

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2525**

Chapter 192, Laws of 2010

61st Legislature  
2010 Regular Session

PUBLIC FACILITIES DISTRICTS--FORMATION--MULTIPLE LEGISLATIVE  
AUTHORITIES

EFFECTIVE DATE: 06/10/10

Passed by the House March 9, 2010  
Yeas 94 Nays 1

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate March 5, 2010  
Yeas 47 Nays 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved March 24, 2010, 1:47 p.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2525** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

March 24, 2010

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2525**

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AS AMENDED BY THE SENATE

Passed Legislature - 2010 Regular Session

**State of Washington                      61st Legislature                      2010 Regular Session**

**By** House Community & Economic Development & Trade (originally sponsored by Representatives Nealey, Klippert, Chandler, and Haler)

READ FIRST TIME 02/01/10.

1            AN ACT Relating to public facilities districts created by at least  
2 two city or county legislative authorities; and amending RCW 35.57.010  
3 and 35.57.020.

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

5            **Sec. 1.** RCW 35.57.010 and 2009 c 533 s 1 are each amended to read  
6 as follows:

7            (1)(a) The legislative authority of any town or city located in a  
8 county with a population of less than one million may create a public  
9 facilities district.

10           (b) The legislative authorities of any contiguous group of towns or  
11 cities located in a county or counties each with a population of less  
12 than one million may enter an agreement under chapter 39.34 RCW for the  
13 creation and joint operation of a public facilities district.

14           (c) The legislative authority of any town or city, or any  
15 contiguous group of towns or cities, located in a county with a  
16 population of less than one million and the legislative authority of a  
17 contiguous county, or the legislative authority of the county or  
18 counties in which the towns or cities are located, may enter into an

1 agreement under chapter 39.34 RCW for the creation and joint operation  
2 of a public facilities district.

3 (d) The legislative authority of a city located in a county with a  
4 population greater than one million may create a public facilities  
5 district, when the city has a total population of less than one hundred  
6 fifteen thousand but greater than eighty thousand and commences  
7 construction of a regional center prior to July 1, 2008.

8 (e) At least ~~((two legislative authorities, one or more))~~ three  
9 contiguous towns or cities with a combined population of at least one  
10 hundred sixty thousand, each of which previously created a public  
11 facilities district ~~((or districts))~~ under ~~((b) or (c))~~ (a) of this  
12 subsection, may create an additional public facilities district  
13 ~~((notwithstanding the fact that one or more of those towns or cities,~~  
14 ~~with or without a county or counties, previously have created one or~~  
15 ~~more public facilities districts within the geographic boundaries of~~  
16 ~~the additional public facilities district. Those existing)).~~ The  
17 previously created districts may continue their full corporate  
18 existence and activities notwithstanding the creation and existence of  
19 the additional district within ~~((all or part of))~~ the same geographic  
20 area. ~~((Additional public facilities districts formed under this~~  
21 ~~subsection may be comprised of a maximum of three contiguous towns or~~  
22 ~~cities separately or in combination with a maximum of two contiguous~~  
23 ~~counties.))~~

24 (2)(a) A public facilities district ~~((shall be))~~ is coextensive  
25 with the boundaries of the city or town or contiguous group of cities  
26 or towns that created the district.

27 (b) A public facilities district created by an agreement between a  
28 town or city, or a contiguous group of towns or cities, and a  
29 contiguous county or the county in which they are located, ~~((shall be))~~  
30 is coextensive with the boundaries of the towns or cities, and the  
31 boundaries of the county or counties as to the unincorporated areas of  
32 the county or counties. The boundaries ~~((shall))~~ do not include  
33 incorporated towns or cities that are not parties to the agreement for  
34 the creation and joint operation of the district.

35 (3)(a) A public facilities district created by a single city or  
36 town shall be governed by a board of directors consisting of five  
37 members selected as follows: (i) Two members appointed by the  
38 legislative authority of the city or town; and (ii) three members

1 appointed by legislative authority based on recommendations from local  
2 organizations. The members appointed under (a)(i) of this subsection,  
3 shall not be members of the legislative authority of the city or town.  
4 The members appointed under (a)(ii) of this subsection, (~~shall~~) must  
5 be based on recommendations received from local organizations that may  
6 include, but are not limited to the local chamber of commerce, local  
7 economic development council, and local labor council. The members  
8 shall serve four-year terms. Of the initial members, one must be  
9 appointed for a one-year term, one must be appointed for a two-year  
10 term, one must be appointed for a three-year term, and the remainder  
11 must be appointed for four-year terms.

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

32 (c) A public facilities district created by a town or city, or a  
33 contiguous group of towns or cities, and a contiguous county or the  
34 county or counties in which they are located, (~~shall~~) must be  
35 governed by a board of directors consisting of seven members selected  
36 as follows: (i) Three members appointed by the legislative authorities  
37 of the cities, towns, and county; and (ii) four members appointed by  
38 the legislative authorities of the cities, towns, and county based on

1 recommendations from local organizations. The members appointed under  
2 (c)(i) of this subsection shall not be members of the legislative  
3 authorities of the cities, towns, or county. The members appointed  
4 under (c)(ii) of this subsection (~~shall~~) must be based on  
5 recommendations received from local organizations that include, but are  
6 not limited to, the local chamber of commerce, the local economic  
7 development council, the local labor council, and a neighborhood  
8 organization that is directly affected by the location of the regional  
9 center in their area. The members of the board of directors (~~shall~~)  
10 must be appointed in accordance with the terms of the agreement under  
11 chapter 39.34 RCW for the joint operation of the district and shall  
12 serve four-year terms. Of the initial members, one must be appointed  
13 for a one-year term, one must be appointed for a two-year term, one  
14 must be appointed for a three-year term, and the remainder must be  
15 appointed for four-year terms.

16 (d)(i) A public facilities district created under subsection (1)(e)  
17 of this section (~~may~~) must provide, in the agreement providing for  
18 its creation and operation, that the district must be governed by (~~a~~  
19 ~~board of directors appointed under (b) or (c) of this subsection, or by~~  
20 ~~a~~) an odd-numbered board of directors of not more than nine members  
21 who are also members of the legislative authorities that created the  
22 public facilities district or of the governing boards of the public  
23 facilities districts (~~or districts, or both,~~) previously created by  
24 those legislative authorities, or both.

25 (ii) A board of directors formed under this subsection must have an  
26 equal number of members representing each city(~~or~~) or town(~~or~~  
27 ~~county~~) participating in the public facilities district. If (~~a~~  
28 ~~public facilities district is created by an even number of legislative~~  
29 ~~authorities, the members representing or appointed by those legislative~~  
30 ~~authorities shall appoint an additional board member~~) there are  
31 unfilled board member positions after each city or town has appointed  
32 an equal number of board members, the members so appointed must appoint  
33 a number of additional board members necessary to fill any remaining  
34 positions. For a board formed under this subsection to (~~approve~~)  
35 submit a proposition to the voters under RCW 82.14.048, (~~the~~  
36 ~~proposition must be approved by~~) a majority of the members  
37 representing or appointed by each legislative authority participating

1 in the public facilities district must agree to submit the proposition  
2 to the voters; however, the board may not submit a proposition to the  
3 voters prior to January 1, 2011.

4 (4) A public facilities district is a municipal corporation, an  
5 independent taxing "authority" within the meaning of Article VII,  
6 section 1 of the state Constitution, and a "taxing district" within the  
7 meaning of Article VII, section 2 of the state Constitution.

8 (5) A public facilities district (~~((shall))~~) constitutes a body  
9 corporate and (~~((shall))~~) possesses all the usual powers of a corporation  
10 for public purposes as well as all other powers that may now or  
11 hereafter be specifically conferred by statute, including, but not  
12 limited to, the authority to hire employees, staff, and services, to  
13 enter into contracts, and to sue and be sued.

14 (6) A public facilities district may acquire and transfer real and  
15 personal property by lease, sublease, purchase, or sale. No direct or  
16 collateral attack on any public facilities district purported to be  
17 authorized or created in conformance with this chapter may be commenced  
18 more than thirty days after creation by the city and/or county  
19 legislative authority.

20 **Sec. 2.** RCW 35.57.020 and 2009 c 533 s 2 are each amended to read  
21 as follows:

22 (1)(a) (~~((Except for a public facilities district created under RCW~~  
23 ~~35.57.010(1)(e),))~~) A public facilities district is authorized to  
24 acquire, construct, own, remodel, maintain, equip, reequip, repair,  
25 finance, and operate one or more regional centers. For purposes of  
26 this chapter, "regional center" means a convention, conference, or  
27 special events center, or any combination of facilities, and related  
28 parking facilities, serving a regional population constructed,  
29 improved, or rehabilitated after July 25, 1999, at a cost of at least  
30 ten million dollars, including debt service. "Regional center" also  
31 includes an existing convention, conference, or special events center,  
32 and related parking facilities, serving a regional population, that is  
33 improved or rehabilitated after July 25, 1999, where the costs of  
34 improvement or rehabilitation are at least ten million dollars,  
35 including debt service. A "special events center" is a facility,  
36 available to the public, used for community events, sporting events,  
37 trade shows, and artistic, musical, theatrical, or other cultural

1 exhibitions, presentations, or performances. A regional center is  
2 conclusively presumed to serve a regional population if state and local  
3 government investment in the construction, improvement, or  
4 rehabilitation of the regional center is equal to or greater than ten  
5 million dollars.

6 (b) A public facilities district created under RCW 35.57.010(1)(e):

7 (i) Is authorized, in addition to the authority granted under (a)  
8 of this subsection, to acquire, construct, own, remodel, maintain,  
9 equip, reequip, repair, finance, and operate one or more recreational  
10 facilities other than a ski area;

11 (ii) If exercising its authority under (a) or (b)(i) of this  
12 subsection, must obtain voter approval to fund each recreational  
13 facility or regional center pursuant to RCW 82.14.048(3); and

14 (iii) Possesses all of the powers with respect to recreational  
15 facilities other than a ski area that all public facilities districts  
16 possess with respect to regional centers under subsections (3), (4),  
17 and (7) of this section.

18 (2) A public facilities district may enter into contracts with any  
19 city or town for the purpose of exercising any powers of a community  
20 renewal agency under chapter 35.81 RCW.

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

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

29 (5) Notwithstanding the establishment of a career, civil, or merit  
30 service system, a public facilities district may contract with a public  
31 or private entity for the operation or management of its public  
32 facilities.

33 (6) A public facilities district is authorized to use the  
34 supplemental alternative public works contracting procedures set forth  
35 in chapter 39.10 RCW in connection with the design, construction,  
36 reconstruction, remodel, or alteration of any regional center.

37 (7) A city or town in conjunction with any special agency,  
38 authority, or other district established by a county or any other

1 governmental agency is authorized to use the supplemental alternative  
2 public works contracting procedures set forth in chapter 39.10 RCW in  
3 connection with the design, construction, reconstruction, remodel, or  
4 alteration of any regional center funded in whole or in part by a  
5 public facilities district.

6 (8) Any provision required to be submitted for voter approval under  
7 this section, may not be submitted for voter approval prior to January  
8 1, 2011.

Passed by the House March 9, 2010.

Passed by the Senate March 5, 2010.

Approved by the Governor March 24, 2010.

Filed in Office of Secretary of State March 24, 2010.