
SENATE BILL 6474

State of Washington

66th Legislature

2020 Regular Session

By Senators Das, Zeiger, Mullet, Keiser, and Liias

1 AN ACT Relating to replacing the streamlined sales tax mitigation
2 program with sales tax diversification awards for certain eligible
3 cities; amending RCW 82.14.505, 82.14.510, 39.104.020, and
4 39.104.050; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that it established
7 the streamlined sales tax mitigation program in 2007 to mitigate the
8 fiscal impact to cities that lost revenue when the state switched
9 from origin-based sales tax sourcing to destination-based sales tax
10 sourcing. The legislature further finds that there are seven cities
11 that continue to lose revenue under the current sales tax sourcing
12 laws and continue to receive mitigation payments. The legislature
13 intends to assist these cities in adjusting their local economies to
14 destination-based sales tax sourcing by providing these jurisdictions
15 with sales tax diversification awards and otherwise discontinuing the
16 streamlined sales tax mitigation program on June 30, 2021.

17 **Sec. 2.** RCW 82.14.505 and 2014 c 112 s 120 are each amended to
18 read as follows:

19 (1) Demonstration projects are designated to determine the
20 feasibility of local revitalization financing. For the purpose of

1 this section, "annual state contribution limit" means (~~four~~) eleven
2 million (~~two~~) eight hundred thirty-four thousand dollars statewide
3 per fiscal year.

4 (a) Notwithstanding RCW 39.104.100, the department must approve
5 each demonstration project for 2009 as follows:

6 (i) The Whitman county Pullman/Moscow corridor improvement
7 project award may not exceed two hundred thousand dollars;

8 (ii) The University Place improvement project award may not
9 exceed five hundred thousand dollars;

10 (iii) The Tacoma international financial services area/Tacoma
11 dome project award may not exceed five hundred thousand dollars;

12 (iv) The Bremerton downtown improvement project award may not
13 exceed three hundred thirty thousand dollars;

14 (v) The Auburn downtown redevelopment project award may not
15 exceed two hundred fifty thousand dollars;

16 (vi) The Vancouver Columbia waterfront/downtown project award may
17 not exceed two hundred twenty thousand dollars; and

18 (vii) The Spokane University District project award may not
19 exceed two hundred fifty thousand dollars.

20 (b) Notwithstanding RCW 39.104.100, the department must approve
21 each demonstration project for 2010 meeting the requirements in
22 subsection (2) (~~(e)~~) (d) of this section as follows:

23 (i) The Richland revitalization area for industry, science and
24 education project award may not exceed three hundred thirty thousand
25 dollars;

26 (ii) The Lacey gateway town center project award may not exceed
27 five hundred thousand dollars;

28 (iii) The Mill Creek east gateway planned urban village
29 revitalization area project award may not exceed three hundred thirty
30 thousand dollars;

31 (iv) The Puyallup river road revitalization area project award
32 may not exceed two hundred fifty thousand dollars;

33 (v) The Renton south Lake Washington project award may not exceed
34 five hundred thousand dollars; and

35 (vi) The New Castle downtown project award may not exceed forty
36 thousand dollars.

37 (c) Notwithstanding RCW 39.104.100, the department must approve a
38 demonstration project for any city that received streamlined sales
39 tax mitigation payments through the state omnibus appropriations act
40 in excess of one hundred fifty thousand dollars in state fiscal year

1 2021. The maximum project award may not exceed the total mitigation
2 payments received by the jurisdiction in state fiscal year 2021.

3 (2) (a) Local government sponsors of demonstration projects under
4 subsection (1)(a) of this section must submit to the department no
5 later than September 1, 2009, documentation that substantiates that
6 the project has met the conditions, limitations, and requirements
7 provided in chapter 270, Laws of 2009.

8 (b) Sponsoring local governments of demonstration projects under
9 subsection (1)(b) of this section must update and resubmit to the
10 department no later than September 1, 2010, the application already
11 on file with the department to substantiate that the project has met
12 the conditions, limitations, and requirements provided in chapter
13 270, Laws of 2009 and chapter 164, Laws of 2010 and the project is
14 substantially the same as the project in the original application
15 submitted to the department in 2009.

16 (c) Sponsoring local governments of the demonstration projects
17 under subsection (1)(c) of this section must submit to the department
18 no later than September 1, 2020, documentation that substantiates
19 that the project has met all applicable conditions, limitations, and
20 requirements.

21 (d) The department must not approve any resubmitted application
22 unless an economic analysis by a qualified researcher at the
23 department of economics at the University of Washington confirms that
24 there is an eighty-five percent probability that the application's
25 assumptions and estimates of jobs created and increased tax receipts
26 will be achieved by the project and determines that net state tax
27 revenue will increase as a result of the project by an amount that
28 equals or exceeds the award authorized in subsection (1)(b) of this
29 section.

30 (3) Within ninety days of such submittal, the economic analysis
31 in subsection (2) ~~((+e))~~ (d) of this section must be completed and
32 the department must either approve demonstration projects that have
33 met these conditions, limitations, and requirements or deny
34 resubmitted applications that have not met these conditions,
35 limitations, and requirements.

36 (4) Local government sponsors of demonstration projects may elect
37 to decline the project awards as designated in this section, and may
38 elect instead to submit applications according to the process
39 described in RCW 39.104.100.

1 (5) (a) If a demonstration project listed in subsection (1)(b) of
2 this section does not update and resubmit its application to the
3 department by the deadline specified in subsection (2)(b) of this
4 section or if the demonstration project withdraws its application,
5 the associated dollar amounts may not be approved for another project
6 and may not be considered part of the annual state contribution limit
7 under RCW 39.104.020(1).

8 (b) If a sponsoring local government of a demonstration project
9 listed in subsection (1)(c) of this section does not submit its
10 application to the department by the deadline specified in subsection
11 (2)(c) of this section or if the sponsoring local government of the
12 demonstration project withdraws its application, the associated
13 dollar amounts may not be approved for another project and may not be
14 considered part of the annual state contribution limit under RCW
15 39.104.020(1).

16 **Sec. 3.** RCW 82.14.510 and 2016 c 207 s 4 are each amended to
17 read as follows:

18 (1) Any city or county that has been approved for a project award
19 under RCW 39.104.100 or a demonstration project under RCW 82.14.505
20 may impose a sales and use tax under the authority of this section in
21 accordance with the terms of this chapter. Except as provided in this
22 section, the tax is in addition to other taxes authorized by law and
23 must be collected from those persons who are taxable by the state
24 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
25 event within the taxing jurisdiction of the city or county.

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

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

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

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

37 (ii) The aggregate rates of all taxes under RCW 82.14.465 and
38 82.14.475 and this section that are authorized but have not yet been
39 imposed on the same taxable events by a city or county that has been

1 approved to receive a state contribution by the department, the
2 department of commerce, or the community economic revitalization
3 board under chapter 39.104, 39.100, or 39.102 RCW; and

4 (iii) The percentage amount of distributions required under RCW
5 82.08.020(5) multiplied by the rate of state taxes imposed under RCW
6 82.08.020(1); and

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

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

14 (5)(a) Except as provided in (c) (~~and~~), (d), and (e) of this
15 subsection, no tax may be imposed under the authority of this section
16 before:

17 (i) July 1, 2011;

18 (ii) July 1st of the second calendar year following the year in
19 which the application was approved under RCW 39.104.100;

20 (iii) The state sales and use tax increment and state property
21 tax increment for the preceding calendar year equal or exceed the
22 amount of the project award approved under RCW 39.104.100; and

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

24 (b) (~~The~~) Except as otherwise provided in this subsection
25 (5)(b), the tax imposed under this section expires the earlier of the
26 date that the bonds issued under the authority of RCW 39.104.110 are
27 retired or twenty-five years after the tax is first imposed. A tax
28 imposed under this section to finance any of the demonstration
29 projects described in RCW 82.14.505(1)(c) expires no later than
30 twenty 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 (e) For a demonstration project described in RCW 82.14.505(1)(c),
2 no tax may be imposed under the authority of this section before July
3 1, 2021.

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

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

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

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

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

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

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

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

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

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

1 (9) If a city or county fails to comply with RCW 82.32.765, no
2 tax may be distributed in the subsequent fiscal year until such time
3 as the city or county complies and the department calculates the
4 state contribution amount according to subsection (10) of this
5 section for the fiscal year.

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

11 (i) The state contribution;

12 (ii) The amount of project award granted as provided in RCW
13 39.104.100; or

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

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

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

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

28 (13) For purposes of this section, the following definitions
29 apply:

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

35 (b) "State sales and use taxes" means the taxes imposed in RCW
36 82.08.020(1) and 82.12.020.

37 **Sec. 4.** RCW 39.104.020 and 2016 c 207 s 1 are each amended to
38 read as follows:

1 The definitions in this section apply throughout this chapter
2 unless the context clearly requires otherwise.

3 (1) "Annual state contribution limit" means two million five
4 hundred thousand dollars statewide per fiscal year, plus the
5 additional amounts approved for demonstration projects in RCW
6 82.14.505.

7 (2) "Approving agency" means the department of revenue for
8 project awards approved before June 9, 2016, and the department of
9 commerce for project awards approved after June 9, 2016.

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

12 (4) "Bond" means a bond, a note or other evidence of
13 indebtedness, including but not limited to a lease-purchase agreement
14 or an executory conditional sales contract.

15 (5) "Department" means the department of revenue.

16 (6) "Fiscal year" means the twelve-month period beginning July
17 1st and ending the following June 30th.

18 (7) "Local government" means any city, town, county, and port
19 district.

20 (8) "Local property tax allocation revenue" means those tax
21 revenues derived from the receipt of regular property taxes levied on
22 the property tax allocation revenue value and used for local
23 revitalization financing.

24 (9) "Local revitalization financing" means the use of revenues
25 from local public sources, dedicated to pay the principal and
26 interest on bonds authorized under RCW 39.104.110 and public
27 improvement costs within the revitalization area on a pay-as-you-go
28 basis, and revenues received from the local option sales and use tax
29 authorized in RCW 82.14.510, dedicated to pay the principal and
30 interest on bonds authorized under RCW 39.104.110.

31 (10) "Local sales and use tax increment" means the estimated
32 annual increase in local sales and use taxes as determined by the
33 local government in the calendar years following the approval of the
34 revitalization area by the department from taxable activity within
35 the revitalization area.

36 (11) "Local sales and use taxes" means local revenues derived
37 from the imposition of sales and use taxes authorized in RCW
38 82.14.030.

39 (12) "Ordinance" means any appropriate method of taking
40 legislative action by a local government.

1 (13) "Participating local government" means a local government
2 having a revitalization area within its geographic boundaries that
3 has taken action as provided in RCW 39.104.070(1) to allow the use of
4 all or some of its local sales and use tax increment or other
5 revenues from local public sources dedicated for local revitalization
6 financing.

7 (14) "Participating taxing district" means a taxing district
8 that:

9 (a) Has a revitalization area wholly or partially within its
10 geographic boundaries;

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

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

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

17 (16)(a)(i) "Property tax allocation revenue value" means seventy-
18 five percent of any increase in the assessed value of real property
19 in a revitalization area resulting from:

20 (A) The placement of new construction, improvements to property,
21 or both, on the assessment roll, where the new construction and
22 improvements are initiated after the revitalization area is approved;

23 (B) The cost of new housing construction, conversion, and
24 rehabilitation improvements, when the cost is treated as new
25 construction for purposes of chapter 84.55 RCW as provided in RCW
26 84.14.020, and the new housing construction, conversion, and
27 rehabilitation improvements are initiated after the revitalization
28 area is approved;

29 (C) The cost of rehabilitation of historic property, when the
30 cost is treated as new construction for purposes of chapter 84.55 RCW
31 as provided in RCW 84.26.070, and the rehabilitation is initiated
32 after the revitalization area is approved.

33 (ii) Increases in the assessed value of real property in a
34 revitalization area resulting from (a)(i)(A) through (C) of this
35 subsection are included in the property tax allocation revenue value
36 in the initial year. These same amounts are also included in the
37 property tax allocation revenue value in subsequent years unless the
38 property becomes exempt from property taxation.

39 (b) "Property tax allocation revenue value" includes seventy-five
40 percent of any increase in the assessed value of new construction

1 consisting of an entire building in the years following the initial
2 year, unless the building becomes exempt from property taxation.

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

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

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

11 (i) For new construction and improvements to property added to
12 the assessment roll, the year during which the new construction and
13 improvements are initially placed on the assessment roll;

14 (ii) For the cost of new housing construction, conversion, and
15 rehabilitation improvements, when the cost is treated as new
16 construction for purposes of chapter 84.55 RCW, the year when the
17 cost is treated as new construction for purposes of levying taxes for
18 collection in the following year; and

19 (iii) For the cost of rehabilitation of historic property, when
20 the cost is treated as new construction for purposes of chapter 84.55
21 RCW, the year when such cost is treated as new construction for
22 purposes of levying taxes for collection in the following year.

23 (17) "Public improvement costs" means the costs of:

24 (a) Design, planning, acquisition, including land acquisition,
25 site preparation including land clearing, construction,
26 reconstruction, rehabilitation, improvement, and installation of
27 public improvements;

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

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

31 (d) Financing public improvements, including interest during
32 construction, legal and other professional services, taxes,
33 insurance, principal and interest costs on general indebtedness
34 issued to finance public improvements, and any necessary reserves for
35 general indebtedness; and

36 (e) Administrative expenses and feasibility studies reasonably
37 necessary and related to these costs, including related costs that
38 may have been incurred before adoption of the ordinance authorizing
39 the public improvements and the use of local revitalization financing
40 to fund the costs of the public improvements.

1 (18) "Public improvements" means:
2 (a) Infrastructure improvements within the revitalization area
3 that include:
4 (i) Street, road, bridge, and rail construction and maintenance;
5 (ii) Water and sewer system construction and improvements;
6 (iii) Sidewalks, streetlights, landscaping, and streetscaping;
7 (iv) Parking, terminal, and dock facilities;
8 (v) Park and ride facilities of a transit authority;
9 (vi) Park facilities, recreational areas, and environmental
10 remediation;
11 (vii) Stormwater and drainage management systems;
12 (viii) Electric, gas, fiber, and other utility infrastructures;
13 and
14 (b) Expenditures for any of the following purposes:
15 (i) Providing environmental analysis, professional management,
16 planning, and promotion within the revitalization area, including the
17 management and promotion of retail trade activities in the
18 revitalization area;
19 (ii) Providing maintenance and security for common or public
20 areas in the revitalization area; or
21 (iii) Historic preservation activities authorized under RCW
22 35.21.395.
23 (19) "Real property" has the same meaning as in RCW 84.04.090 and
24 also includes any privately owned improvements located on publicly
25 owned land that are subject to property taxation.
26 (20)(a) "Regular property taxes" means regular property taxes as
27 defined in RCW 84.04.140, except: (i) Regular property taxes levied
28 by public utility districts specifically for the purpose of making
29 required payments of principal and interest on general indebtedness;
30 (ii) regular property taxes levied by the state for the support of
31 common schools under RCW 84.52.065; and (iii) regular property taxes
32 authorized by RCW 84.55.050 that are limited to a specific purpose.
33 (b) "Regular property taxes" do not include:
34 (i) Excess property tax levies that are exempt from the aggregate
35 limits for junior and senior taxing districts as provided in RCW
36 84.52.043; and
37 (ii) Property taxes that are specifically excluded through an
38 interlocal agreement between the sponsoring local government and a
39 participating taxing district as set forth in RCW 39.104.060(3).
40 (21)(a) "Revenues from local public sources" means:

1 (i) The local sales and use tax amounts received as a result of
2 interlocal agreement, local sales and use tax amounts from sponsoring
3 local governments based on its local sales and use tax increment, and
4 local property tax allocation revenues, which are dedicated by a
5 sponsoring local government, participating local governments, and
6 participating taxing districts, for payment of bonds under RCW
7 39.104.110 or public improvement costs within the revitalization area
8 on a pay-as-you-go basis; and

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

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

20 (22) "Revitalization area" means the geographic area adopted by a
21 sponsoring local government and approved by the approving agency,
22 from which local sales and use tax increments are estimated and
23 property tax allocation revenues are derived for local revitalization
24 financing.

25 (23) "Sponsoring local government" means a city, town, county, or
26 any combination thereof, that adopts a revitalization area.

27 (24) (~~("State")~~) (a) Except as provided in (b) of this subsection,
28 "state contribution" means the lesser of:

29 (~~((a))~~) (i) Five hundred thousand dollars;

30 (~~((b))~~) (ii) The project award amount approved by the approving
31 agency as provided in RCW 39.104.100 or 82.14.505; or

32 (~~((c))~~) (iii) The total amount of revenues from local public
33 sources dedicated in the preceding calendar year to the payment of
34 principal and interest on bonds issued under RCW 39.104.110 and
35 public improvement costs within the revitalization area on a pay-as-
36 you-go basis. Revenues from local public sources dedicated in the
37 preceding calendar year that are in excess of the project award may
38 be carried forward and used in later years for the purpose of this
39 subsection (24) (~~((c))~~) (a) (iii).

1 (b) For demonstration projects under RCW 82.14.505(1)(c), "state
2 contribution" means the lesser of (a)(ii) or (iii) of this
3 subsection.

4 (25) "State property tax increment" means the estimated amount of
5 annual tax revenues estimated to be received by the state from the
6 imposition of property taxes levied by the state for the support of
7 common schools under RCW 84.52.065 on the property tax allocation
8 revenue value, as determined by the sponsoring local government in an
9 application under RCW 39.104.100 and updated periodically as required
10 in RCW 82.32.765.

11 (26) "State sales and use tax increment" means the estimated
12 amount of annual increase in state sales and use taxes to be received
13 by the state from taxable activity within the revitalization area in
14 the years following the approval of the revitalization area as
15 determined by the sponsoring local government in an application under
16 RCW 39.104.100 and updated periodically as required in RCW 82.32.765.

17 (27) "State sales and use taxes" means state retail sales and use
18 taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided in
19 RCW 82.08.020(1), less the amount of tax distributions from all local
20 retail sales and use taxes, other than the local sales and use taxes
21 authorized by RCW 82.14.510 for the applicable revitalization area,
22 imposed on the same taxable events that are credited against the
23 state retail sales and use taxes under RCW 82.08.020(1) and
24 82.12.020.

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

28 **Sec. 5.** RCW 39.104.050 and 2010 c 164 s 3 are each amended to
29 read as follows:

30 The designation of a revitalization area is subject to the
31 following limitations:

32 (1)(a) Except as provided in (b) of this subsection, no
33 revitalization area may have within its geographic boundaries any
34 part of a hospital benefit zone under chapter 39.100 RCW, any part of
35 a revenue development area created under chapter 39.102 RCW, any part
36 of an increment area under chapter 39.89 RCW, or any part of another
37 revitalization area under this chapter;

38 (b) A revitalization area's boundaries may include all or a
39 portion of an existing increment area if:

1 (i) The state of Washington has loaned money for environmental
2 cleanup on such area in order to stimulate redevelopment of
3 brownfields;

4 (ii) The environmental cleanup, for which the state's loans were
5 intended, has been completed; and

6 (iii) The sponsoring local government determines the creation of
7 the revitalization area is necessary for redevelopment and protecting
8 the state's investment by increasing property tax revenue;

9 (2) A revitalization area is limited to contiguous tracts, lots,
10 pieces, or parcels of land without the creation of islands of
11 property not included in the revitalization area;

12 (3) The boundaries may not be drawn to purposely exclude parcels
13 where economic growth is unlikely to occur;

14 (4) The public improvements financed through bonds issued under
15 RCW 39.104.110 must be located in the revitalization area;

16 (5) ((A)) Except for demonstration projects listed in RCW
17 82.14.505(1)(c), a revitalization area cannot comprise an area
18 containing more than twenty-five percent of the total assessed value
19 of the taxable real property within the boundaries of the sponsoring
20 local government at the time the revitalization area is created. For
21 demonstration projects listed in RCW 82.14.505(1)(c), a
22 revitalization area cannot comprise an area containing more than
23 seventy-five percent of the total assessed value of the taxable real
24 property within the boundaries of the sponsoring local government at
25 the time the revitalization area is created;

26 (6) The boundaries of the revitalization area may not be changed
27 for the time period that local property tax allocation revenues,
28 local sales and use taxes of participating local governments, and the
29 local sales and use tax under RCW 82.14.510 are used to pay bonds
30 issued under RCW 39.104.110 and public improvement costs within the
31 revitalization area on a pay-as-you-go basis, as provided under this
32 chapter; and

33 (7) A revitalization area must be geographically restricted to
34 the location of the public improvement and adjacent locations that
35 the sponsoring local government finds to have a high likelihood of
36 receiving direct positive business and economic impacts due to the
37 public improvement, such as a neighborhood or a block.

--- END ---