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**SUBSTITUTE HOUSE BILL 2296**

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**State of Washington**

**64th Legislature**

**2016 Regular Session**

**By** House Finance (originally sponsored by Representatives Rossetti, Orcutt, Blake, and Tharinger)

READ FIRST TIME 01/29/16.

1 AN ACT Relating to the taxing authority of public facilities  
2 districts; and amending RCW 82.14.390 and 82.14.485.

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

4 **Sec. 1.** RCW 82.14.390 and 2011 1st sp.s. c 50 s 973 are each  
5 amended to read as follows:

6 (1) Except as provided in subsection (7) of this section, the  
7 governing body of a public facilities district (a) created before  
8 July 31, 2002, under chapter 35.57 or 36.100 RCW that (~~eommenees~~)  
9 commenced construction of a new regional center, or improvement or  
10 rehabilitation of an existing new regional center, before January 1,  
11 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a  
12 county or counties in which there are no other public facilities  
13 districts on June 7, 2006, and in which the total population in the  
14 public facilities district is greater than ninety thousand that  
15 (~~eommenees~~) commenced construction of a new regional center before  
16 February 1, 2007; (c) created under the authority of RCW  
17 35.57.010(1)(d); or (d) created before September 1, 2007, under  
18 chapter 35.57 or 36.100 RCW, in a county or counties in which there  
19 are no other public facilities districts on July 22, 2007, and in  
20 which the total population in the public facilities district is  
21 greater than seventy thousand, that (~~eommenees~~) commenced

1 construction of a new regional center before January 1, 2009, or  
2 before January 1, 2011, in the case of a new regional center in a  
3 county designated by the president as a disaster area in December  
4 2007, may impose a sales and use tax in accordance with the terms of  
5 this chapter. The tax is in addition to other taxes authorized by law  
6 and must be collected from those persons who are taxable by the state  
7 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
8 event within the public facilities district. The rate of tax may not  
9 exceed 0.033 percent of the selling price in the case of a sales tax  
10 or value of the article used in the case of a use tax.

11 (2)(a) The governing body of a public facilities district  
12 imposing a sales and use tax under the authority of this section may  
13 increase the rate of tax up to 0.037 percent if, within three fiscal  
14 years of July 1, 2008, the department determines that, as a result of  
15 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
16 82.14.020, a public facilities district's sales and use tax  
17 collections for fiscal years after July 1, 2008, have been reduced by  
18 a net loss of at least 0.50 percent from the fiscal year before July  
19 1, 2008. The fiscal year in which this section becomes effective is  
20 the first fiscal year after July 1, 2008.

21 (b) The department must determine sales and use tax collection  
22 net losses under this section as provided in RCW 82.14.500 (2) and  
23 (3). The department must provide written notice of its determinations  
24 to public facilities districts. Determinations by the department of a  
25 public facilities district's sales and use tax collection net losses  
26 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
27 amendments to RCW 82.14.020 are final and not appealable.

28 (c) A public facilities district may increase its rate of tax  
29 after it has received written notice from the department as provided  
30 in (b) of this subsection. The increase in the rate of tax must be  
31 made in 0.001 percent increments and must be the least amount  
32 necessary to mitigate the net loss in sales and use tax collections  
33 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
34 amendments to RCW 82.14.020. The increase in the rate of tax is  
35 subject to RCW 82.14.055.

36 (3) The tax imposed under subsection (1) of this section must be  
37 deducted from the amount of tax otherwise required to be collected or  
38 paid over to the department of revenue under chapter 82.08 or 82.12  
39 RCW. The department of revenue must perform the collection of such  
40 taxes on behalf of the county at no cost to the public facilities

1 district. During the 2011-2013 fiscal biennium, distributions by the  
2 state to a public facilities district based on the additional rate  
3 authorized in subsection (2) of this section must be reduced by 3.4  
4 percent.

5 (4) No tax may be collected under this section before August 1,  
6 2000. The tax imposed in this section expires when the bonds issued  
7 for the construction, improvement, rehabilitation, or expansion of  
8 the regional center and related parking facilities are retired, but  
9 not more than (~~twenty-five~~) forty years after the tax is first  
10 collected.

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

25 (6) The combined total tax levied under this section may not be  
26 greater than 0.037 percent. If both a public facilities district  
27 created under chapter 35.57 RCW and a public facilities district  
28 created under chapter 36.100 RCW impose a tax under this section, the  
29 tax imposed by a public facilities district created under chapter  
30 35.57 RCW must be credited against the tax imposed by a public  
31 facilities district created under chapter 36.100 RCW.

32 (7) A public facilities district created under chapter 36.100 RCW  
33 is not eligible to impose the tax under this section if the  
34 legislative authority of the county where the public facilities  
35 district is located has imposed a sales and use tax under RCW  
36 82.14.0485 or 82.14.0494.

37 **Sec. 2.** RCW 82.14.485 and 2007 c 486 s 3 are each amended to  
38 read as follows:

1 (1) In a county with a population under three hundred thousand,  
2 the governing body of a public facilities district, which is created  
3 before August 1, 2001, under chapter 35.57 RCW or before January 1,  
4 2000, under chapter 36.100 RCW, in which the total population in the  
5 public facilities district is greater than ninety thousand and less  
6 than one hundred thousand that commences improvement or  
7 rehabilitation of an existing regional center, to be used for  
8 community events, and artistic, musical, theatrical, or other  
9 cultural exhibitions, presentations, or performances and having two  
10 thousand or fewer permanent seats, before January 1, 2009, may impose  
11 a sales and use tax in accordance with the terms of this chapter. The  
12 tax is in addition to other taxes authorized by law and (~~shall~~)  
13 must be collected from those persons who are taxable by the state  
14 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
15 event within the public facilities district. The rate of tax for a  
16 public facilities district created prior to August 1, 2001, under  
17 chapter 35.57 RCW, may not exceed 0.025 percent of the selling price  
18 in the case of a sales tax or value of the article used in the case  
19 of a use tax. The rate of tax, for a public facilities district  
20 created prior to January 1, 2000, under chapter 36.100 RCW, may not  
21 exceed 0.020 percent of the selling price in the case of a sales tax  
22 or the value of the article used in the case of a use tax.

23 (2) The tax imposed under subsection (1) of this section  
24 (~~shall~~) must be deducted from the amount of tax otherwise required  
25 to be collected or paid over to the department under chapter 82.08 or  
26 82.12 RCW. The department (~~shall~~) must perform the collection of  
27 such taxes on behalf of the county at no cost to the public  
28 facilities district.

29 (3) The tax imposed in this section (~~shall~~) expires when the  
30 bonds issued for the construction, improvement, rehabilitation, or  
31 expansion of the regional center and related parking facilities are  
32 retired, but not more than (~~twenty-five~~) forty years after the tax  
33 is first collected.

34 (4) Moneys collected under this section (~~shall~~) may only be  
35 used for the purposes set forth in RCW 35.57.020 and must be matched  
36 with an amount from other public or private sources equal to thirty-  
37 three percent of the amount collected under this section, provided  
38 that amounts generated from nonvoter-approved taxes authorized under  
39 chapter 35.57 RCW may not constitute a public or private source. For  
40 the purpose of this section, public or private sources include, but

1 are not limited to cash or in-kind contributions used in all phases  
2 of the development or improvement of the regional center, land that  
3 is donated and used for the siting of the regional center, cash or  
4 in-kind contributions from public or private foundations, or amounts  
5 attributed to private sector partners as part of a public and private  
6 partnership agreement negotiated by the public facilities district.

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