
SUBSTITUTE SENATE BILL 5626

State of Washington

62nd Legislature

2011 Regular Session

By Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Fraser, Kohl-Welles, and Chase)

READ FIRST TIME 02/21/11.

1 AN ACT Relating to authorizing the creation of cultural access
2 authorities; amending RCW 84.52.010 and 36.96.010; adding a new section
3 to chapter 82.14 RCW; adding a new section to chapter 84.52 RCW; adding
4 a new chapter to Title 36 RCW; and creating a new section.

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

6 **PART I**
7 **INTENT**

8 NEW SECTION. **Sec. 101.** INTENT. (1) The legislature finds that:

9 (a) The cultural organizations of the state provide numerous public
10 benefits. Providing support for the state's cultural organizations is
11 in the public interest and will serve multiple public purposes
12 including, among others, enhancing and extending the educational reach
13 and offerings of cultural organizations; ensuring continued and
14 expanded access to the facilities and programs of cultural
15 organizations by economically and geographically underserved
16 populations; and providing financial stability to the organizations to
17 enable them to focus on core missions as well as to continue and extend
18 the numerous public benefits they provide.

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 the education and
11 arts access program, under which education and arts cultural access
12 authorities authorize funding for public school education and arts
13 access programs and support cultural organizations, subject to voter
14 approval.

15 **PART II**
16 **DEFINITIONS**

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

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

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

29 (3) "Authority" means an education and arts cultural access
30 authority under the education and arts access program.

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

32 (5) "Community-based organization" means a cultural organization or
33 a community preservation and development authority formed under chapter
34 43.167 RCW prior to January 1, 2011, that primarily functions, focuses
35 its activities, and is supported or patronized within a local community

1 and is not a regional organization, subject to further definition under
2 guidelines adopted by the appropriate designated public agency.

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

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

28 (8) "Designated public agency" means the agency designated by the
29 legislative authority of a participating county within an authority
30 service area.

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

33 (10) "Regional organization" means a cultural organization that
34 owns, operates, or supports cultural facilities or provides
35 performances, exhibits, educational programs, experiences, or
36 entertainment that widely benefit and are broadly attended by the
37 public within the authority service area, subject to further definition
38 under guidelines adopted by the appropriate authority. A regional

1 organization may also generally be characterized under authority
2 guidelines as a financially stable, substantial organization with
3 full-time support and program staff, maintaining a broad-based
4 membership within the authority service area, having year-round or
5 enduring seasonal operations, being a substantial financial contributor
6 to the development, operation, and maintenance of the organization's
7 principal venue or venues, and providing substantial public benefits
8 within the authority service area.

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

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

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

33 **PART III**
34 **EDUCATION AND ARTS ACCESS PROGRAM**

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

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

4 (c) The interlocal agreement under which an authority is formed
5 shall provide for reduction or expansion of an authority's service area
6 over time as needed following any election to impose or extend either
7 a voted sales and use tax or a voted property tax as provided in
8 section 302 of this act. Such interlocal agreement must provide for
9 revisions to the governance structure and the allocation of the
10 proceeds of voter-approved taxes to coincide with any changes in the
11 number of counties included within the service area of any authority in
12 a manner consistent with this act.

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

16 (3)(a) An authority created by a single participating county with
17 a population less than one million five hundred thousand must be
18 governed by a five-member authority board consisting of five members
19 appointed by the county legislative authority. An authority created by
20 a single participating county with a population of more than one
21 million five hundred thousand must be governed by a five-member
22 authority board consisting of three members appointed by the
23 legislative authority of the county; and one member appointed by the
24 legislative authority of each of the two largest cities by population
25 as of formation of the authority. The members of the authority board
26 shall serve four-year terms. Of the initial members, one must be
27 appointed for a one-year initial term, one must be appointed for a two-
28 year initial term, one must be appointed for a three-year initial term,
29 and the remainder must be appointed for four-year terms.

30 (b) Except as provided in (c) of this subsection, an authority
31 created by two or more participating counties under subsection (1)(b)
32 of this section must be governed by an authority board as provided in
33 the interlocal agreement creating the authority. The interlocal
34 agreement must specify the number of members of the authority board,
35 the total number of which must be an odd number. The board of an
36 authority created by four or fewer participating counties may not have
37 more than nine members, and not more than two of whom may be appointed
38 by the legislative authority of any one participating county. The

1 board of an authority created by more than four participating counties
2 may not have more than eleven members. The interlocal agreement
3 creating the authority must allocate responsibility for the appointment
4 of the members of the authority board among the legislative authorities
5 of the participating counties. If the total number of participating
6 counties or the allocation of appointment responsibility provided in
7 the interlocal agreement precludes each participating county from
8 appointing at least one member of the initial board of the authority,
9 the interlocal agreement may provide for rotation of responsibility for
10 some board member appointments among the legislative authorities of the
11 participating counties as board member vacancies occur. The members of
12 the authority board shall serve four-year terms. The interlocal
13 agreement creating the authority must divide the board into three
14 classes of relatively equal size. Of the initial members of the board,
15 one class of members must be appointed for a two-year initial term; one
16 class of members must be appointed for a three-year initial term, and
17 the remainder must be appointed for a four-year initial term.

18 (c) An authority created by up to four participating counties with
19 an aggregate population of more than two million five hundred thousand
20 must be governed by a seven to nine-member authority board as follows:

21 (i) With respect to a two-county authority formed under this
22 subsection, two members appointed by the legislative authority of each
23 participating county; one member appointed by the legislative authority
24 of each of the two largest cities by population as of formation of the
25 authority in the larger participating county by population as of
26 formation of the authority; and one member appointed by the legislative
27 authority of the largest city by population as of formation of the
28 authority in the smaller participating county by population as of
29 formation of the authority; and (ii) with respect to a three or four-
30 county authority formed under this subsection, one member appointed by
31 the legislative authority of each participating county; one member
32 appointed by the legislative authority of each of the two largest
33 cities by population as of formation of the authority in the largest
34 participating county by population as of formation of the authority;
35 and one member appointed by the legislative authority of the largest
36 city by population as of formation of the authority in each of the
37 other participating counties. A county legislative authority
38 appointing members under this subsection shall solicit recommendations

1 from the county cultural commission, if any, and the county's
2 designated public agency prior to final approval of any appointment or
3 appointments. The members of the authority board shall serve four-year
4 terms. The interlocal agreement creating the authority must divide the
5 board into three classes of relatively equal size. Of the initial
6 members of the board, one class of members must be appointed for a two-
7 year initial term; one class of members must be appointed for a
8 three-year initial term; and the remainder must be appointed for a
9 four-year initial term.

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

13 (ii) In any participating county with an elected county executive,
14 authority board members appointed by the county legislative authority
15 must be nominated by the county executive, subject to confirmation by
16 the county legislative authority.

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

21 (iv) Any board member may be removed from office by action of at
22 least two-thirds of the members of the legislative authority that made
23 the appointment.

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

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

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

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

1 NEW SECTION. **Sec. 302.** SERVICE AREA REVISION FOLLOWING TAX
2 IMPOSITION ELECTION. The service area of an authority formed under
3 section 301 of this act shall be revised following any election on such
4 authority's proposition to impose or extend either a voted sales and
5 use tax under section 402 of this act or a voted property tax under
6 section 403 of this act to be coextensive with the boundaries of only
7 the participating county or counties in which a majority of the voters
8 in any such participating county voting on the authority's proposition
9 to impose or extend any such tax vote to approve the imposition or
10 extension of such tax. Any county in which a majority of the voters
11 voting on the authority's proposition vote to disapprove such
12 proposition may not be included within the service area of an
13 authority. A county with boundaries contiguous with the service area
14 of an authority including one or more counties in which a majority of
15 the voters have voted to approve the imposition or extension of such
16 tax may be included within the service area of such authority after a
17 majority of its voters vote to approve the imposition of such tax in
18 that county.

19 NEW SECTION. **Sec. 303.** START-UP FUNDING AND CONDITIONAL
20 FORMATION. (1)(a) The county or counties creating an authority may
21 provide for the participating county or counties to advance to the
22 authority up to one million dollars per year for up to three years for
23 its administrative costs, including the cost of informing the public
24 about the formation of the authority, how it is proposed to be funded,
25 and the public benefits to be realized if it is successful. However,
26 this subsection does not authorize the preparation and distribution of
27 information to the general public for the purpose of influencing the
28 outcome of an authority election.

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

32 (2) The county or counties creating an authority must require
33 repayment of start-up funding advanced to an authority from the
34 proceeds of taxes authorized under sections 401 through 403 of this act
35 and approved by voters after the taxes are first collected. The funds
36 must be repaid to the participating county or counties with interest at

1 the internal rate of return on the invested funds of each participating
2 county.

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

9 (b) One or more of the counties participating in the formation of
10 a dissolved authority may form another authority under this chapter
11 without delay if the participant or combination of participants in the
12 formation of another authority differs from the participant or
13 combination of participants in the formation of the dissolved
14 authority.

15 (c) Any expended funds of the participating county or counties
16 advanced to an authority that is dissolved as provided under this
17 section need not be repaid to the participating county or counties.
18 Any remaining funds on hand upon dissolution must be returned to the
19 participating counties.

20 NEW SECTION. **Sec. 304.** NONSUPPLANTATION. In creating an
21 authority under this chapter or appointing members of the board of the
22 authority, any participating county or city appointing board members
23 shall affirm that any funding such county or city usually and
24 customarily provides to cultural organizations similar to funding that
25 would be available to those organizations under this chapter may not be
26 replaced or materially diminished as a result of funding becoming
27 available under this chapter.

28 NEW SECTION. **Sec. 305.** ADVISORY COUNCILS. Each authority
29 established under this chapter may establish an advisory council, the
30 membership of which must include citizen representatives of
31 constituencies and organizations with interests relevant to the work of
32 the authority including, but not limited to, leaders in the business,
33 educational, and cultural communities. Advisory council members should
34 be residents of the service area of the authority. Policies concerning
35 the size and operation of any advisory council must be established by
36 the authority that forms the council.

1 NEW SECTION. **Sec. 306.** POWERS AND PURPOSES. In addition to
2 accomplishing the cultural organization support activities specifically
3 authorized under this chapter, an authority may:

4 (1) Maintain an office or offices;

5 (2) Sue and be sued in its own name, and plead and be impleaded;

6 (3) Engage consultants, agents, attorneys, and advisers, contract
7 with state and local governmental entities for services, and hire as
8 provided in sections 310 and 311 of this act such employees, agents,
9 and other personnel as the authority deems necessary, useful, or
10 convenient to accomplish its purposes;

11 (4) Establish procurement policies by resolution, including
12 procedures for competitive procurement of services when required under
13 its established policies;

14 (5) Make and execute all manner of contracts, agreements, and
15 documents with public and private parties as the authority deems
16 necessary, useful, or convenient to accomplish its purposes;

17 (6) Acquire and hold real or personal property, or any interest
18 therein, in the name of the authority, and sell, assign, lease,
19 encumber, mortgage, or otherwise dispose of the same in the manner as
20 the authority deems necessary, useful, or convenient to accomplish its
21 purposes. Any county legislative authority may transfer property, with
22 or without consideration, to an authority created under this chapter;

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

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

28 (9) Procure insurance in amounts and from insurers as the authority
29 deems desirable including, but not limited to, insurance against any
30 loss or damage to its property or other assets, public liability
31 insurance for injuries to persons or property, and liability insurance
32 with limits an authority board deems reasonable for the purpose of
33 protecting and holding personally harmless board members, officers, and
34 employees of the authority against liability arising from their acts or
35 omissions while performing or in good faith purporting to perform their
36 official duties;

37 (10) Apply for and accept grants, loans, advances, and
38 contributions from any source of money, property, labor, or other

1 things of value, to be held, used, and applied as the authority deems
2 necessary, useful, or convenient to accomplish its purposes, without
3 competing with cultural organizations as defined under this chapter or
4 private organizations that raise funds for distribution to cultural
5 organizations;

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

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

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

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

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

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

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

26 NEW SECTION. **Sec. 307.** EXPENSE REIMBURSEMENT PROCEDURES. The
27 authority board shall adopt a resolution that may be amended from time
28 to time governing methods and amounts of reimbursement payable to board
29 members, officers, and employees for travel and other business expenses
30 incurred on behalf of the authority. The resolution must, among other
31 things, establish procedures for approving expenses, the form of travel
32 and expense vouchers, and requirements governing the use of credit
33 cards issued in the name of the authority. Board members, officers,
34 and employees may be advanced sufficient sums to cover their
35 anticipated expenses in accordance with rules adopted by the state
36 auditor.

1 NEW SECTION. **Sec. 308.** PER DIEM COMPENSATION. Each member of the
2 authority board may receive compensation of fifty dollars per day for
3 attending meetings or conferences on behalf of the authority, not to
4 exceed three thousand dollars per year. A board member may waive all
5 or a portion of his or her compensation under this section during his
6 or her term of office, by a written waiver filed with the authority.
7 The compensation provided in this section is in addition to
8 reimbursement for expenses paid to board members by the authority.

9 NEW SECTION. **Sec. 309.** DEFENSE AND INDEMNITY. Whenever an
10 action, claim, or proceeding is instituted against a person who is or
11 was a board member, officer, or employee of an authority arising out of
12 the performance of duties for or employment with the authority, the
13 authority may grant a request by the person that the attorney of the
14 authority's choosing be authorized to defend the claim, suit, or
15 proceeding, and the costs of defense, attorneys' fees, and obligation
16 for payments arising from the action may be paid from the authority's
17 funds. Costs of defense, judgment, or settlement against the person
18 may not be paid in a case where the court has found that the person was
19 not acting in good faith within the scope of employment with or duties
20 for the authority. No board member or officer of the authority may be
21 personally liable for acts done or omitted in good faith while
22 performing duties as a board member or officer on behalf of the
23 authority.

24 NEW SECTION. **Sec. 310.** EMPLOYEES, SALARIES, AND BENEFITS. An
25 authority may create and fill positions; fix reasonable wages and
26 salaries; pay costs involved in hiring employees; and establish
27 reasonable benefits for employees, including holiday pay, vacations or
28 vacation pay, retirement benefits, and medical, life, accident, or
29 health disability insurance, as approved by the board. Authority board
30 members, at their own expense, may be included under any authority
31 policy for medical, life, accident, or health disability insurance.
32 Insurance for employees and board members may not be considered
33 compensation. Coverage for the board under any authority policy is not
34 to exceed that provided authority employees. An authority is a
35 political subdivision for purposes of participation in the state public

1 employees' retirement system under RCW 41.40.062 and for other
2 purposes.

3 NEW SECTION. **Sec. 311.** STATE ARTS COMMISSION. An authority,
4 other than an authority with a service area population of more than one
5 million five hundred thousand established as provided in section
6 301(1)(a) of this act or an authority with an aggregate service area
7 population of more than two million five hundred thousand established
8 as provided in section 301(1)(b) of this act, may contract with the
9 state arts commission formed under chapter 43.46 RCW for consulting,
10 management, or administrative services. A participating county may
11 contract with the state arts commission to function for consulting,
12 management, or administrative services, including functioning as its
13 designated public agency.

14 NEW SECTION. **Sec. 312.** TREASURER. At the request of the
15 authority, the treasurer of any participating county may serve as the
16 ex officio treasurer of the authority.

17 **PART IV**
18 **FUNDING**

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

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

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

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

31 **VOTED SALES AND USE TAXES.** (1) The authority board may impose a
32 sales and use tax of up to one-tenth of one percent of the selling
33 price in the case of a sales tax, or value of the article used, in the

1 case of a use tax, when specifically authorized to do so by a majority
2 of the voters voting on a proposition submitted at a special election
3 held after June 30, 2013. The ballot proposition may provide for the
4 tax to apply for a period of up to seven years.

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

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

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

15 (5) The department must perform the collection of taxes under this
16 section on behalf of an authority at no cost to the authority, and the
17 state treasurer must distribute those taxes as available on a monthly
18 basis to the authority or, upon the direction of the authority, to its
19 treasurer or a fiscal agent, paying agent, or trustee for obligations
20 issued or incurred by the authority.

21 (6) The definitions in section 201 of this act apply to this
22 section.

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

25 **VOTED PROPERTY TAX.** (1) The authority board may impose annual
26 regular property tax levies in the authority service area when
27 specifically authorized to do so by a majority of the voters voting on
28 a proposition submitted at a special election held after June 30, 2013.
29 The ballot proposition must set forth the total dollar amount to be
30 collected in the first year of the levy and may provide for a levy for
31 a period of up to seven years. The total dollar amount to be set forth
32 in the ballot proposition may not exceed an amount equal to: (a) The
33 total number of taxable retail sales and taxable uses in the
34 participating counties within the authority service area for the most
35 recent calendar year as reported by the department of revenue;
36 multiplied by (b) one-tenth of one percent.

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

12 (3) In the event an authority is levying property taxes that, in
13 combination with property taxes levied by other taxing districts exceed
14 the limitations in RCW 84.52.043 and 84.52.050, the authority's
15 property tax levy must be reduced or eliminated consistent with RCW
16 84.52.010.

17 (4) The limitation in RCW 84.55.010 does not apply to the first
18 levy imposed under this section following the approval of the levy by
19 the voters under subsection (1) of this section or to the first levy
20 imposed under this section following the approval of an extension of
21 the tax by the voters under subsection (2) of this section.

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

24 (6) The definitions in section 201 of this act apply to this
25 section.

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

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

30 The rate percent of all taxes for state and county purposes, and
31 purposes of taxing districts coextensive with the county, shall be
32 determined, calculated and fixed by the county assessors of the
33 respective counties, within the limitations provided by law, upon the
34 assessed valuation of the property of the county, as shown by the
35 completed tax rolls of the county, and the rate percent of all taxes
36 levied for purposes of taxing districts within any county shall be
37 determined, calculated and fixed by the county assessors of the

1 respective counties, within the limitations provided by law, upon the
2 assessed valuation of the property of the taxing districts
3 respectively.

4 When a county assessor finds that the aggregate rate of tax levy on
5 any property, that is subject to the limitations set forth in RCW
6 84.52.043 or 84.52.050, exceeds the limitations provided in either of
7 these sections, the assessor shall recompute and establish a
8 consolidated levy in the following manner:

9 (1) The full certified rates of tax levy for state, county, county
10 road district, and city or town purposes shall be extended on the tax
11 rolls in amounts not exceeding the limitations established by law;
12 however any state levy shall take precedence over all other levies and
13 shall not be reduced for any purpose other than that required by RCW
14 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
15 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
16 metropolitan park district that was protected under RCW 84.52.120,
17 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular
18 property tax levies that are subject to the one percent limitation
19 exceeds one percent of the true and fair value of any property, then
20 these levies shall be reduced as follows:

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

24 (b) If the combined rate of regular property tax levies that are
25 subject to the one percent limitation still exceeds one percent of the
26 true and fair value of any property, the portion of the levy by a fire
27 protection district that is protected under RCW 84.52.125 shall be
28 reduced until the combined rate no longer exceeds one percent of the
29 true and fair value of any property or shall be eliminated;

30 (c) If the combined rate of regular property tax levies that are
31 subject to the one percent limitation still exceeds one percent of the
32 true and fair value of any property, the levy imposed by a county under
33 RCW 84.52.135 must be reduced until the combined rate no longer exceeds
34 one percent of the true and fair value of any property or must be
35 eliminated;

36 (d) If the combined rate of regular property tax levies that are
37 subject to the one percent limitation still exceeds one percent of the
38 true and fair value of any property, the levy imposed by a ferry

1 district under RCW 36.54.130 must be reduced until the combined rate no
2 longer exceeds one percent of the true and fair value of any property
3 or must be eliminated;

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

10 (f) If the combined rate of regular property tax levies that are
11 subject to the one percent limitation still exceeds one percent of the
12 true and fair value of any property, then the levies imposed under RCW
13 84.34.230, 84.52.105, and any portion of the levy imposed under RCW
14 84.52.069 that is in excess of thirty cents per thousand dollars of
15 assessed value, shall be reduced on a pro rata basis until the combined
16 rate no longer exceeds one percent of the true and fair value of any
17 property or shall be eliminated; and

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

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

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

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

35 (c) Third, if the consolidated tax levy rate still exceeds these
36 limitations, the certified property tax levy rates of all other junior
37 taxing districts, other than fire protection districts, regional fire
38 protection service authorities, library districts, the first fifty cent

1 per thousand dollars of assessed valuation levies for metropolitan park
2 districts, and the first fifty cent per thousand dollars of assessed
3 valuation levies for public hospital districts, shall be reduced on a
4 pro rata basis or eliminated;

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

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

14 (f) Sixth, if the consolidated tax levy rate still exceeds these
15 limitations, the certified property tax levy rates authorized for fire
16 protection districts under RCW 52.16.130, regional fire protection
17 service authorities under RCW 52.26.140(1)(a), library districts,
18 metropolitan park districts created before January 1, 2002, under their
19 first fifty cent per thousand dollars of assessed valuation levy, and
20 public hospital districts under their first fifty cent per thousand
21 dollars of assessed valuation levy, shall be reduced on a pro rata
22 basis or eliminated.

23 **PART V**

24 **PUBLIC BENEFITS AND PUBLIC SCHOOL EDUCATION AND ARTS ACCESS PROGRAM**

25 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) An authority
26 established under this chapter shall provide or continue to provide
27 funding authorized under this chapter only to cultural organizations
28 that provide discernible public benefits. Each authority established
29 under this chapter shall identify a range of public benefits that
30 cultural organizations within its service area may provide or continue
31 to provide in satisfaction of this requirement for eligibility to
32 receive funding authorized under this chapter. The public benefits
33 include, without limitation: Reasonable opportunities for access to
34 facilities, programs, and services on a reduced or no admission fee
35 basis, particularly for diverse and underserved populations and
36 communities; providing, through technological and other means, services

1 or programs in locations other than an organization's own facilities;
2 providing educational programs and experiences both at an
3 organization's own facilities and in schools and other venues;
4 broadening cultural programs, performances, and exhibitions for the
5 enlightenment and entertainment of the public; supporting collaborative
6 relationships with other cultural organizations in order to extend the
7 reach and impact of the collaborating organizations for the benefit of
8 the public; and, in the case of community-based organizations,
9 organizational capacity-building projects or activities that an
10 organization can demonstrate, to the reasonable satisfaction of the
11 county-designated public agency, will enhance the ability of the
12 organization to provide or continue to provide meaningful public
13 benefits not otherwise achievable. In addition to providing or
14 continuing to provide public benefits identified by the appropriate
15 authorities under this section, regional organizations receiving
16 funding under section 601(2) of this act shall participate in good
17 faith in the authority's public school education and arts access
18 program required under section 502 of this act. The regional
19 organizations shall provide or continue to provide public benefits
20 under this section in addition to participating in the public school
21 education and arts access program.

22 (2) Each authority established under this chapter shall adopt
23 guidelines establishing a baseline standard of continuous performance
24 with respect to the provision of public benefits required under this
25 chapter and for evaluating the continuing eligibility of any regional
26 or community-based organization to receive funds under this chapter
27 based on the continuous performance of the organization in the
28 provision of the public benefits. The guidelines must include: (a)
29 Procedures for notifying any organization at risk of losing its
30 continuing eligibility to receive funds under this chapter for failure
31 to achieve the authority's baseline standard of performance with
32 respect to the continuous provision of public benefits; and (b)
33 measures or procedures available to the organization for either
34 retaining or recovering eligibility, as appropriate.

35 (3) In evaluating requests for funding authorized under this
36 chapter for projects of regional benefit under section 601 of this act
37 or this subsection, the authority board shall consider the public
38 benefits to be derived from proposed projects. At the conclusion of a

1 project of regional benefit, the recipient of funding authorized under
2 this chapter is required to report to the authority on the public
3 benefits realized. Each regional organization receiving funds
4 authorized under this chapter pursuant to an authority allocation
5 formula shall annually, prior to year end, preview for the authority
6 public benefits the organization's plans to provide or continue to
7 provide in the following year and report on public benefits it provided
8 or continued to provide during the current year. In evaluating
9 requests for funding authorized under this chapter, a county-designated
10 public agency responsible for the distribution of the funds shall
11 consider the public benefits applicant community-based organizations
12 represent will be derived from proposed projects. At the conclusion of
13 a project approved for funding, the sponsoring community-based
14 organization is required to report to the county-designated public
15 agency on the public benefits realized.

16 NEW SECTION. **Sec. 502.** PUBLIC SCHOOL EDUCATION AND ARTS ACCESS
17 PROGRAM. (1) An authority established under this chapter shall develop
18 and provide a public school education and arts access program within
19 its service area, as provided in section 601 of this act.

20 (2) As determined by the authority board and to the extent
21 practicable consistent with available resources, the public school
22 education and arts access program of an authority described in section
23 601(2) of this act must include the following attributes:

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

27 (b) Offer benefits to every public school in the authority's
28 service area while scaling the range of benefits available to and the
29 frequency of opportunities to participate by any particular school to
30 coincide with the relative percentage of students attending the school
31 who participate in the national free or reduced-price school meals
32 program; and

33 (c) Benefits provided under the public school education and arts
34 access program must include, without limitation:

35 (i) Establishment and operation, within funding provided to support
36 the public school education and arts access program under this
37 subsection, of a centralized service available to regional and

1 community-based organizations receiving funding under this chapter and
2 public schools in the authority's service area to coordinate
3 opportunities for public school student access to the programs and
4 activities offered by the organizations both at the facilities and
5 venues operated by the organizations and through programs and
6 experiences provided by the organizations at schools and elsewhere;

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

10 (iii) In consultation with regional and community-based
11 organizations, preparing and maintaining a readily accessible and
12 current guide cataloging access opportunities and facilitating
13 scheduling;

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

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

25 (vi) Building meaningful partnerships with public schools and
26 cultural organizations in order to maximize participation in school
27 access programs and activities and ensure their relevance and
28 effectiveness;

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

31 (viii) Compiling an annual report documenting the reach and
32 evaluating the effectiveness of authority-funded public school access
33 efforts, including recommendations to the authority board for
34 improvements.

35 **PART VI**
36 **USE OF FUNDS**

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

5 (a) Until any start-up funding provided to the authority under
6 section 303 of this act has been fully repaid, the authority must
7 annually reserve from total funds available funding sufficient to
8 provide for repayment of such start-up funding;

9 (b) Not more than five percent of total funds available annually
10 may be reserved for authority administrative costs, including repaying
11 its start-up funding provided under section 303 of this act and to
12 support projects of regional benefit to be undertaken within the
13 authority's service area, as determined by the authority board. Not
14 more than two and one-half percent of total funds available annually
15 may be used for authority administrative costs. The authority board
16 shall establish eligibility guidelines, criteria for the award of
17 funding to support projects of regional benefit, including
18 identification and evaluation of the public benefits to be derived from
19 the projects, and a competitive allocation process to be undertaken at
20 least annually. The projects may include, without limitation, regional
21 cultural public information and promotional activities, support for new
22 cultural organizations, and support for specific projects or
23 organizations working to expand access to cultural activities by
24 underserved populations. Regional organizations receiving funding
25 under this chapter are not eligible applicants for funding under this
26 section. However, regional organizations may participate in broad-
27 based, collaborative projects funded under this section and may partner
28 with a community-based organization in a project for which the
29 community-based organization is the applicant for funding and plays the
30 lead role in the project;

31 (c) The authority board must determine the percentage of total
32 funds available annually to be reserved for a public school education
33 and arts access program established and managed by the authority to
34 increase access to cultural activities and programming for public
35 school students resident in the authority's service area. The
36 activities and programming need not be located or provided within the
37 authority's service area. In developing its program, the authority may

1 consider the attributes prescribed for a public school education and
2 arts access program required to be undertaken under section 502(2) of
3 this act.

4 (d) The authority board must determine the percentage of total
5 funds available annually to be reserved for distribution by the
6 authority board to regional organizations under a formula to be
7 determined by the authority board. The authority board may adopt
8 guidelines, consistent with the requirements of this chapter, it deems
9 necessary or appropriate for determining the eligibility of regional
10 organizations to receive funding under this chapter. Total funds
11 reserved for distribution to regional organizations may not exceed
12 seventy-five percent of total funds available annually excluding funds
13 initially reserved under (a), (b), and (c) of this subsection;

14 (e) Remaining funds available annually, including all funds not
15 initially reserved under (a), (b), (c), and (d) of this subsection as
16 well as funds not distributed by the authority from the reserved funds
17 must be distributed by the authority board to an entity in each
18 participating county designated by the legislative authorities of the
19 participating counties under a formula to be determined by the
20 authority board. In determining its formula for the distribution of
21 remaining funds among the designated entities, the authority board
22 shall consider factors such as the relative size of the economies of
23 the participating counties, the number of regional organizations
24 receiving funds under (d) of this subsection in each participating
25 county, and the extent to which citizens or groups of citizens within
26 each county may be underserved by cultural organizations. The
27 authority shall determine the amount of funding to be allocated to
28 support designated agency administrative costs. Funds distributed to
29 the designated entity under this section must be awarded to community-
30 based cultural organizations. Subject to the approval of the
31 authority, designated entities shall adopt:

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

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

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

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

13 (g) If the authority board or designated agency determine the
14 eligibility of a cultural organization to receive funding or the
15 relative magnitude of the funding it receives on the basis of its
16 budget, revenues, or expenses, any determination with respect to a
17 qualifying state-related cultural organization must exclude any state
18 funding received by the organization or for the institution it
19 supports.

20 (2) An authority with a service area population of more than one
21 million five hundred thousand established as provided in section
22 301(1)(a) of this act or an authority with an aggregate service area
23 population of more than two million five hundred thousand established
24 as provided in section 301(1)(b) of this act must allocate the proceeds
25 of the taxes authorized under sections 402 and 403 of this act as
26 follows:

27 (a) Until any start-up funding provided to the authority under
28 section 303 of this act has been fully repaid, the authority must
29 annually reserve from total funds available annually funding sufficient
30 to provide for repayment of such start-up funding;

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

37 (ii) The authority board shall establish eligibility guidelines,
38 criteria for the award of funding to support projects of regional

1 benefit, including identification and evaluation of the public benefits
2 to be derived from the projects, and a competitive allocation process
3 to be undertaken at least annually. The projects may include, without
4 limitation: Regional cultural public information and promotional
5 activities; support for new cultural organizations; and support for
6 specific projects or organizations working to expand access to cultural
7 activities by underserved populations. Regional organizations
8 receiving funding under this chapter are not eligible applicants for
9 funding under this section. However, regional organizations may
10 participate in broad-based, collaborative projects funded under this
11 section and may partner with a community-based organization in a
12 project for which the community-based organization is the applicant for
13 funding and plays the lead role in the project;

14 (c) After allocating funds as required in (a) and (b) of this
15 subsection, ten percent of remaining funds available annually must be
16 used to fund a public school education and arts access program to be
17 administered by the authority.

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

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

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

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

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

34 (v) Over the three preceding years, has minimum average annual
35 revenues of at least one million two hundred fifty thousand dollars.
36 The authority board shall annually and cumulatively adjust the minimum
37 revenues by the annual percentage change in the consumer price index
38 for the prior year for the Seattle-Tacoma-Bellevue, Washington

1 metropolitan statistical area for all urban consumer, all goods, as
2 published by the United States department of labor, bureau of labor
3 statistics. The minimum revenues requirement, adjusted for inflation
4 as provided in this section, remains effective through the date on
5 which the initial tax authorized by the voters under section 402 or 403
6 of this act expires. Thereafter, the authority board must, at the
7 beginning of each subsequent period of funding as approved by the
8 voters, establish initial minimum average annual revenues of not less
9 than the amount of the minimum revenues required during the final year
10 of the immediately preceding period of funding;

11 (vi) For purposes of determining the eligibility of a cultural
12 organization to receive funding or the relative magnitude of the
13 funding it receives on the basis of its revenues, any determination
14 with respect to a qualifying state-related cultural organization must
15 exclude any state funding received by the organization or for the
16 institution it supports; and

17 (vii) Any additional guidelines, consistent with section 201 of
18 this act and this section, as it deems necessary or appropriate for
19 determining the eligibility of prospective regional organizations to
20 receive funding under this section and for establishing the amount of
21 funding any organization may receive;

22 (e) Funds available under (d) of this subsection must be
23 distributed among eligible regional organizations based on an annual
24 ranking of eligible organizations by the combined size of their average
25 annual revenues and their average annual attendance, both over the
26 three preceding years. However, an organization's attendance must have
27 twice the weight of the organization's revenues in determining its
28 relative ranking. Available funds must be distributed proportionally
29 among eligible organizations, consistent with the ranking, such that
30 the organization with the largest combined revenues and weighted
31 attendance would receive the most funding and the organization with the
32 smallest combined revenues and weighted attendance would receive the
33 least funding. However, no organization may receive funds in excess of
34 fifteen percent of its average annual revenues over the three preceding
35 years. Any funds available under (d) of this subsection not
36 distributed to regional organizations as a result of application of the
37 formula provided under this subsection (1)(e) must be allocated by the
38 authority board for distribution under (g) of this subsection;

1 (f) Funds distributed to regional organizations under (d) of this
2 subsection must be used to support cultural and educational activities,
3 programs and initiatives, public benefits and communications, and basic
4 operations. No funds distributed to regional organizations under (d)
5 of this subsection may be used for capital expenditures or acquisitions
6 including, but not limited to, the acquisition of or the construction
7 of improvements to real property;

8 (g) Remaining funds available annually, including funds not
9 initially reserved under (a) through (d) of this subsection as well as
10 funds not distributed by the authority from the reserved funds must be
11 distributed by the authority board to public agencies designated by the
12 legislative authorities of the participating counties, subject to the
13 following guidelines:

14 (i) With respect to an authority created by four contiguous
15 counties with an aggregate service area population of more than three
16 million, the agency designated by the legislative authority of the
17 largest of the participating counties by size of population shall
18 receive fifty percent of funds available under this subsection (1)(g);
19 the agencies designated by the legislative authorities of the next two
20 largest of the participating counties by size of population must each
21 receive twenty percent of funds available under this subsection (1)(g);
22 and the agency designated by the legislative authority of the smallest
23 of the participating counties by size of population must receive the
24 remaining ten percent of funds available;

25 (ii) With respect to an authority created by fewer than four
26 contiguous counties with an aggregate service area population of more
27 than two million five hundred thousand, funds must be distributed by
28 the authority board to public agencies designated by the legislative
29 authorities of the participating counties under a formula to be
30 determined by the authority board. In determining its formula for the
31 distribution of remaining funds among the designated public agencies,
32 the authority board shall consider factors such as the relative size of
33 the populations and the economies of the participating counties; the
34 number of regional organizations receiving funds under (d) of this
35 subsection in each participating county; and the extent to which
36 citizens or groups of citizens within each county may be underserved by
37 cultural organizations such that:

1 (A) The distribution formula for an authority comprised of three
2 contiguous counties including one county with a population in excess of
3 one million five hundred thousand, another county with a population in
4 excess of six hundred thousand, and one with a population of less than
5 three hundred thousand must provide that the agency designated by the
6 legislative authority of the largest county by population receives not
7 less than sixty percent of funds available; the next largest county by
8 population receives not less than twenty-five percent of funds
9 available; and the smallest county by population receives not less than
10 twelve percent of funds available;

11 (B) The distribution formula for an authority comprised of three
12 continuous counties including one county with a population in excess of
13 one million five hundred thousand and two other counties each with a
14 population in excess of six hundred thousand must provide that the
15 agency designated by the legislative authority of the largest county by
16 population receives not less than fifty-five percent of funds available
17 and each of the other two counties receive not less than twenty percent
18 of funds available; and

19 (C) The distribution formula for an authority comprised of two
20 contiguous counties including one county with a population in excess of
21 one million five hundred thousand and one county with a population in
22 excess of six hundred thousand shall provide that the agency designated
23 by the legislative authority of the larger county by population
24 receives not less than seventy-five percent of the funds available; and

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

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

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

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

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

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

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

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

20 **PART VII**
21 **MISCELLANEOUS**

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

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

26 (1) "Special purpose district" means every municipal and quasi-
27 municipal corporation other than counties, cities, and towns. Such
28 special purpose districts shall include, but are not limited to, water-
29 sewer districts, fire protection districts, port districts, public
30 utility districts, county park and recreation service areas, flood
31 control zone districts, diking districts, drainage improvement
32 districts, education and arts cultural access authorities, and solid
33 waste collection districts, but shall not include industrial
34 development districts created by port districts, and shall not include
35 local improvement districts, utility local improvement districts, and
36 road improvement districts;

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

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

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

9 (b) No election has been held for the purpose of electing a member
10 of the governing body within the preceding consecutive seven-year
11 period or, in those instances where members of the governing body are
12 appointed and not elected, where no member of the governing body has
13 been appointed within the preceding seven-year period.

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

16 NEW SECTION. **Sec. 702.** APPLICABILITY OF PUBLIC LAWS. The
17 authority, its officers, and the board of directors, created under this
18 chapter, are subject to the general laws regulating local governments
19 and local governmental officials including, but not limited to, the
20 requirement to be audited by the state auditor and various accounting
21 requirements under chapter 43.09 RCW, the public records act
22 requirements under chapter 42.56 RCW, the prohibition against using its
23 facilities for campaign purposes under RCW 42.17.130, the open public
24 meetings law under chapter 42.30 RCW, the code of ethics for municipal
25 officers under chapter 42.23 RCW, and the local government
26 whistleblower law under chapter 42.41 RCW.

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

30 NEW SECTION. **Sec. 704.** Sections 101 through 312, 401, 501, 502,
31 601, 702, and 703 of this act constitute a new chapter in Title 36 RCW.

32 NEW SECTION. **Sec. 705.** If any provision of this act or its
33 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

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

--- END ---