



1 (b) Cultural organizations represent an essential component of the  
2 state's overall quality of life, contributing substantially to the  
3 state's attractiveness and competitiveness in the global economy.

4 (c) Cultural organizations are themselves a significant component  
5 of the state's economy. Through their numerous missions and offerings,  
6 they afford the state's citizens meaningful and life enriching  
7 educational and other experiences.

8 (d) Cultural institutions are an essential source of knowledge and  
9 inspiration for the citizens of the state.

10 (2) The purpose of this chapter is to authorize formation of  
11 cultural access authorities and to authorize funding for public school  
12 cultural access programs and the support of cultural organizations,  
13 subject to voter approval.

14 **PART II**  
15 **DEFINITIONS**

16 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this  
17 section apply throughout this chapter unless the context clearly  
18 requires otherwise.

19 (1) "Administrative costs" means all operating, administrative, and  
20 maintenance expenses of an authority, a designated public agency, or a  
21 designated entity.

22 (2) "Attendance" means the total number of visits by persons in  
23 physical attendance during a year at cultural organization facilities  
24 located or cultural organization programs provided within an authority  
25 service area, including attendance for which admission was paid,  
26 discounted, or free, consistent with and verifiable under guidelines  
27 adopted by the appropriate authority.

28 (3) "Authority" means a cultural access authority.

29 (4) "Authority board" means the board of directors of an authority.

30 (5) "Community-based organization" means a cultural organization  
31 that primarily functions, focuses its activities, and is supported or  
32 patronized within a local community and is not a regional organization,  
33 subject to further definition under guidelines adopted by the  
34 appropriate designated public agency.

35 (6) "Cultural organization" means a nonprofit corporation  
36 incorporated under the laws of the state of Washington and recognized

1 by the internal revenue service as described in section 501(c)(3) of  
2 the internal revenue code of 1986, as amended, with its principal  
3 location or locations and conducting a majority of its activities  
4 within the state, not including: Any agency of the state or any of its  
5 political subdivisions; any municipal corporation; any educational  
6 institution; any organization that raises funds for redistribution to  
7 cultural organizations; or any radio or television broadcasting network  
8 or station, cable communications system, internet-based communications  
9 venture or service, newspaper, or magazine. The primary purpose of the  
10 organization must be the advancement and preservation of science or  
11 technology, the visual or performing arts, zoology, botany,  
12 anthropology, or cultural or natural history and any organization shall  
13 directly provide programming or experiences available to the general  
14 public. Any organization with the primary purpose of advancing and  
15 preserving zoology such as zoos and aquariums must be or support a  
16 facility that is accredited by the association of zoos and aquariums or  
17 its functional successor. A state-related cultural organization may be  
18 a cultural organization.

19 (7) "Designated entity" means the entity designated by the  
20 legislative authority of a participating county. The entity may be a  
21 public agency, including the state arts commission established under  
22 chapter 43.46 RCW, or a Washington nonprofit corporation that is not a  
23 cultural organization eligible for funding under this chapter.

24 (8) "Designated public agency" means the agency designated by the  
25 legislative authority of a participating county within an authority  
26 service area.

27 (9) "Participating county" means a county that participated in the  
28 formation of an authority under this chapter.

29 (10) "Regional organization" means a cultural organization that  
30 owns, operates, or supports cultural facilities or provides  
31 performances, exhibits, educational programs, experiences, or  
32 entertainment that widely benefit and are broadly attended by the  
33 public within the authority service area, subject to further definition  
34 under guidelines adopted by the appropriate authority. A regional  
35 organization may also generally be characterized under authority  
36 guidelines as a financially stable, substantial organization with  
37 full-time support and program staff, maintaining a broad-based  
38 membership within the authority service area, having year-round or

1 enduring seasonal operations, being a substantial financial contributor  
2 to the development, operation, and maintenance of the organization's  
3 principal venue or venues, and providing substantial public benefits  
4 within the authority service area.

5 (11) "Revenues" means revenues generated by a cultural  
6 organization, consistent with generally accepted accounting practices  
7 and any authority guidelines, excluding: (a) Revenues associated with  
8 capital projects other than major maintenance projects including, but  
9 not limited to, capital campaign expenses; (b) funds provided under  
10 this chapter; (c) revenue that would be considered unrelated business  
11 taxable income under the internal revenue code of 1986, as amended; and  
12 (d) with respect to a state-related cultural organization, state  
13 funding received by it or for the institution it supports. Revenues  
14 include transfers from an organization's endowment or reserves and may  
15 include the value of in-kind goods and services to the extent permitted  
16 under any authority guidelines.

17 (12) "Service area" means the area in which an authority functions  
18 that is coterminous with the boundaries of one county or two or more  
19 contiguous participating counties.

20 (13) "State-related cultural organization" means an organization  
21 incorporated as a nonprofit corporation under the laws of the state of  
22 Washington and recognized by the internal revenue service as described  
23 in section 501(c)(3) of the internal revenue code of 1986, as amended,  
24 with a primary purpose and directly providing programming or  
25 experiences available to the general public consistent with the  
26 requirements for recognition as a cultural organization under this  
27 chapter operating in a facility owned and supported by the state, a  
28 state agency, or state educational institution.

### 29 PART III

### 30 CULTURAL ACCESS AUTHORITIES

31 NEW SECTION. **Sec. 301.** CREATION. (1)(a) Any county may create an  
32 authority by resolution of the county legislative authority.

33 (b) Any contiguous group of counties may create an authority by  
34 entering into an interlocal agreement under chapter 39.34 RCW, approved  
35 by resolution of the county legislative authorities.

1 (2) An authority service area must be coextensive with the  
2 boundaries of the participating county or counties that created the  
3 authority, including incorporated areas.

4 (3)(a) An authority created by a single participating county with  
5 a population of one million five hundred thousand or less must be  
6 governed by a five-member authority board consisting of four members  
7 appointed by the county legislative authority and one member appointed  
8 by the governor. An authority created by a single participating county  
9 with a population of more than one million five hundred thousand must  
10 be governed by a five-member authority board consisting of two members  
11 appointed by the legislative authority of the county; one member  
12 appointed by the legislative authority of each of the two largest  
13 cities by population as of formation of the authority; and one member  
14 appointed by the governor. The members of the authority board shall  
15 serve four-year terms. Of the initial members, one must be appointed  
16 for a one-year initial term, one must be appointed for a two-year  
17 initial term, one must be appointed for a three-year initial term, and  
18 the remainder must be appointed for four-year terms.

19 (b) Except as provided in (c) of this subsection, an authority  
20 created by two or more participating counties under subsection (1)(b)  
21 of this section must be governed by an authority board as provided in  
22 the interlocal agreement creating the authority. The interlocal  
23 agreement must specify the number of members of the authority board.  
24 The board of an authority created by four or fewer participating  
25 counties may not have more than nine members, not more than two of whom  
26 may be appointed by the legislative authority of any participating  
27 county and one of whom shall be appointed by the governor. The board  
28 of an authority created by more than four participating counties may  
29 not have more than eleven members, including one appointed by the  
30 governor. The interlocal agreement creating the authority must  
31 allocate responsibility for the appointment of the remaining members of  
32 the authority board among the legislative authorities of the  
33 participating counties. If the total number of participating counties  
34 or the allocation of appointment responsibility provided in the  
35 interlocal agreement precludes each participating county from  
36 appointing at least one member of the initial board of the authority,  
37 the interlocal agreement may provide for rotation of responsibility for  
38 some board member appointments among the legislative authorities of the

1 participating counties as board member vacancies occur. The members of  
2 the authority board shall serve four-year terms. The interlocal  
3 agreement creating the authority must divide the board into three  
4 classes of relatively equal size. Of the initial members of the board,  
5 one class of members must be appointed for a two-year initial term; one  
6 class of members must be appointed for a three-year initial term, and  
7 the remainder must be appointed for a four-year initial term.

8 (c) An authority created by up to four participating counties with  
9 an aggregate population of more than two million five hundred thousand  
10 must be governed by a seven to eleven-member authority board as  
11 follows: (i) With respect to a two-county authority formed under this  
12 subsection, one member appointed by the legislative authority of each  
13 participating county; one member appointed by the legislative authority  
14 of each of the two largest cities by population as of formation of the  
15 authority in the larger participating county by population as of  
16 formation of the authority; one member appointed by the legislative  
17 authority of the largest city by population as of formation of the  
18 authority in the smaller participating county by population as of  
19 formation of the authority; and two members appointed by the governor;  
20 and (ii) with respect to a three or four-county authority formed under  
21 this subsection, one member appointed by the legislative authority of  
22 each participating county; one member appointed by the legislative  
23 authority of each of the two largest cities by population as of  
24 formation of the authority in the largest participating county by  
25 population as of formation of the authority; one member appointed by  
26 the legislative authority of the largest city by population as of  
27 formation of the authority in each of the other participating counties;  
28 and two members appointed by the governor. A county legislative  
29 authority appointing members under this subsection shall solicit  
30 recommendations from the county cultural commission, if any, and the  
31 county's designated public agency prior to final approval of any  
32 appointment or appointments. The members of the authority board shall  
33 serve four-year terms. Of the initial members of the board of a  
34 two-county authority formed under this subsection, two must be  
35 appointed for a one-year term; two must be appointed for a two-year  
36 term; two must be appointed for a three-year term; and one member must  
37 be appointed for a four-year term as set forth in the interlocal  
38 agreement creating the authority. Of the initial members of the board

1 of a three or four-county authority formed under this subsection, three  
2 must be appointed for a one-year initial term; three must be appointed  
3 for a two-year initial term; three must be appointed for a three-year  
4 initial term; and two members must be appointed for a four-year initial  
5 term as set forth in the interlocal agreement creating the authority.

6 (d)(i) Authority board members may not be members of the  
7 legislative authorities of a participating county or of any city or  
8 town located in a participating county.

9 (ii) In any participating county with an elected county executive,  
10 authority board members appointed by the county legislative authority  
11 must be nominated by the county executive, subject to confirmation by  
12 the county legislative authority.

13 (iii) A vacancy on an authority board must be filled in the same  
14 manner as the original appointment was made, and the person appointed  
15 to fill a vacancy shall serve for the remainder of the unexpired term  
16 of the office for the position to which he or she was appointed.

17 (iv) A board member appointed by the governor may be removed from  
18 office by the governor. Any other board member may be removed from  
19 office by action of at least two-thirds of the members of the  
20 legislative authority which made the appointment.

21 (v) Authority board members may serve up to two full consecutive  
22 terms, in addition to serving one shorter initial term upon the  
23 formation of an authority or one shorter unexpired term filling a board  
24 vacancy.

25 (4) An authority is a municipal corporation, a political  
26 subdivision, an independent taxing authority, and a taxing district.

27 (5) An authority constitutes a body corporate and possesses all the  
28 usual powers of a corporation for public purposes as well as all other  
29 powers that may now or hereafter be specifically conferred by statute.

30 (6) An authority board must adopt ethics policies consistent with  
31 applicable law and generally recognized best practices for comparable  
32 entities addressing disclosure and management of potential conflicts of  
33 interest, among other matters. The policies must apply to authority  
34 board members, officers, and employees.

35 NEW SECTION. **Sec. 302.** START-UP FUNDING AND CONDITIONAL  
36 FORMATION. (1)(a) The county or counties creating an authority may  
37 provide for the participating county or counties to advance to the

1 authority up to one million dollars per year for up to three years for  
2 its administrative costs, including the cost of informing the public  
3 about the formation of the authority, how it is proposed to be funded,  
4 and the public benefits to be realized if it is successful. However,  
5 this subsection does not authorize the preparation and distribution of  
6 information to the general public for the purpose of influencing the  
7 outcome of an authority election.

8 (b) In the case of a multicounty authority, funds advanced must be  
9 provided pro rata by each participating county based on the relative  
10 size of the population of each county.

11 (2) The county or counties creating an authority must require  
12 repayment of start-up funding advanced to an authority from the  
13 proceeds of taxes authorized under sections 401 through 403 of this act  
14 and approved by voters after the taxes are first collected. The funds  
15 must be repaid to the participating county or counties with interest at  
16 the internal rate of return on the invested funds of each participating  
17 county.

18 (3)(a) An authority must be dissolved three years after its  
19 formation unless it has secured voter approval of one of the taxes  
20 authorized herein. Upon dissolution of an authority after three years  
21 without securing voter approval of a proposed tax, an authority may not  
22 again be formed under this chapter by the same county or combination of  
23 counties for three years following the dissolution of a predecessor.

24 (b) One or more of the counties participating in the formation of  
25 a dissolved authority may form another authority under this chapter  
26 without delay if the participant or combination of participants in the  
27 formation of another authority differs from the participant or  
28 combination of participants in the formation of the dissolved  
29 authority.

30 (c) Any expended funds of the participating county or counties  
31 advanced to an authority that is dissolved as provided under this  
32 section need not be repaid to the participating county or counties.  
33 Any remaining funds on hand upon dissolution must be returned to the  
34 participating counties.

35 NEW SECTION. **Sec. 303.** NONSUPPLANTATION. In creating an  
36 authority under this chapter or appointing members of the board of the  
37 authority, any participating county or city appointing board members



1 shall affirm that any funding such county or city usually and  
2 customarily provides to cultural organizations similar to funding that  
3 would be available to those organizations under this chapter may not be  
4 replaced or materially diminished as a result of funding becoming  
5 available under this chapter.

6 NEW SECTION. **Sec. 304.** ADVISORY COUNCILS. Each authority  
7 established under this chapter may establish an advisory council, the  
8 membership of which must include citizen representatives of  
9 constituencies and organizations with interests relevant to the work of  
10 the authority including, but not limited to, leaders in the business,  
11 educational, and cultural communities. Advisory council members should  
12 be residents of the service area of the authority. Policies concerning  
13 the size and operation of any advisory council must be established by  
14 the authority that forms the council.

15 NEW SECTION. **Sec. 305.** POWERS AND PURPOSES. In addition to  
16 accomplishing the cultural organization support activities specifically  
17 authorized under this chapter, an authority may:

- 18 (1) Maintain an office or offices;
- 19 (2) Sue and be sued in its own name, and plead and be impleaded;
- 20 (3) Engage consultants, agents, attorneys, and advisers, contract  
21 with state and local governmental entities for services, and hire as  
22 provided in sections 309 and 310 of this act such employees, agents,  
23 and other personnel as the authority deems necessary, useful, or  
24 convenient to accomplish its purposes;
- 25 (4) Establish procurement policies by resolution, including  
26 procedures for competitive procurement of services when required under  
27 its established policies;
- 28 (5) Make and execute all manner of contracts, agreements, and  
29 documents with public and private parties as the authority deems  
30 necessary, useful, or convenient to accomplish its purposes;
- 31 (6) Acquire and hold real or personal property, or any interest  
32 therein, in the name of the authority, and sell, assign, lease,  
33 encumber, mortgage, or otherwise dispose of the same in the manner as  
34 the authority deems necessary, useful, or convenient to accomplish its  
35 purposes. Any county legislative authority may transfer property, with  
36 or without consideration, to an authority created under this chapter;

1 (7) Open and maintain accounts in qualified public depositories and  
2 otherwise provide for the investment of any funds not required for  
3 immediate disbursement, and provide for the selection of investments;

4 (8) Appear in its own behalf before boards, commissions,  
5 departments, or agencies of federal, state, or local government;

6 (9) Procure insurance in amounts and from insurers as the authority  
7 deems desirable including, but not limited to, insurance against any  
8 loss or damage to its property or other assets, public liability  
9 insurance for injuries to persons or property, and liability insurance  
10 with limits an authority board deems reasonable for the purpose of  
11 protecting and holding personally harmless board members, officers, and  
12 employees of the authority against liability arising from their acts or  
13 omissions while performing or in good faith purporting to perform their  
14 official duties;

15 (10) Apply for and accept grants, loans, advances, and  
16 contributions from any source of money, property, labor, or other  
17 things of value, to be held, used, and applied as the authority deems  
18 necessary, useful, or convenient to accomplish its purposes, without  
19 competing with cultural organizations as defined under this chapter or  
20 private organizations that raise funds for distribution to cultural  
21 organizations;

22 (11) Make expenditures as are appropriate for paying the  
23 administrative costs and expenses of the authority in carrying out the  
24 provisions of this chapter;

25 (12) Establish reserves and special funds, and controls on deposits  
26 to and disbursements from them, as the authority deems necessary,  
27 useful, or convenient to accomplish its purposes;

28 (13) Prepare, publish, and distribute, with or without charge,  
29 studies, reports, bulletins, and other material as the authority deems  
30 necessary, useful, or convenient to accomplish its purposes;

31 (14) Conduct meetings at which members participating through the  
32 use of any means of communication by which all members participating  
33 can hear each other during the meeting are deemed to be present in  
34 person at the meeting for all purposes;

35 (15) Delegate any of its powers and duties if consistent with the  
36 purposes of this chapter;

37 (16) Adopt rules and guidelines as may be necessary to implement  
38 this chapter; and

1 (17) Exercise any other power the authority deems necessary,  
2 useful, or convenient to accomplish its purposes and exercise the  
3 powers expressly granted in this chapter.

4 NEW SECTION. **Sec. 306.** EXPENSE REIMBURSEMENT PROCEDURES. The  
5 authority board shall adopt a resolution that may be amended from time  
6 to time governing methods and amounts of reimbursement payable to board  
7 members, officers, and employees for travel and other business expenses  
8 incurred on behalf of the authority. The resolution must, among other  
9 things, establish procedures for approving expenses, the form of travel  
10 and expense vouchers, and requirements governing the use of credit  
11 cards issued in the name of the authority. Board members, officers,  
12 and employees may be advanced sufficient sums to cover their  
13 anticipated expenses in accordance with rules adopted by the state  
14 auditor.

15 NEW SECTION. **Sec. 307.** PER DIEM COMPENSATION. Each member of the  
16 authority board may receive compensation of fifty dollars per day for  
17 attending meetings or conferences on behalf of the authority, not to  
18 exceed three thousand dollars per year. A board member may waive all  
19 or a portion of his or her compensation under this section during his  
20 or her term of office, by a written waiver filed with the authority.  
21 The compensation provided in this section is in addition to  
22 reimbursement for expenses paid to board members by the authority.

23 NEW SECTION. **Sec. 308.** DEFENSE AND INDEMNITY. Whenever an  
24 action, claim, or proceeding is instituted against a person who is or  
25 was a board member, officer, or employee of an authority arising out of  
26 the performance of duties for or employment with the authority, the  
27 authority may grant a request by the person that the attorney of the  
28 authority's choosing be authorized to defend the claim, suit, or  
29 proceeding, and the costs of defense, attorneys' fees, and obligation  
30 for payments arising from the action may be paid from the authority's  
31 funds. Costs of defense, judgment, or settlement against the person  
32 may not be paid in a case where the court has found that the person was  
33 not acting in good faith within the scope of employment with or duties  
34 for the authority. No board member or officer of the authority may be

1 personally liable for acts done or omitted in good faith while  
2 performing duties as a board member or officer on behalf of the  
3 authority.

4 NEW SECTION. **Sec. 309.** EMPLOYEES, SALARIES, AND BENEFITS. An  
5 authority may create and fill positions; fix reasonable wages and  
6 salaries; pay costs involved in hiring employees; and establish  
7 reasonable benefits for employees, including holiday pay, vacations or  
8 vacation pay, retirement benefits, and medical, life, accident, or  
9 health disability insurance, as approved by the board. Authority board  
10 members, at their own expense, may be included under any authority  
11 policy for medical, life, accident, or health disability insurance.  
12 Insurance for employees and board members may not be considered  
13 compensation. Coverage for the board under any authority policy is not  
14 to exceed that provided authority employees. An authority is a  
15 political subdivision for purposes of participation in the state public  
16 employees' retirement system under RCW 41.40.062 and for other  
17 purposes.

18 NEW SECTION. **Sec. 310.** STATE ARTS COMMISSION. An authority,  
19 other than an authority with a service area population of more than one  
20 million five hundred thousand established as provided in section  
21 301(1)(a) of this act or an authority with an aggregate service area  
22 population of more than two million five hundred thousand established  
23 as provided in section 301(1)(b) of this act, may contract with the  
24 state arts commission formed under chapter 43.46 RCW for consulting,  
25 management, or administrative services. A participating county may  
26 contract with the state arts commission to function for consulting,  
27 management, or administrative services, including functioning as its  
28 designated public agency.

29 NEW SECTION. **Sec. 311.** TREASURER. At the request of the  
30 authority, the treasurer of any participating county may serve as the  
31 ex officio treasurer of the authority.

32 **PART IV**  
33 **FUNDING**

1        NEW SECTION.    **Sec. 401.**    AUTHORITY TO IMPOSE TAX.    (1) An authority  
2 may impose sales and use taxes under section 402 of this act or regular  
3 property tax levies under section 403 of this act for the purposes  
4 authorized under section 601 of this act.

5        (2) If an authority imposes sales and use taxes under section 402  
6 of this act, the authority may not impose a regular property tax levy  
7 under section 403 of this act.

8        (3) If an authority imposes a regular property tax levy under  
9 section 403 of this act, the authority may not impose sales and use  
10 taxes under section 402 of this act.

11        NEW SECTION.    **Sec. 402.**    A new section is added to chapter 82.14  
12 RCW to read as follows:

13        VOTED SALES AND USE TAXES.    (1) The authority board may impose a  
14 sales and use tax of up to one-tenth of one percent of the selling  
15 price in the case of a sales tax, or value of the article used, in the  
16 case of a use tax, when specifically authorized to do so by a majority  
17 of the voters voting on a proposition submitted at a special election.  
18 The ballot proposition may provide for the tax to apply for a period of  
19 up to seven years.

20        (2) The tax authorized in this section is in addition to any other  
21 taxes authorized by law and must be collected from those persons who  
22 are taxable by the state under chapters 82.08 and 82.12 RCW upon the  
23 occurrence of any taxable event within the authority.

24        (3) The authority board may extend a tax imposed under this section  
25 for one or more additional periods of up to seven years, in each case  
26 when specifically authorized to extend the tax by a majority of the  
27 voters voting on a proposition submitted at a special election.

28        (4) Moneys collected under this section may only be used for the  
29 purposes set forth in section 601 of this act.

30        (5) The definitions in section 201 of this act apply to this  
31 section.

32        NEW SECTION.    **Sec. 403.**    A new section is added to chapter 84.52  
33 RCW to read as follows:

34        VOTED PROPERTY TAX.    (1) The authority board may impose annual  
35 regular property tax levies in the authority service area when  
36 specifically authorized to do so by a majority of the voters voting on

1 a proposition submitted at a special election. The ballot proposition  
2 must set forth the total dollar amount to be collected in the first  
3 year of the levy and may provide for a levy for a period of up to seven  
4 years. The total dollar amount to be set forth in the ballot  
5 proposition may not exceed an amount equal to: (a) The total number of  
6 taxable retail sales and taxable uses in the participating counties  
7 within the authority service area for the most recent calendar year as  
8 reported by the department of revenue; multiplied by (b) one-tenth of  
9 one percent.

10 (2) The authority board may extend a tax imposed under subsection  
11 (1) of this section for one or more additional periods of up to seven  
12 years, in each case when specifically authorized to extend the tax by  
13 a majority of the voters voting on a proposition submitted at a special  
14 election. The ballot proposition must set forth the total dollar  
15 amount to be collected in the first year of the extended levy, which  
16 dollar amount may not exceed an amount equal to: (a) The total number  
17 of taxable retail sales and taxable uses in the participating counties  
18 within the authority service area for the most recent calendar year as  
19 reported by the department of revenue; multiplied by (b) one-tenth of  
20 one percent.

21 (3) In the event an authority is levying property taxes that, in  
22 combination with property taxes levied by other taxing districts exceed  
23 the limitations in RCW 84.52.043 and 84.52.050, the authority's  
24 property tax levy must be reduced or eliminated consistent with RCW  
25 84.52.010.

26 (4) The limitation in RCW 84.55.010 does not apply to the first  
27 levy imposed under this section following the approval of the levy by  
28 the voters under subsection (1) of this section or to the first levy  
29 imposed under this section following the approval of an extension of  
30 the tax by the voters under subsection (2) of this section.

31 (5) Moneys collected under this section may only be used for the  
32 purposes set forth in section 601 of this act.

33 (6) The definitions in section 201 of this act apply to this  
34 section.

35 **Sec. 404.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to  
36 read as follows:

1 Except as is permitted under RCW 84.55.050, all taxes shall be  
2 levied or voted in specific amounts.

3 The rate percent of all taxes for state and county purposes, and  
4 purposes of taxing districts coextensive with the county, shall be  
5 determined, calculated and fixed by the county assessors of the  
6 respective counties, within the limitations provided by law, upon the  
7 assessed valuation of the property of the county, as shown by the  
8 completed tax rolls of the county, and the rate percent of all taxes  
9 levied for purposes of taxing districts within any county shall be  
10 determined, calculated and fixed by the county assessors of the  
11 respective counties, within the limitations provided by law, upon the  
12 assessed valuation of the property of the taxing districts  
13 respectively.

14 When a county assessor finds that the aggregate rate of tax levy on  
15 any property, that is subject to the limitations set forth in RCW  
16 84.52.043 or 84.52.050, exceeds the limitations provided in either of  
17 these sections, the assessor shall recompute and establish a  
18 consolidated levy in the following manner:

19 (1) The full certified rates of tax levy for state, county, county  
20 road district, and city or town purposes shall be extended on the tax  
21 rolls in amounts not exceeding the limitations established by law;  
22 however any state levy shall take precedence over all other levies and  
23 shall not be reduced for any purpose other than that required by RCW  
24 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,  
25 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a  
26 metropolitan park district that was protected under RCW 84.52.120,  
27 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular  
28 property tax levies that are subject to the one percent limitation  
29 exceeds one percent of the true and fair value of any property, then  
30 these levies shall be reduced as follows:

31 (a) The levy imposed by a county under RCW 84.52.140 shall be  
32 reduced until the combined rate no longer exceeds one percent of the  
33 true and fair value of any property or shall be eliminated;

34 (b) If the combined rate of regular property tax levies that are  
35 subject to the one percent limitation still exceeds one percent of the  
36 true and fair value of any property, the portion of the levy by a fire  
37 protection district that is protected under RCW 84.52.125 shall be

1 reduced until the combined rate no longer exceeds one percent of the  
2 true and fair value of any property or shall be eliminated;

3 (c) If the combined rate of regular property tax levies that are  
4 subject to the one percent limitation still exceeds one percent of the  
5 true and fair value of any property, the levy imposed by a county under  
6 RCW 84.52.135 must be reduced until the combined rate no longer exceeds  
7 one percent of the true and fair value of any property or must be  
8 eliminated;

9 (d) If the combined rate of regular property tax levies that are  
10 subject to the one percent limitation still exceeds one percent of the  
11 true and fair value of any property, the levy imposed by a ferry  
12 district under RCW 36.54.130 must be reduced until the combined rate no  
13 longer exceeds one percent of the true and fair value of any property  
14 or must be eliminated;

15 (e) If the combined rate of regular property tax levies that are  
16 subject to the one percent limitation still exceeds one percent of the  
17 true and fair value of any property, the portion of the levy by a  
18 metropolitan park district that is protected under RCW 84.52.120 shall  
19 be reduced until the combined rate no longer exceeds one percent of the  
20 true and fair value of any property or shall be eliminated;

21 (f) If the combined rate of regular property tax levies that are  
22 subject to the one percent limitation still exceeds one percent of the  
23 true and fair value of any property, then the levies imposed under RCW  
24 84.34.230, 84.52.105, and any portion of the levy imposed under RCW  
25 84.52.069 that is in excess of thirty cents per thousand dollars of  
26 assessed value, shall be reduced on a pro rata basis until the combined  
27 rate no longer exceeds one percent of the true and fair value of any  
28 property or shall be eliminated; and

29 (g) If the combined rate of regular property tax levies that are  
30 subject to the one percent limitation still exceeds one percent of the  
31 true and fair value of any property, then the thirty cents per thousand  
32 dollars of assessed value of tax levy imposed under RCW 84.52.069 shall  
33 be reduced until the combined rate no longer exceeds one percent of the  
34 true and fair value of any property or eliminated.

35 (2) The certified rates of tax levy subject to these limitations by  
36 all junior taxing districts imposing taxes on such property shall be  
37 reduced or eliminated as follows to bring the consolidated levy of  
38 taxes on such property within the provisions of these limitations:



1 (a) First, the certified property tax levy rates of those junior  
2 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,  
3 (~~and~~) 67.38.130, and section 403 of this act shall be reduced on a  
4 pro rata basis or eliminated;

5 (b) Second, if the consolidated tax levy rate still exceeds these  
6 limitations, the certified property tax levy rates of flood control  
7 zone districts shall be reduced on a pro rata basis or eliminated;

8 (c) Third, if the consolidated tax levy rate still exceeds these  
9 limitations, the certified property tax levy rates of all other junior  
10 taxing districts, other than fire protection districts, regional fire  
11 protection service authorities, library districts, the first fifty cent  
12 per thousand dollars of assessed valuation levies for metropolitan park  
13 districts, and the first fifty cent per thousand dollars of assessed  
14 valuation levies for public hospital districts, shall be reduced on a  
15 pro rata basis or eliminated;

16 (d) Fourth, if the consolidated tax levy rate still exceeds these  
17 limitations, the first fifty cent per thousand dollars of assessed  
18 valuation levies for metropolitan park districts created on or after  
19 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

20 (e) Fifth, if the consolidated tax levy rate still exceeds these  
21 limitations, the certified property tax levy rates authorized to fire  
22 protection districts under RCW 52.16.140 and 52.16.160 and regional  
23 fire protection service authorities under RCW 52.26.140(1) (b) and (c)  
24 shall be reduced on a pro rata basis or eliminated; and

25 (f) Sixth, if the consolidated tax levy rate still exceeds these  
26 limitations, the certified property tax levy rates authorized for fire  
27 protection districts under RCW 52.16.130, regional fire protection  
28 service authorities under RCW 52.26.140(1)(a), library districts,  
29 metropolitan park districts created before January 1, 2002, under their  
30 first fifty cent per thousand dollars of assessed valuation levy, and  
31 public hospital districts under their first fifty cent per thousand  
32 dollars of assessed valuation levy, shall be reduced on a pro rata  
33 basis or eliminated.

34 **PART V**

35 **PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS**

1           NEW SECTION.     **Sec. 501.**     PUBLIC BENEFITS.     (1) An authority  
2 established under this chapter shall provide or continue to provide  
3 funding authorized under this chapter only to cultural organizations  
4 that provide discernible public benefits. Each authority established  
5 under this chapter shall identify a range of public benefits that  
6 cultural organizations within its service area may provide or continue  
7 to provide in satisfaction of this requirement for eligibility to  
8 receive funding authorized under this chapter. The public benefits  
9 include, without limitation: Reasonable opportunities for access to  
10 facilities, programs, and services on a reduced or no admission fee  
11 basis, particularly for diverse and underserved populations and  
12 communities; providing, through technological and other means, services  
13 or programs in locations other than an organization's own facilities;  
14 providing educational programs and experiences both at an  
15 organization's own facilities and in schools and other venues;  
16 broadening cultural programs, performances, and exhibitions for the  
17 enlightenment and entertainment of the public; supporting collaborative  
18 relationships with other cultural organizations in order to extend the  
19 reach and impact of the collaborating organizations for the benefit of  
20 the public; and, in the case of community-based organizations,  
21 organizational capacity-building projects or activities that an  
22 organization can demonstrate, to the reasonable satisfaction of the  
23 county-designated public agency, will enhance the ability of the  
24 organization to provide or continue to provide meaningful public  
25 benefits not otherwise achievable. In addition to providing or  
26 continuing to provide public benefits identified by the appropriate  
27 authorities under this section, regional organizations receiving  
28 funding under section 601(2) of this act shall participate in good  
29 faith in the authority's public school cultural access program required  
30 under section 502 of this act. The regional organizations shall  
31 provide or continue to provide public benefits under this section in  
32 addition to participating in the public school cultural access program.

33           (2) Each authority established under this chapter shall adopt  
34 guidelines establishing a baseline standard of continuous performance  
35 with respect to the provision of public benefits required under this  
36 chapter and for evaluating the continuing eligibility of any regional  
37 or community-based organization to receive funds under this chapter  
38 based on the continuous performance of the organization in the

1 provision of the public benefits. The guidelines must include: (a)  
2 Procedures for notifying any organization at risk of losing its  
3 continuing eligibility to receive funds under this chapter for failure  
4 to achieve the authority's baseline standard of performance with  
5 respect to the continuous provision of public benefits; and (b)  
6 measures or procedures available to the organization for either  
7 retaining or recovering eligibility, as appropriate.

8 (3) In evaluating requests for funding authorized under this  
9 chapter for projects of regional benefit under section 601 of this act  
10 or this subsection, the authority board shall consider the public  
11 benefits to be derived from proposed projects. At the conclusion of a  
12 project of regional benefit, the recipient of funding authorized under  
13 this chapter is required to report to the authority on the public  
14 benefits realized. Each regional organization receiving funds  
15 authorized under this chapter pursuant to an authority allocation  
16 formula shall annually, prior to year end, preview for the authority  
17 public benefits the organization's plans to provide or continue to  
18 provide in the following year and report on public benefits it provided  
19 or continued to provide during the current year. In evaluating  
20 requests for funding authorized under this chapter, a county-designated  
21 public agency responsible for the distribution of the funds shall  
22 consider the public benefits applicant community-based organizations  
23 represent will be derived from proposed projects. At the conclusion of  
24 a project approved for funding, the sponsoring community-based  
25 organization is required to report to the county-designated public  
26 agency on the public benefits realized.

27 NEW SECTION. **Sec. 502.** PUBLIC SCHOOL CULTURAL ACCESS PROGRAM.

28 (1) An authority established under this chapter shall develop and  
29 provide a public school cultural access program within its service  
30 area, as provided in section 601 of this act.

31 (2) As determined by the authority board and to the extent  
32 practicable consistent with available resources, the public school  
33 cultural access program of an authority described in section 601(2) of  
34 this act must include the following attributes:

35 (a) Provide benefits designed to increase public school student  
36 access to the programming offered and facilities operated by regional  
37 and community-based organizations receiving funding under this chapter;

1 (b) Offer benefits to every public school in the authority's  
2 service area while scaling the range of benefits available to and the  
3 frequency of opportunities to participate by any particular school to  
4 coincide with the relative percentage of students attending the school  
5 who participate in the national free or reduced-price school meals  
6 program; and

7 (c) Benefits provided under the public school cultural access  
8 program must include, without limitation:

9 (i) Establishment and operation, within funding provided to support  
10 the public school cultural access program under this subsection, of a  
11 centralized service available to regional and community-based  
12 organizations receiving funding under this chapter and public schools  
13 in the authority's service area to coordinate opportunities for public  
14 school student access to the programs and activities offered by the  
15 organizations both at the facilities and venues operated by the  
16 organizations and through programs and experiences provided by the  
17 organizations at schools and elsewhere;

18 (ii) Providing directly or otherwise funding and arranging for  
19 transportation for public school students to attend and participate in  
20 the programs and activities offered by such organizations;

21 (iii) In consultation with regional and community-based  
22 organizations, preparing and maintaining a readily accessible and  
23 current guide cataloging access opportunities and facilitating  
24 scheduling;

25 (iv) Coordinating closely with regional and community-based  
26 organizations to maximize student utilization of available  
27 opportunities in a cost-efficient manner including possible scheduling  
28 on a single day opportunities for different grade levels at any one  
29 school and participation in multiple programs or activities in the same  
30 general area for which authority-funded transportation is provided;

31 (v) Supporting the development of tools, materials, and media by  
32 cultural organizations to ensure that school access programs and  
33 activities correlate with school curricula and extend the reach of  
34 access programs and activities for classroom use with or without direct  
35 on-site participation, to the extent practicable;

36 (vi) Building meaningful partnerships with public schools and  
37 cultural organizations in order to maximize participation in school

1 access programs and activities and ensure their relevance and  
2 effectiveness;

3 (vii) Preparing an annual public school access plan for authority  
4 board review and adoption prior to implementation; and

5 (viii) Compiling an annual report documenting the reach and  
6 evaluating the effectiveness of authority-funded public school access  
7 efforts, including recommendations to the authority board for  
8 improvements.

9 **PART VI**  
10 **USE OF FUNDS**

11 NEW SECTION. **Sec. 601.** ALLOCATION. (1) An authority, other than  
12 an authority described in subsection (2) of this section, must allocate  
13 the proceeds of taxes authorized under section 402 or 403 of this act  
14 as follows:

15 (a) Until any start-up funding provided to the authority under  
16 section 302 of this act has been fully repaid, the authority must  
17 annually reserve from total funds available funding sufficient to  
18 provide for repayment of such start-up funding;

19 (b) Not more than five percent of total funds available annually  
20 may be reserved for authority administrative costs, including repaying  
21 its start-up funding provided under section 302 of this act and to  
22 support projects of regional benefit to be undertaken within the  
23 authority's service area, as determined by the authority board. Not  
24 more than two and one-half percent of total funds available annually  
25 may be used for authority administrative costs. The authority board  
26 shall establish eligibility guidelines, criteria for the award of  
27 funding to support projects of regional benefit, including  
28 identification and evaluation of the public benefits to be derived from  
29 the projects, and a competitive allocation process to be undertaken at  
30 least annually. The projects may include, without limitation, regional  
31 cultural public information and promotional activities, support for new  
32 cultural organizations, and support for specific projects or  
33 organizations working to expand access to cultural activities by  
34 underserved populations. Regional organizations receiving funding  
35 under this chapter are not eligible applicants for funding under this  
36 section. However, regional organizations may participate in broad-

1 based, collaborative projects funded under this section and may partner  
2 with a community-based organization in a project for which the  
3 community-based organization is the applicant for funding and plays the  
4 lead role in the project;

5 (c) The authority board must determine the percentage of total  
6 funds available annually to be reserved for a public school cultural  
7 access program established and managed by the authority to increase  
8 access to cultural activities and programming for public school  
9 students resident in the authority's service area. The activities and  
10 programming need not be located or provided within the authority's  
11 service area. In developing its program, the authority may consider  
12 the attributes prescribed for a public school cultural access program  
13 required to be undertaken under section 502(2) of this act.

14 (d) The authority board must determine the percentage of total  
15 funds available annually to be reserved for distribution by the  
16 authority board to regional organizations under a formula to be  
17 determined by the authority board. The authority board may adopt  
18 guidelines, consistent with the requirements of this chapter, it deems  
19 necessary or appropriate for determining the eligibility of regional  
20 organizations to receive funding under this chapter. Total funds  
21 reserved for distribution to regional organizations may not exceed  
22 seventy-five percent of total funds available annually excluding funds  
23 initially reserved under (a), (b), and (c) of this subsection;

24 (e) Remaining funds available annually, including all funds not  
25 initially reserved under (a), (b), (c), and (d) of this subsection as  
26 well as funds not distributed by the authority from the reserved funds  
27 must be distributed by the authority board to an entity in each  
28 participating county designated by the legislative authorities of the  
29 participating counties under a formula to be determined by the  
30 authority board. In determining its formula for the distribution of  
31 remaining funds among the designated entities, the authority board  
32 shall consider factors such as the relative size of the economies of  
33 the participating counties, the number of regional organizations  
34 receiving funds under (d) of this subsection in each participating  
35 county, and the extent to which citizens or groups of citizens within  
36 each county may be underserved by cultural organizations. The  
37 authority shall determine the amount of funding to be allocated to  
38 support designated agency administrative costs. Funds distributed to

1 the designated entity under this section must be awarded to community-  
2 based cultural organizations. Subject to the approval of the  
3 authority, designated entities shall adopt:

4 (i) Guidelines, consistent with the requirements of this chapter,  
5 it deems necessary or appropriate for determining the eligibility of  
6 community-based organizations to receive funding under this chapter;

7 (ii) Criteria for the award of funds to eligible community-based  
8 organizations, including the public benefits to be derived from  
9 projects submitted for funding; and

10 (iii) Procedures for conducting, at least annually, a competitive  
11 process for the award of available funding;

12 (f) Funds distributed to community-based organizations may be used  
13 to support cultural and educational activities, programs, and  
14 initiatives; public benefits and communications; and basic operations.  
15 Funds may also be used for: (i) Capital expenditures or acquisitions  
16 including, but not limited to, the acquisition of or construction of  
17 improvements to real property; and (ii) technology, equipment, and  
18 supplies reasonably related to or necessary for a project otherwise  
19 eligible for funding under this chapter. Authority guidelines may also  
20 determine the circumstances under which funds may be used to fund  
21 start-up expenses of new community-based organizations;

22 (g) If the authority board or designated agency determine the  
23 eligibility of a cultural organization to receive funding or the  
24 relative magnitude of the funding it receives on the basis of its  
25 budget, revenues, or expenses, any determination with respect to a  
26 qualifying state-related cultural organization must exclude any state  
27 funding received by the organization or for the institution it  
28 supports.

29 (2) An authority with a service area population of more than one  
30 million five hundred thousand established as provided in section  
31 301(1)(a) of this act or an authority with an aggregate service area  
32 population of more than two million five hundred thousand established  
33 as provided in section 301(1)(b) of this act must allocate the proceeds  
34 of the taxes authorized under section 402 or 403 of this act as  
35 follows:

36 (a) Until any start-up funding provided to the authority under  
37 section 302 of this act has been fully repaid, the authority must

1 annually reserve from total funds available annually funding sufficient  
2 to provide for repayment of such start-up funding;

3 (b)(i) After allocating any funds as required in (a) of this  
4 subsection, up to one and one-fourth percent of total funds available  
5 annually may be used for authority administrative costs and up to two  
6 and three-fourths percent of total funds available annually may be used  
7 for other projects of regional benefit to be undertaken within the  
8 authority's service area;

9 (ii) The authority board shall establish eligibility guidelines,  
10 criteria for the award of funding to support projects of regional  
11 benefit, including identification and evaluation of the public benefits  
12 to be derived from the projects, and a competitive allocation process  
13 to be undertaken at least annually. The projects may include, without  
14 limitation: Regional cultural public information and promotional  
15 activities; support for new cultural organizations; and support for  
16 specific projects or organizations working to expand access to cultural  
17 activities by underserved populations. Regional organizations  
18 receiving funding under this chapter are not eligible applicants for  
19 funding under this section. However, regional organizations may  
20 participate in broad-based, collaborative projects funded under this  
21 section and may partner with a community-based organization in a  
22 project for which the community-based organization is the applicant for  
23 funding and plays the lead role in the project;

24 (c) After allocating funds as required in (a) and (b) of this  
25 subsection, ten percent of remaining funds available annually must be  
26 used to fund a public school cultural access program to be administered  
27 by the authority.

28 (d) Seventy-five percent of total remaining funds available  
29 annually excluding funds initially reserved under (a), (b), and (c) of  
30 this subsection must be reserved for distribution by the authority  
31 board to each regional organization that the authority board  
32 determines, on an annual basis, to have met the following guidelines:

33 (i) For at least the preceding three years, the organization has  
34 been continuously in good standing as a nonprofit corporation under the  
35 laws of the state of Washington;

36 (ii) Has its principal location or locations and conducts the  
37 majority of its activities within the authority service area primarily  
38 for the benefit of authority residents;



1 (iii) Has not declared bankruptcy or suspended or substantially  
2 curtailed operations for a period longer than six months during the  
3 preceding three years;

4 (iv) Has provided to the authority audited annual financial  
5 statements for at least its two most recent fiscal years;

6 (v) Over the three preceding years, has minimum average annual  
7 revenues of at least one million two hundred fifty thousand dollars.  
8 The authority board shall annually and cumulatively adjust the minimum  
9 revenues by the annual percentage change in the consumer price index  
10 for the prior year for the Seattle-Tacoma-Bellevue, Washington  
11 metropolitan statistical area for all urban consumer, all goods, as  
12 published by the United States department of labor, bureau of labor  
13 statistics. The minimum revenues requirement, adjusted for inflation  
14 as provided in this section, remains effective through the date on  
15 which the initial tax authorized by the voters under section 402 or 403  
16 of this act expires. Thereafter, the authority board must, at the  
17 beginning of each subsequent period of funding as approved by the  
18 voters, establish initial minimum average annual revenues of not less  
19 than the amount of the minimum revenues required during the final year  
20 of the immediately preceding period of funding;

21 (vi) For purposes of determining the eligibility of a cultural  
22 organization to receive funding or the relative magnitude of the  
23 funding it receives on the basis of its revenues, any determination  
24 with respect to a qualifying state-related cultural organization must  
25 exclude any state funding received by the organization or for the  
26 institution it supports; and

27 (vii) Any additional guidelines, consistent with section 201 of  
28 this act and this section, as it deems necessary or appropriate for  
29 determining the eligibility of prospective regional organizations to  
30 receive funding under this section and for establishing the amount of  
31 funding any organization may receive;

32 (e) Funds available under (d) of this subsection must be  
33 distributed among eligible regional organizations based on an annual  
34 ranking of eligible organizations by the combined size of their average  
35 annual revenues and their average annual attendance, both over the  
36 three preceding years. However, an organization's attendance must have  
37 twice the weight of the organization's revenues in determining its  
38 relative ranking. Available funds must be distributed proportionally

1 among eligible organizations, consistent with the ranking, such that  
2 the organization with the largest combined revenues and weighted  
3 attendance would receive the most funding and the organization with the  
4 smallest combined revenues and weighted attendance would receive the  
5 least funding. However, no organization may receive funds in excess of  
6 fifteen percent of its average annual revenues over the three preceding  
7 years. Any funds available under (d) of this subsection not  
8 distributed to regional organizations as a result of application of the  
9 formula provided under this subsection (1)(e) must be allocated by the  
10 authority board for distribution under (g) of this subsection;

11 (f) Funds distributed to regional organizations under (d) of this  
12 subsection must be used to support cultural and educational activities,  
13 programs and initiatives, public benefits and communications, and basic  
14 operations. No funds distributed to regional organizations under (d)  
15 of this subsection may be used for capital expenditures or acquisitions  
16 including, but not limited to, the acquisition of or the construction  
17 of improvements to real property;

18 (g) Remaining funds available annually, including funds not  
19 initially reserved under (a) through (d) of this subsection as well as  
20 funds not distributed by the authority from the reserved funds must be  
21 distributed by the authority board to public agencies designated by the  
22 legislative authorities of the participating counties, subject to the  
23 following guidelines:

24 (i) With respect to an authority created by four contiguous  
25 counties with an aggregate service area population of more than three  
26 million, the agency designated by the legislative authority of the  
27 largest of the participating counties by size of population shall  
28 receive fifty percent of funds available under this subsection (1)(g);  
29 the agencies designated by the legislative authorities of the next two  
30 largest of the participating counties by size of population must each  
31 receive twenty percent of funds available under this subsection (1)(g);  
32 and the agency designated by the legislative authority of the smallest  
33 of the participating counties by size of population must receive the  
34 remaining ten percent of funds available;

35 (ii) With respect to an authority created by fewer than four  
36 contiguous counties with an aggregate service area population of more  
37 than two million five hundred thousand, funds must be distributed by  
38 the authority board to public agencies designated by the legislative

1 authorities of the participating counties under a formula to be  
2 determined by the authority board. In determining its formula for the  
3 distribution of remaining funds among the designated public agencies,  
4 the authority board shall consider factors such as the relative size of  
5 the populations and the economies of the participating counties; the  
6 number of regional organizations receiving funds under (d) of this  
7 subsection in each participating county; and the extent to which  
8 citizens or groups of citizens within each county may be underserved by  
9 cultural organizations such that:

10 (A) The distribution formula for an authority comprised of three  
11 contiguous counties including one county with a population in excess of  
12 one million five hundred thousand, another county with a population in  
13 excess of six hundred thousand, and one with a population of less than  
14 three hundred thousand must provide that the agency designated by the  
15 legislative authority of the largest county by population receives not  
16 less than sixty percent of funds available; the next largest county by  
17 population receives not less than twenty-five percent of funds  
18 available; and the smallest county by population receives not less than  
19 twelve percent of funds available;

20 (B) The distribution formula for an authority comprised of three  
21 continuous counties including one county with a population in excess of  
22 one million five hundred thousand and two other counties each with a  
23 population in excess of six hundred thousand must provide that the  
24 agency designated by the legislative authority of the largest county by  
25 population receives not less than fifty-five percent of funds available  
26 and each of the other two counties receive not less than twenty percent  
27 of funds available; and

28 (C) The distribution formula for an authority comprised of two  
29 contiguous counties including one county with a population in excess of  
30 one million five hundred thousand and one county with a population in  
31 excess of six hundred thousand shall provide that the agency designated  
32 by the legislative authority of the larger county by population  
33 receives not less than seventy-five percent of the funds available; and

34 (iii) The distribution formula for an authority comprised of two  
35 contiguous counties including one county with a population in excess of  
36 one million five hundred thousand and one county with a population of  
37 less than three hundred thousand shall provide that the agency

1 designated by the legislative authority of the larger county by  
2 population receives not less than eighty-five percent of funds  
3 available;

4 (h) Funds distributed by the designated public agencies under (g)  
5 of this subsection must be applied as follows:

6 (i) Not more than eight percent of such funds must be used for  
7 administrative costs of the public agency designated by a participating  
8 county; and

9 (ii) The balance must be used to fund community-based  
10 organizations. Designated public agencies shall adopt:

11 (A) Guidelines, consistent with the requirements of this chapter,  
12 it deems necessary or appropriate for determining the eligibility of  
13 community-based organizations to receive funding under this chapter and  
14 for establishing the amount of funding any organization may receive;

15 (B) Criteria for the award of funds to eligible community-based  
16 organizations, including the public benefits to be derived from  
17 projects submitted for funding; and

18 (C) Procedures for conducting, at least annually, a competitive  
19 process for the award of available funding;

20 (i) Funds distributed to community-based organizations may be used  
21 to support cultural and educational activities, programs, and  
22 initiatives; public benefits and communications; and basic operations.  
23 Funds may also be used for: (i) Capital expenditures or acquisitions  
24 including, but not limited to, the acquisition of or construction of  
25 improvements to real property; and (ii) technology, equipment, and  
26 supplies reasonably related to or necessary for a project otherwise  
27 eligible for funding under this chapter. Authority guidelines may also  
28 determine the circumstances under which funds may be used to fund  
29 start-up expenses of new community-based organizations.

30 **PART VII**

31 **MISCELLANEOUS**

32 **Sec. 701.** RCW 36.96.010 and 1999 c 153 s 50 are each amended to  
33 read as follows:

34 ~~((As used in))~~ The definitions in this section apply throughout  
35 this chapter~~((7))~~ unless the context requires otherwise~~((÷))~~.

1 (1) "Special purpose district" means every municipal and quasi-  
2 municipal corporation other than counties, cities, and towns. Such  
3 special purpose districts shall include, but are not limited to, water-  
4 sewer districts, fire protection districts, port districts, public  
5 utility districts, county park and recreation service areas, flood  
6 control zone districts, diking districts, drainage improvement  
7 districts, cultural access authorities, and solid waste collection  
8 districts, but shall not include industrial development districts  
9 created by port districts, and shall not include local improvement  
10 districts, utility local improvement districts, and road improvement  
11 districts;

12 (2) "Governing authority" means the commission, council, or other  
13 body which directs the affairs of a special purpose district;

14 (3) "Inactive" means that a special purpose district, other than a  
15 public utility district, is characterized by either of the following  
16 criteria:

17 (a) Has not carried out any of the special purposes or functions  
18 for which it was formed within the preceding consecutive five-year  
19 period; or

20 (b) No election has been held for the purpose of electing a member  
21 of the governing body within the preceding consecutive seven-year  
22 period or, in those instances where members of the governing body are  
23 appointed and not elected, where no member of the governing body has  
24 been appointed within the preceding seven-year period.

25 A public utility district is inactive when it is characterized by  
26 both criteria (a) and (b) of this subsection.

27 NEW SECTION. **Sec. 702.** APPLICABILITY OF PUBLIC LAWS. The  
28 authority, its officers, and the board of directors, created under this  
29 chapter, are subject to the general laws regulating local governments  
30 and local governmental officials including, but not limited to, the  
31 requirement to be audited by the state auditor and various accounting  
32 requirements under chapter 43.09 RCW, the public records act  
33 requirements under chapter 42.56 RCW, the prohibition against using its  
34 facilities for campaign purposes under RCW 42.17.130, the open public  
35 meetings law under chapter 42.30 RCW, the code of ethics for municipal  
36 officers under chapter 42.23 RCW, and the local government  
37 whistleblower law under chapter 42.41 RCW.

1        NEW SECTION.    **Sec. 703.**    No direct or collateral attack on any  
2 authority purported to be authorized or created in conformance with  
3 this chapter may be commenced more than thirty days after creation.

4        NEW SECTION.    **Sec. 704.**    Sections 101 through 311, 501, 502, 601,  
5 702, and 703 of this act constitute a new chapter in Title 36 RCW.

6        NEW SECTION.    **Sec. 705.**    If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10       NEW SECTION.    **Sec. 706.**    The provisions of this act shall be  
11 liberally construed to effect the policies and purposes of this act.

--- END ---