82.32.765.

6 (~~(26)~~) (27) "State sales and use taxes" means state retail  
7 sales and use taxes under RCW 82.08.020(1) and 82.12.020 at the rate  
8 provided in RCW 82.08.020(1), less the amount of tax distributions  
9 from all local retail sales and use taxes, other than the local sales  
10 and use taxes authorized by RCW 82.14.510 for the applicable  
11 revitalization area, imposed on the same taxable events that are  
12 credited against the state retail sales and use taxes under RCW  
13 82.08.020(1) and 82.12.020.

14 (~~(27)~~) (28) "Taxing district" means a government entity that  
15 levies or has levied for it regular property taxes upon real property  
16 located within a proposed or approved revitalization area.

17 **Sec. 2.** RCW 39.104.100 and 2010 c 164 s 6 are each amended to  
18 read as follows:

19 (1) Prior to applying (~~to the department~~) to receive a state  
20 contribution, a sponsoring local government (~~shall~~) must adopt a  
21 revitalization area within the limitations in RCW 39.104.050 and in  
22 accordance with RCW 39.104.040.

23 (2)(a) As a condition to imposing a sales and use tax under RCW  
24 82.14.510, a sponsoring local government must apply (~~to the~~  
25 ~~department~~) and be approved for a project award amount. The  
26 application must be in a form and manner prescribed by the  
27 (~~department~~) approving agency and include, but not be limited to:

28 (i) Information establishing that over the period of time that  
29 the local sales and use tax will be imposed under RCW 82.14.510,  
30 increases in state and local property, sales, and use tax revenues as  
31 a result of public improvements in the revitalization area will be  
32 equal to or greater than the respective state and local contributions  
33 made under this chapter;

34 (ii) Information demonstrating that the sponsoring local  
35 government will meet the requirements necessary to receive the full  
36 amount of state contribution it is requesting on an annual basis;

37 (iii) The amount of state contribution it is requesting;

38 (iv) The anticipated effective date for imposing the tax under  
39 RCW 82.14.510;

1 (v) The estimated number of years that the tax will be imposed;

2 (vi) The anticipated rate of tax to be imposed under RCW  
3 82.14.510, subject to the rate-setting conditions in RCW  
4 82.14.510(3), should the sponsoring local government be approved for  
5 a project award; and

6 (vii) The anticipated date when bonds under RCW 39.104.110 will  
7 be issued.

8 (b) The ~~((department))~~ approving agency must make available  
9 electronic forms to be used for this purpose. As part of the  
10 application, each applicant must provide to the department a copy of  
11 the adopted ordinance creating the revitalization area as required in  
12 RCW 39.104.040, copies of any adopted interlocal agreements from  
13 participating local governments, and any notices from taxing  
14 districts that elect not to be a participating taxing district.

15 (3)(a) Project awards must be determined on:

16 (i) ~~((A first come basis for applications completed in their  
17 entirety and submitted electronically;~~

18 ~~((ii)))~~ The availability of a state contribution;

19 ~~((iii)))~~ (ii) Whether the sponsoring local government would be  
20 able to generate enough tax revenue under RCW 82.14.510 to generate  
21 the amount of project award requested;

22 (iii) The number of jobs created;

23 (iv) The fit of the expected business creation or expansion  
24 within the region's preferred economic growth strategy;

25 (v) The speed with which the project can begin construction;

26 (vi) The extent to which the project leverages nonstate funds;  
27 and

28 (vii) Geographic location with at least fifty percent of the  
29 additional funding approved in RCW 39.104.020 awarded to projects  
30 east of the crest of the Cascade mountains.

31 (b) The total of all project awards may not exceed the annual  
32 state contribution limit.

33 (c) If the level of available state contribution is less than the  
34 amount requested by the next available applicant, the applicant must  
35 be given the first opportunity to accept the lesser amount of state  
36 contribution but only if the applicant produces a new application  
37 within sixty days of being notified by the ~~((department))~~ approving  
38 agency and the application describes the impact on the proposed  
39 project as a result of the lesser award in addition to new  
40 application information outlined in subsection (2) of this section.

1 (d) Applications that are not approved for a project award due to  
2 lack of available state contribution must be retained on file by the  
3 (~~department in order of the date of their receipt~~) approving  
4 agency.

5 (e)(i) Except as provided in (e)(ii) of this subsection, once  
6 total project awards reach the amount of annual state contribution  
7 limit, no more applications will be accepted.

8 (ii) Any city or county that has been approved for a project  
9 award by the department prior to January 1, 2011, and has not imposed  
10 a sales and use tax under RCW 82.14.510 by December 31, 2016, must  
11 forfeit their project award. However, amounts will not be forfeited  
12 if a city or county has sent the department a letter indicating its  
13 intent to impose the sales and use tax by July 1, 2022, before July  
14 1, 2016. Amounts forfeited under this section must be made available  
15 for new applications under subsection (5) of this section.

16 (f) If the annual contribution limit is increased by making  
17 additional funds available for applicants (~~that apply on a first-~~  
18 ~~come basis~~) or if funds become available from project awards  
19 forfeited under (e)(ii) of this subsection, applications will be  
20 accepted again (beginning sixty days after the effective date of the  
21 increase. However, in the time period before any new applications are  
22 accepted, all sponsoring local governments with a complete  
23 application already on file with the department must be provided an  
24 opportunity to either withdraw their application or update the  
25 information in the application. The updated application must be for a  
26 project that is substantially the same as the project in the original  
27 application. The department must consider these applications, in the  
28 order originally submitted, for project awards prior to considering  
29 any new applications) as described in subsection (5) of this  
30 section.

31 (4) The (~~department~~) approving agency must notify the  
32 sponsoring local government of approval or denial of a project award  
33 within sixty days of the (~~department's~~) approving agency's receipt  
34 of the sponsoring local government's application. Determination of a  
35 project award by the (~~department~~) approving agency is final.  
36 Notification must include the earliest date when the tax authorized  
37 under RCW 82.14.510 may be imposed, subject to conditions in chapter  
38 82.14 RCW. The project award notification must specify the rate  
39 requested in the application and any adjustments to the rate that  
40 would need to be made based on the project award and rate

1 restrictions in RCW 82.14.510. The department of commerce must  
2 consult with the department of revenue in determining the amount of a  
3 project award.

4 (5) (~~The department must begin accepting applications on~~  
5 ~~September 1, 2009.~~) The department of commerce must begin accepting  
6 applications and approving project awards under this section on and  
7 after the effective date of this section. The department of commerce  
8 must notify the department of all approved project awards under this  
9 section. The department of commerce must also provide to the  
10 department any information necessary to implement the tax authorized  
11 under RCW 82.14.510.

12 **Sec. 3.** RCW 39.104.150 and 2009 c 270 s 804 are each amended to  
13 read as follows:

14 The department of revenue and the department of commerce may  
15 adopt any rules under chapter 34.05 RCW (~~it considers~~) that the  
16 departments consider necessary for the administration of this  
17 chapter.

18 **Sec. 4.** RCW 82.14.510 and 2015 c 112 s 1 are each amended to  
19 read as follows:

20 (1) Any city or county that has been approved for a project award  
21 under RCW 39.104.100 may impose a sales and use tax under the  
22 authority of this section in accordance with the terms of this  
23 chapter. Except as provided in this section, the tax is in addition  
24 to other taxes authorized by law and must be collected from those  
25 persons who are taxable by the state under chapters 82.08 and 82.12  
26 RCW upon the occurrence of any taxable event within the taxing  
27 jurisdiction of the city or county.

28 (2) The tax authorized under subsection (1) of this section is  
29 credited against the state taxes imposed under RCW 82.08.020(1) and  
30 82.12.020 at the rate provided in RCW 82.08.020(1). The department  
31 must perform the collection of such taxes on behalf of the city or  
32 county at no cost to the city or county. The taxes must be  
33 distributed to cities and counties as provided in RCW 82.14.060.

34 (3) The rate of tax imposed by a city or county may not exceed  
35 the lesser of:

- 36 (a) The rate provided in RCW 82.08.020(1), less:
- 37 (i) The aggregate rates of all other local sales and use taxes
- 38 imposed by any taxing authority on the same taxable events;

1 (ii) The aggregate rates of all taxes under RCW 82.14.465 and  
2 82.14.475 and this section that are authorized but have not yet been  
3 imposed on the same taxable events by a city or county that has been  
4 approved to receive a state contribution by the department, the  
5 department of commerce, or the community economic revitalization  
6 board under chapter 39.104, 39.100, or 39.102 RCW; and

7 (iii) The percentage amount of distributions required under RCW  
8 82.08.020(5) multiplied by the rate of state taxes imposed under RCW  
9 82.08.020(1); and

10 (b) The rate, as determined by the city or county in consultation  
11 with the department, reasonably necessary to receive the project  
12 award under RCW 39.104.100 over ten months.

13 (4) The department, upon request, must assist a city or county in  
14 establishing its tax rate in accordance with subsection (3) of this  
15 section. Once the rate of tax is selected through the application  
16 process and approved under RCW 39.104.100, it may not be increased.

17 (5)(a) Except as provided in (c) and (d) of this subsection, no  
18 tax may be imposed under the authority of this section before:

19 (i) July 1, 2011;

20 (ii) July 1st of the second calendar year following the year in  
21 which the (~~department approved the application made~~) application  
22 was approved under RCW 39.104.100;

23 (iii) The state sales and use tax increment and state property  
24 tax increment for the preceding calendar year equal or exceed the  
25 amount of the project award approved (~~by the department~~) under RCW  
26 39.104.100; and

27 (iv) Bonds have been issued according to RCW 39.104.110.

28 (b) The tax imposed under this section expires the earlier of the  
29 date that the bonds issued under the authority of RCW 39.104.110 are  
30 retired or twenty-five years after the tax is first imposed.

31 (c) For a demonstration project described in RCW 82.14.505(1)(a)  
32 except as provided in (d) of this subsection (5), no tax may be  
33 imposed under the authority of this section before:

34 (i) July 1, 2010; and

35 (ii) Bonds have been issued according to RCW 39.104.110.

36 (d) The requirement to issue bonds in (a)(iv) or (c)(ii) of this  
37 subsection (5) does not apply to demonstration projects authorized by  
38 RCW 82.14.505(1)(a)(iii), or any city receiving a project award under  
39 RCW 39.104.100 of less than one hundred fifty thousand dollars.

1 (6) An ordinance or resolution adopted by the legislative  
2 authority of the city or county imposing a tax under this section  
3 must provide that:

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

6 (b) The cumulative amount of tax received by the city or county,  
7 in any fiscal year, may not exceed the amount approved by the  
8 department under subsection (10) of this section;

9 (c) The department must cease distributing the tax for the  
10 remainder of any fiscal year in which either:

11 (i) The amount of tax received by the city or county equals the  
12 amount of distributions approved by the department for the fiscal  
13 year under subsection (10) of this section; or

14 (ii) The amount of revenue distributed to all sponsoring and  
15 cosponsoring local governments from taxes imposed under this section  
16 equals the annual state contribution limit;

17 (d) The tax will be distributed again, should it cease to be  
18 distributed for any of the reasons provided in (c) of this  
19 subsection, at the beginning of the next fiscal year, subject to the  
20 restrictions in this section; and

21 (e) The state is entitled to any revenue generated by the tax in  
22 excess of the amounts specified in (c) of this subsection.

23 (7) If a city or county receives approval for more than one  
24 revitalization area within its jurisdiction, the city or county may  
25 impose a sales and use tax under this section for each revitalization  
26 area.

27 (8) The department must determine the amount of tax receipts  
28 distributed to each city and county imposing a sales and use tax  
29 under the authority of this section and must advise a city or county  
30 when tax distributions for the fiscal year equal the amount  
31 determined by the department in subsection (10) of this section.  
32 Determinations by the department of the amount of tax distributions  
33 attributable to a city or county are not appealable. The department  
34 must remit any tax receipts in excess of the amounts specified in  
35 subsection (6)(c) of this section to the state treasurer who must  
36 deposit the money in the general fund.

37 (9) If a city or county fails to comply with RCW 82.32.765, no  
38 tax may be distributed in the subsequent fiscal year until such time  
39 as the city or county complies and the department calculates the

1 state contribution amount according to subsection (10) of this  
2 section for the fiscal year.

3 (10)(a) For each fiscal year that a city or county imposes the  
4 tax under the authority of this section, the department must approve  
5 the amount of taxes that may be distributed to the city or county.  
6 The amount approved by the department under this subsection is the  
7 lesser of:

8 (i) The state contribution;

9 (ii) The amount of project award granted (~~by the department~~) as  
10 provided in RCW 39.104.100; or

11 (iii) The total amount of revenues from local public sources  
12 dedicated or, in the case of carry forward revenues, deemed dedicated  
13 in the preceding calendar year, as reported in the required annual  
14 report under RCW 82.32.765.

15 (b) A city or county may not receive, in any fiscal year, more  
16 revenues from taxes imposed under the authority of this section than  
17 the amount approved annually by the department.

18 (11) The amount of tax distributions received from taxes imposed  
19 under the authority of this section by all cities and counties is  
20 limited annually to not more than the amount of annual state  
21 contribution limit.

22 (12) The definitions in RCW 39.104.020 apply to this section  
23 subject to subsection (13) of this section and unless the context  
24 clearly requires otherwise.

25 (13) For purposes of this section, the following definitions  
26 apply:

27 (a) "Local sales and use taxes" means sales and use taxes imposed  
28 by cities, counties, public facilities districts, and other local  
29 governments under the authority of this chapter (~~(67.28)~~) chapter 67.28  
30 RCW, or any other chapter, and that are credited against the state  
31 sales and use taxes.

32 (b) "State sales and use taxes" means the taxes imposed in RCW  
33 82.08.020(1) and 82.12.020.

34 **Sec. 5.** RCW 82.32.765 and 2010 c 164 s 10 are each amended to  
35 read as follows:

36 (1) A sponsoring local government receiving a project award under  
37 RCW 39.104.100 must provide a report to the department by March 1st  
38 of each year beginning March 1st after the project award has been  
39 approved. The report must contain the following information:

1 (a) The amounts of local property tax allocation revenues  
2 received in the preceding calendar year broken down by sponsoring  
3 local government and participating taxing district;

4 (b) The amount of state property tax allocation revenues  
5 estimated to have been received by the state in the preceding  
6 calendar year;

7 (c) The amount of local sales and use tax and other revenue from  
8 local public sources dedicated by any participating local government  
9 used for the payment of bonds under RCW 39.104.110 and public  
10 improvement costs within the revitalization area on a pay-as-you-go  
11 basis in the preceding calendar year;

12 (d) The amount of local sales and use tax dedicated by the  
13 sponsoring local government, as it relates to the sponsoring local  
14 government's local sales and use tax increment, used for the payment  
15 of bonds under RCW 39.104.110 and public improvement costs within the  
16 revitalization area on a pay-as-you-go basis;

17 (e) The amounts, other than those listed in (a) through (d) of  
18 this subsection, from local public sources, broken down by type or  
19 source, used for payment of bonds under RCW 39.104.110 or public  
20 improvement costs within the revitalization area on a pay-as-you-go  
21 basis in the preceding calendar year;

22 (f) The anticipated date when bonds under RCW 39.104.110 are  
23 expected to be retired;

24 (g) The names of any businesses locating within the  
25 revitalization area as a result of the public improvements undertaken  
26 by the sponsoring local government and financed in whole or in part  
27 with local revitalization financing;

28 (h) An estimate of the cumulative number of permanent jobs  
29 created in the revitalization area as a result of the public  
30 improvements undertaken by the sponsoring local government and  
31 financed in whole or in part with local revitalization financing;

32 (i) An estimate of the average wages and benefits received by all  
33 employees of businesses locating within the revitalization area as a  
34 result of the public improvements undertaken by the sponsoring local  
35 government and financed in whole or in part with local revitalization  
36 financing;

37 (j) A list of public improvements financed by bonds issued under  
38 RCW 39.104.110 and the date on which the bonds are anticipated to be  
39 retired;

1 (k) That the sponsoring local government is in compliance with  
2 RCW 39.104.030;

3 (l) At least once every three years, updated estimates of the  
4 amounts of state and local sales and use tax increments estimated to  
5 have been received since the approval (~~by the department~~) of the  
6 project award under RCW 39.104.100;

7 (m) The amount of revenues from local public sources that (i)  
8 were expended in prior years for the payment of bonds under RCW  
9 39.104.110 and public improvement costs within the revitalization  
10 area on a pay-as-you-go basis in prior calendar years that were in  
11 excess of the project award amount for that year and are carried  
12 forward for dedication in future years, (ii) are deemed dedicated to  
13 payment of bonds or public improvement costs in the calendar year for  
14 which the report is prepared, and (iii) remain available for  
15 dedication in future years; and

16 (n) Any other information required by the department to enable  
17 the department to fulfill its duties under this chapter and RCW  
18 82.14.510.

19 (2) The department must make a report available to the public and  
20 the legislature by June 1st of each year. The report must include a  
21 summary of the information provided to the department by sponsoring  
22 local governments under subsection (1) of this section.

--- END ---