
HOUSE BILL 1387

State of Washington

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By Representatives Reardon, Pennington, Dunn, Fromhold, Morris, Lovick, D. Schmidt, Cooper, Conway, Linville, Wood, Benson, Quall, Ericksen, Hankins and Delvin

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1 AN ACT Relating to public facilities districts; amending RCW
2 35.57.010, 35.57.020, and 82.14.390; and adding a new section to
3 chapter 36.100 RCW.

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

5 **Sec. 1.** RCW 35.57.010 and 1999 c 165 s 1 are each amended to read
6 as follows:

7 (1) The legislative authority of any town or city located in a
8 county with a population of less than one million may create a
9 public facilities district. The legislative authorities of any
10 contiguous group of towns or cities located in a county or
11 counties each with a population of less than one million may enter
12 an agreement under chapter 39.34 RCW for the creation and joint
13 operation of a public facilities district. The legislative
14 authority of any town or city, or any contiguous group of towns or
15 cities, located in a county with a population of less than one
16 million and the legislative authority of the county or counties in
17 which the towns or cities are located may enter into an agreement
18 under chapter 39.34 RCW for the creation and joint operation of a

1 public facilities district.

2 (2) A public facilities district shall be coextensive with the
3 boundaries of the city or town or contiguous group of cities or
4 towns that created the district. A public facilities district
5 created by an agreement between a town or city, or a contiguous
6 group of towns or cities, and the county in which they are located
7 shall be coextensive with the boundaries of the towns or cities,
8 and the boundaries of the county or counties as to the
9 unincorporated areas of the county or counties. The boundaries
10 shall not include incorporated towns or cities that are not
11 parties to the agreement for the creation and joint operation of
12 the district.

13 (3)(a) A public facilities district created by a single city or
14 town shall be governed by a board of directors consisting of five
15 members selected as follows: (i) Two members appointed by the
16 legislative authority of the city or town; and (ii) three members
17 appointed by legislative authority based on recommendations from
18 local organizations. The members appointed under (a)(i) of this
19 subsection, shall not be members of the legislative authority of
20 the city or town. The members appointed under (a)(ii) of this
21 subsection, shall be based on recommendations received from local
22 organizations that may include, but are not limited to the local
23 chamber of commerce, local economic development council, and local
24 labor council. The members shall serve four-year terms. Of the
25 initial members, one must be appointed for a one-year term, one
26 must be appointed for a two-year term, one must be appointed for a
27 three-year term, and the remainder must be appointed for four-year
28 terms.

29 (b) A public facilities district created by ~~((a))~~ a
30 contiguous group of cities and towns shall be governed by a board
31 of directors consisting of seven members selected as follows: (i)
32 Three members appointed by the legislative authorities of the
33 cities and towns; and (ii) four members appointed by the
34 legislative authority based on recommendations from local
35 organizations. The members appointed under (b)(i) of this
36 subsection shall not be members of the legislative authorities of
37 the cities and towns. The members appointed under (b)(ii) of this
38 subsection, shall be based on recommendations received from local

1 organizations that include, but are not limited to the local
2 chamber of commerce, local economic development council, local
3 labor council, and a neighborhood organization that is directly
4 affected by the location of the regional center in their area. The
5 members of the board of directors shall be appointed in accordance
6 with the terms of the agreement under chapter 39.34 RCW for the
7 joint operation of the district and shall serve four-year terms. Of
8 the initial members, one must be appointed for a one-year term,
9 one must be appointed for a two-year term, one must be appointed
10 for a three-year term, and the remainder must be appointed for
11 four-year terms.

12 (c) A public facilities district created by a town or city, or
13 a contiguous group of towns or cities, and the county or counties
14 in which they are located shall be governed by a board of
15 directors consisting of seven members selected as follows: (i)
16 Three members appointed by the legislative authorities of the
17 cities, towns, and county; and (ii) four members appointed by the
18 legislative authority based on recommendations from local
19 organizations. The members appointed under (c)(i) of this
20 subsection shall not be members of the legislative authorities of
21 the cities, towns, or county. The members appointed under (c)(ii)
22 of this subsection shall be based on recommendations received from
23 local organizations that include, but are not limited to, the
24 local chamber of commerce, local economic development council,
25 local labor council, and a neighborhood organization that is
26 directly affected by the location of the regional center in their
27 area. The members of the board of directors shall be appointed in
28 accordance with the terms of the agreement under chapter 39.34 RCW
29 for the joint operation of the district and shall serve four-year
30 terms. Of the initial members, one must be appointed for a one-year
31 term, one must be appointed for a two-year term, one must be
32 appointed for a three-year term, and the remainder must be
33 appointed for four-year terms.

34 (4) A public facilities district is a municipal corporation, an
35 independent taxing "authority" within the meaning of Article VII,
36 section 1 of the state Constitution, and a "taxing district"
37 within the meaning of Article VII, section 2 of the state
38 Constitution.

1 (5) A public facilities district shall constitute a body
2 corporate and shall possess all the usual powers of a corporation
3 for public purposes as well as all other powers that may now or
4 hereafter be specifically conferred by statute, including, but not
5 limited to, the authority to hire employees, staff, and services,
6 to enter into contracts, and to sue and be sued.

7 (6) A public facilities district may acquire and transfer real
8 and personal property by lease, sublease, purchase, or sale. No
9 direct or collateral attack on any (~~metropolitan~~) public
10 facilities district purported to be authorized or created in
11 conformance with this chapter may be commenced more than thirty
12 days after creation by the city and/or county legislative
13 authority.

14 **Sec. 2.** RCW 35.57.020 and 1999 c 165 s 2 are each amended to read
15 as follows:

16 (1) A public facilities district is authorized to acquire,
17 construct, own, remodel, maintain, equip, reequip, repair,
18 finance, and operate one or more regional centers. For purposes of
19 this chapter, "regional center" means a convention, conference, or
20 special events center, or any combination of facilities, and
21 related parking facilities, serving a regional population
22 constructed, improved, or rehabilitated after July 25, 1999, at a
23 cost of at least ten million dollars, including debt service. A
24 "special events center" is a facility or combination of
25 facilities, the primary purpose of which is the presentation of
26 events, activities, performances, or exhibits for the enjoyment of
27 the general public. "Regional center" also includes an existing
28 convention, conference, or special events center, and related
29 parking facilities, serving a regional population, that is
30 improved or rehabilitated after July 25, 1999, where the costs of
31 improvement or rehabilitation are at least ten million dollars,
32 including debt service. A regional center is conclusively presumed
33 to serve a regional population if state and local government
34 investment in the construction, improvement, or rehabilitation of
35 the regional center is equal to or greater than ten million
36 dollars.

1 (2) A public facilities district may impose charges and fees
2 for the use of its facilities, and may accept and expend or use
3 gifts, grants, and donations for the purpose of a regional center.

4 (3) A public facilities district may impose charges, fees, and
5 taxes authorized in RCW 35.57.040, and use revenues derived
6 therefrom for the purpose of paying principal and interest
7 payments on bonds issued by the public facilities district to
8 construct a regional center.

9 (4) Notwithstanding the establishment of a career, civil, or
10 merit service system, a public facilities district may contract
11 with a public or private entity for the operation or management of
12 its public facilities.

13 (5) A public facilities district is authorized to use the
14 supplemental alternative public works contracting procedures set
15 forth in chapter 39.10 RCW in connection with the design,
16 construction, reconstruction, remodel, or alteration of any
17 regional center.

18 **Sec. 3.** RCW 82.14.390 and 1999 c 165 s 13 are each amended to read
19 as follows:

20 (1) Except as provided in subsection (6) of this section, the
21 governing body of a public facilities district created under
22 chapter 35.57 or 36.100 RCW that commences construction of a new
23 regional center, or improvement or rehabilitation of an existing
24 new regional center, before January 1, ((2003)) 2004, may impose a
25 sales and use tax in accordance with the terms of this chapter. The
26 tax is in addition to other taxes authorized by law and shall be
27 collected from those persons who are taxable by the state under
28 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
29 event within the public facilities district. The rate of tax shall
30 not exceed 0.033 percent of the selling price in the case of a
31 sales tax or value of the article used in the case of a use tax.

32 (2) The tax imposed under subsection (1) of this section shall
33 be deducted from the amount of tax otherwise required to be
34 collected or paid over to the department of revenue under chapter
35 82.08 or 82.12 RCW. The department of revenue shall perform the
36 collection of such taxes on behalf of the county at no cost to the
37 public facilities district.

1 (3) No tax may be collected under this section before August 1,
2 2000. The tax imposed in this section shall expire when the bonds
3 issued for the construction of the regional center and related
4 parking facilities are retired, but not more than twenty-five
5 years after the tax is first collected.

6 (4) Moneys collected under this section shall only be used for
7 the purposes set forth in RCW 35.57.020 and must be matched with
8 an amount from other public or private sources equal to thirty-
9 three percent of the amount collected under this section, provided
10 that amounts generated from nonvoter approved taxes authorized
11 under chapter 35.57 RCW or nonvoter approved taxes authorized
12 under chapter 36.100 RCW shall not constitute a public or private
13 source. For the purpose of this section, public or private sources
14 includes, but is not limited to cash or in-kind contributions used
15 in all phases of the development or improvement of the regional
16 center, land that is donated and used for the siting of the
17 regional center, cash or in-kind contributions from public or
18 private foundations, or amounts attributed to private sector
19 partners as part of a public and private partnership agreement
20 negotiated by the public facilities district.

21 (5) The combined total tax levied under this section shall not
22 be greater than 0.033 percent. If both a public facilities district
23 created under chapter 35.57 RCW and a public facilities district
24 created under chapter 36.100 RCW impose a tax under this section,
25 the tax imposed by a public facilities district created under
26 chapter 35.57 RCW shall be credited against the tax imposed by a
27 public facilities district created under chapter 36.100 RCW.

28 (6) A public facilities district created under chapter 36.100
29 RCW is not eligible to impose the tax under this section if the
30 legislative authority of the county where the public facilities
31 district is located has imposed a sales and use tax under RCW
32 82.14.0485 or 82.14.0494.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.100
34 RCW to read as follows:

35 (1) A public facilities district may apply for deferral of
36 taxes on site preparation, construction of buildings or other
37 structures, and acquisition of related machinery and equipment,

1 for a regional center. Application shall be made to the department
2 of revenue in a form and manner prescribed by the department of
3 revenue. The application shall contain information regarding the
4 location of the regional center, estimated or actual costs, time
5 schedules for completion and operation, and other information
6 required by the department of revenue. The department of revenue
7 shall approve the application within sixty days if it meets the
8 requirements of this section.

9 (2) The department of revenue shall issue a sales and use tax
10 deferral certificate for state and local sales and use taxes due
11 under chapters 82.08, 82.12, and 82.14 RCW on the public
12 facility. The use of the certificate shall be governed by rules
13 established by the department of revenue.

14 (3) The public facilities district shall begin paying the
15 deferred taxes in the fifth year after the date certified by the
16 department of revenue as the date on which the regional center is
17 operationally complete. The first payment is due on December 31st
18 of the fifth calendar year after such certified date, with
19 subsequent annual payments due on December 31st of the following
20 nine years. Each payment shall equal ten percent of the deferred
21 tax.

22 (4) The department of revenue may authorize an accelerated
23 repayment schedule upon request of the public facilities district.

24 (5) Interest shall not be charged on any taxes deferred under
25 this section for the period of deferral, although all other
26 penalties and interest applicable to delinquent excise taxes may
27 be assessed and imposed for delinquent payments under this
28 section. The debt for deferred taxes is not extinguished by
29 insolvency or other failure of the public facilities district.

30 (6) Applications and any other information received by the
31 department of revenue under this section are not confidential and
32 are subject to disclosure. Chapter 82.32 RCW applies to the
33 administration of this section.

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