

## Local Revitalization Financing Question and Answer?

August 28, 2009

**Question:** What happens if my application is submitted with missing required information?

**Answer:** When the application is received by the department, staff will review the application to certify that all the required fields are completed and that all necessary attachments are included. If it is determined that the application is incomplete the applicant will be contacted. If the application is incomplete, a new application will have to be submitted (electronically); this will result in a new time stamp and a new placement in the queue.

**Question:** How do we synchronize our clock with the time the department is using?

**Answer:** Our network is linked to an atomic clock; there is a link provided on the application located next to the submit button, which will not be functional until 9 AM Sept, 1. You may keep the link to the atomic clock open to be sure of the time, but will need to refresh your browser to see the submit button activated.

**Question:** I am a first come applicant, what happens to my electronic application once it is submitted?

**Answer:** When you submit your application you will receive a confirmation page that shows your application as submitted and the date and time the department received the application. The application will be placed into a queue based on the order it is received.

**Question:** What will happen if the Department receives duplicate first come basis applications?

**Answer:** The department will accept completed applications in the order received.

Any duplicate applications will be deleted.

**Question:** When computing the state benefit, what rate should be used?

**Answer:** Answer: The state sales tax rate of 6.5% minus all implemented state shared taxes as well as any LIFT state shared taxes that are committed. Examples of state shared taxes are:

- 0.9% rural county tax
- state-shared public facilities taxes
- 2% state-shared hotel/motel tax
- annexation services tax
- King County stadium taxes
- local infrastructure financing tool (LIFT) tax
- hospital benefit zone (HBZ) tax

Since some of these state shared rates vary by jurisdiction, you should contact the department for assistance in determining the rate used to calculate the state benefit.

**Helpful hint for calculating the local incremental increases:**

Cities, when computing the estimated local sales and use tax increments used in the work book, the 15% distribution to the counties and the 1% DOR administration fee should be deducted.

Estimated local use tax .5% regular and 5% optional	\$200,000
Less County 15% share	\$30,000
Less 1% Admin Fee	<u>\$1,700</u>
Local Incremental use tax increase	\$168,300

If the county is a participating government you would calculate the incremental increase for the county distribution by;

15% county share	\$30,000
Less Admin Fee	<u>\$300</u>
Local County Incremental use tax increase	\$29,700

If the County is the Sponsoring government the incremental increase for local sales and use tax would be calculated by;

Local use tax incremental increase	\$200,000
Less the 1% administration fee	<u>\$2,000</u>
Total local use tax incremental increase	\$198,000

Check back, this Q & A will be updated as we receive additional questions.