
SUBSTITUTE HOUSE BILL 1107

State of Washington

64th Legislature

2015 Regular Session

By House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Springer, Wilcox, Reykdal, Fitzgibbon, Bergquist, Hudgins, Lytton, McBride, Santos, Jinkins, Appleton, Tarleton, and Walkinshaw)

READ FIRST TIME 02/13/15.

1 AN ACT Relating to access to and creation of cultural and
2 heritage programs and facilities; amending RCW 84.52.010 and
3 84.52.010; adding a new section to chapter 82.14 RCW; adding a new
4 section to chapter 84.52 RCW; adding a new chapter to Title 36 RCW;
5 creating new sections; providing an effective date; and providing an
6 expiration date.

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

8 **PART I**

9 **INTENT**

10 NEW SECTION. **Sec. 101.** INTENT. (1) The legislature finds that:
11 (a) The cultural organizations of the state provide numerous
12 public benefits. Providing support for the state's cultural
13 organizations is in the public interest and will serve multiple
14 public purposes including, among others, enhancing and extending the
15 educational reach and offerings of cultural organizations; ensuring
16 continued and expanded access to the facilities and programs of
17 cultural organizations by economically and geographically underserved
18 populations; and providing financial stability to the organizations
19 to enable them to focus on core missions as well as to continue and
20 extend the numerous public benefits they provide.

1 (b) Economic impact studies consistently confirm that cultural
2 institutions represent a multibillion dollar segment of the state's
3 overall economy and are directly responsible for tens of thousands of
4 jobs.

5 (2) The purpose of this chapter is to authorize the cultural
6 access program, under which counties authorize funding for public
7 school cultural access programs and support cultural organizations.

8 **PART II**
9 **DEFINITIONS**

10 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this
11 section apply throughout this chapter unless the context clearly
12 requires otherwise.

13 (1) "Administrative costs" means all operating, administrative,
14 and maintenance expenses for a program, a designated public agency,
15 or a designated entity.

16 (2) "Attendance" means the total number of visits by persons in
17 physical attendance during a year at cultural organization facilities
18 located or cultural organization programs provided within the county
19 creating a program, including attendance for which admission was
20 paid, discounted, or free, consistent with and verifiable under
21 guidelines adopted by the appropriate program.

22 (3) "Cultural organization" means a nonprofit corporation
23 incorporated under the laws of the state of Washington and recognized
24 by the internal revenue service as described in section 501(c)(3) of
25 the internal revenue code of 1986, as amended, with its principal
26 location or locations and conducting a majority of its activities
27 within the state, not including: Any agency of the state or any of
28 its political subdivisions; any municipal corporation; any
29 organization that raises funds for redistribution to multiple
30 cultural organizations; or any radio or television broadcasting
31 network or station, cable communications system, internet-based
32 communications venture or service, newspaper, or magazine. The
33 primary purpose of the organization must be the advancement and
34 preservation of science or technology, the visual or performing arts,
35 zoology, botany, anthropology, heritage, or natural history and any
36 organization must directly provide programming or experiences
37 available to the general public. Any organization with the primary
38 purpose of advancing and preserving zoology such as zoos and

1 aquariums must be or support a facility that is accredited by the
2 association of zoos and aquariums or its functional successor. A
3 state-related cultural organization may be a cultural organization.

4 (4) "Designated entity" means the entity designated by the
5 legislative authority of a county creating the program, as required
6 under section 601(1)(d) of this act. The entity may be a public
7 agency, including the state arts commission established under chapter
8 43.46 RCW, or a Washington nonprofit corporation that is not a
9 cultural organization eligible for funding under this chapter.

10 (5) "Designated public agency" means the public agency designated
11 by the legislative authority of a county creating the program, as
12 required under section 601(2)(h) of this act.

13 (6) "Program" means a cultural access program established by a
14 county by ordinance.

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

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

37 **PART III**

38 **CULTURAL ACCESS PROGRAM**

1 NEW SECTION. **Sec. 301.** CREATION. (1) Any county legislative
2 authority may create a cultural access program by ordinance.

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

6 (3) A city may create a cultural access program if the county
7 legislative authority in which the city is located adopts a
8 resolution stating that the county forfeits its option to create a
9 program or does not place a proposition before the people to create
10 such a program by June 30, 2017. In the event the exception in this
11 subsection occurs, all references in this chapter to a county must
12 include a city that has exercised its authority under this
13 subsection.

14 NEW SECTION. **Sec. 302.** START-UP FUNDING AND CONDITIONAL
15 FORMATION. (1) The county creating a program may advance to the
16 program funding for its administrative costs, including the cost of
17 informing the public about the formation of the program, how it is
18 proposed to be funded, and the public benefits to be realized if it
19 is successful. However, this subsection does not authorize the
20 preparation and distribution of information to the general public for
21 the purpose of influencing the outcome of any election called for
22 voter authorization of a proposed tax to support a program.

23 (2) The county creating a program may provide for repayment of
24 any start-up funding advanced to a program from the proceeds of taxes
25 authorized under sections 401 through 403 of this act and approved by
26 voters after the taxes are first collected. The funds may be repaid
27 to such county with interest at the internal rate of return on the
28 invested funds of such county.

29 NEW SECTION. **Sec. 303.** NONSUPPLANTATION. In creating a program
30 under this chapter, any county creating the program must affirm that
31 any funding such county usually and customarily provides to cultural
32 organizations similar to funding that would be available to those
33 organizations under this chapter may not be replaced or materially
34 diminished as a result of funding becoming available under this
35 chapter. If an organization designated to receive funds under this
36 chapter is a state-related cultural organization, the funds received
37 under this chapter may not replace or materially diminish any funding
38 usually or customarily provided by the state.

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

3 SALES AND USE TAXES. (1) The legislative authority of a county or
4 a city may impose a sales and use tax of up to one-tenth of one
5 percent of the selling price in the case of a sales tax, or value of
6 the article used, in the case of a use tax, for the purposes
7 authorized under chapter 36.--- RCW (the new chapter created in
8 section 702 of this act). The legislative authority of the county or
9 city may impose the sales and use tax by ordinance and must condition
10 its imposition on the specific authorization of a majority of the
11 voters voting on a proposition submitted at a special or general
12 election held after June 30, 2016. The ordinance and ballot
13 proposition may provide for the tax to apply for a period of up to
14 seven consecutive years.

15 (2) The tax authorized in this section is in addition to any
16 other taxes authorized by law and must be collected from those
17 persons who are taxable by the state under chapters 82.08 and 82.12
18 RCW upon the occurrence of any taxable event.

19 (3) The legislative authority of a county or city may reimpose a
20 tax imposed under this section for one or more additional periods of
21 up to seven consecutive years. The legislative authority of the
22 county or city may only reimpose the sales and use tax by ordinance
23 and on the prior specific authorization of a majority of the voters
24 voting on a proposition submitted at a special or general election.

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

27 (5) The department must perform the collection of taxes under
28 this section on behalf of a county or city at no cost to the county
29 or city, and the state treasurer must distribute those taxes as
30 available on a monthly basis to the county or city or, upon the
31 direction of the county or city, to its treasurer or a fiscal agent,
32 paying agent, or trustee for obligations issued or incurred by the
33 program.

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

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

38 PROPERTY TAX. (1) The legislative authority of a county or city
39 may impose an additional regular property tax levy for the purposes

1 authorized under chapter 36.--- RCW (the new chapter created in
2 section 702 of this act). The legislative authority of the county or
3 city may impose the additional levy by ordinance and must condition
4 its imposition of the levy upon prior specific authorization of a
5 majority of the voters voting on a proposition submitted at a special
6 or general election held after June 30, 2016. The ordinance and the
7 ballot proposition must set forth the total dollar amount to be
8 collected in the first year of the levy and may provide for a levy
9 for a period of up to seven consecutive years. The total dollar
10 amount to be set forth in the ordinance and the ballot proposition
11 may not exceed an amount equal to: (a) The total taxable retail sales
12 and taxable uses for the most recent calendar year as reported by the
13 department; multiplied by (b) one-tenth of one percent.

14 (2) The legislative authority of a county or city may reimpose an
15 additional regular property tax levy imposed under subsection (1) of
16 this section for one or more additional periods of up to seven
17 consecutive years. The legislative authority of the county or city
18 may only reimpose the sales and use tax by ordinance and on the prior
19 specific authorization of a majority of the voters voting on a
20 proposition submitted at a special or general election. The ordinance
21 and the ballot proposition must set forth the total dollar amount to
22 be collected in the first year of the reimposed levy, which dollar
23 amount may not exceed an amount equal to: (a) The total number of
24 taxable retail sales and taxable uses for the most recent calendar
25 year as reported by the department; multiplied by (b) one-tenth of
26 one percent.

27 (3) In the event a county or city is levying property taxes under
28 this section that, in combination with property taxes levied by other
29 taxing districts, exceed the limitation in RCW 84.52.050 or
30 84.52.043(2), the county's or city's property tax levy under this
31 section must be reduced or eliminated consistent with RCW 84.52.010.

32 (4) The limitation in RCW 84.55.010 does not apply to the first
33 levy imposed under subsection (1) of this section or to the first
34 levy reimposed under subsection (2) of this section.

35 (5) The limitations in RCW 84.52.043(1) do not apply to the tax
36 levy authorized in this section.

37 (6) Moneys collected under this section may only be used for the
38 purposes set forth in section 601 of this act.

39 (7) The definitions in section 201 of this act apply to this
40 section.

1 **Sec. 404.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each
2 amended to read as follows:

3 (1) Except as is permitted under RCW 84.55.050, all taxes must be
4 levied or voted in specific amounts.

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

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

21 (a) The full certified rates of tax levy for state, county,
22 county road district, and city or town purposes must be extended on
23 the tax rolls in amounts not exceeding the limitations established by
24 law; however any state levy takes precedence over all other levies
25 and may not be reduced for any purpose other than that required by
26 RCW 84.55.010. If, as a result of the levies imposed under RCW
27 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy
28 by a metropolitan park district that was protected under RCW
29 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion
30 of the levy under RCW 86.15.160 by flood control zone districts in a
31 county with a population of seven hundred seventy-five thousand or
32 more that are coextensive with a county, the combined rate of regular
33 property tax levies that are subject to the one percent limitation
34 exceeds one percent of the true and fair value of any property, then
35 these levies must be reduced as follows:

36 (i) The portion of the levy by a metropolitan park district that
37 has a population of less than one hundred fifty thousand and is
38 located in a county with a population of one million five hundred
39 thousand or more that is protected under RCW 84.52.120 must be

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

3 (ii) If the combined rate of regular property tax levies that are
4 subject to the one percent limitation still exceeds one percent of
5 the true and fair value of any property, the protected portion of the
6 levy imposed under RCW 86.15.160 by a flood control zone district in
7 a county with a population of seven hundred seventy-five thousand or
8 more that is coextensive with a county must be reduced until the
9 combined rate no longer exceeds one percent of the true and fair
10 value of any property or must be eliminated;

11 (iii) If the combined rate of regular property tax levies that
12 are subject to the one percent limitation still exceeds one percent
13 of the true and fair value of any property, the levy imposed by a
14 county under RCW 84.52.140 must be reduced until the combined rate no
15 longer exceeds one percent of the true and fair value of any property
16 or must be eliminated;

17 (iv) If the combined rate of regular property tax levies that are
18 subject to the one percent limitation still exceeds one percent of
19 the true and fair value of any property, the portion of the levy by a
20 fire protection district that is protected under RCW 84.52.125 must
21 be reduced until the combined rate no longer exceeds one percent of
22 the true and fair value of any property or must be eliminated;

23 (v) If the combined rate of regular property tax levies that are
24 subject to the one percent limitation still exceeds one percent of
25 the true and fair value of any property, the levy imposed by a county
26 under RCW 84.52.135 must be reduced until the combined rate no longer
27 exceeds one percent of the true and fair value of any property or
28 must be eliminated;

29 (vi) If the combined rate of regular property tax levies that are
30 subject to the one percent limitation still exceeds one percent of
31 the true and fair value of any property, the levy imposed by a ferry
32 district under RCW 36.54.130 must be reduced until the combined rate
33 no longer exceeds one percent of the true and fair value of any
34 property or must be eliminated;

35 (vii) If the combined rate of regular property tax levies that
36 are subject to the one percent limitation still exceeds one percent
37 of the true and fair value of any property, the portion of the levy
38 by a metropolitan park district with a population of one hundred
39 fifty thousand or more that is protected under RCW 84.52.120 must be

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

3 (viii) If the combined rate of regular property tax levies that
4 are subject to the one percent limitation still exceeds one percent
5 of the true and fair value of any property, then the levies imposed
6 under RCW 84.34.230, 84.52.105, and any portion of the levy imposed
7 under RCW 84.52.069 that is in excess of thirty cents per thousand
8 dollars of assessed value, must be reduced on a pro rata basis until
9 the combined rate no longer exceeds one percent of the true and fair
10 value of any property or must be eliminated; and

11 (ix) If the combined rate of regular property tax levies that are
12 subject to the one percent limitation still exceeds one percent of
13 the true and fair value of any property, then the thirty cents per
14 thousand dollars of assessed value of tax levy imposed under RCW
15 84.52.069 must be reduced until the combined rate no longer exceeds
16 one percent of the true and fair value of any property or must be
17 eliminated.

18 (b) The certified rates of tax levy subject to these limitations
19 by all junior taxing districts imposing taxes on such property must
20 be reduced or eliminated as follows to bring the consolidated levy of
21 taxes on such property within the provisions of these limitations:

22 (i) First, the certified property tax levy rates of those junior
23 taxing districts authorized under RCW 36.68.525, 36.69.145,
24 35.95A.100, section 403 of this act, and 67.38.130 must be reduced on
25 a pro rata basis or eliminated;

26 (ii) Second, if the consolidated tax levy rate still exceeds
27 these limitations, the certified property tax levy rates of flood
28 control zone districts other than the portion of a levy protected
29 under RCW 84.52.815 must be reduced on a pro rata basis or
30 eliminated;

31 (iii) Third, if the consolidated tax levy rate still exceeds
32 these limitations, the certified property tax levy rates of all other
33 junior taxing districts, other than fire protection districts,
34 regional fire protection service authorities, library districts, the
35 first fifty cent per thousand dollars of assessed valuation levies
36 for metropolitan park districts, and the first fifty cent per
37 thousand dollars of assessed valuation levies for public hospital
38 districts, must be reduced on a pro rata basis or eliminated;

39 (iv) Fourth, if the consolidated tax levy rate still exceeds
40 these limitations, the first fifty cent per thousand dollars of

1 assessed valuation levies for metropolitan park districts created on
2 or after January 1, 2002, must be reduced on a pro rata basis or
3 eliminated;

4 (v) Fifth, if the consolidated tax levy rate still exceeds these
5 limitations, the certified property tax levy rates authorized to fire
6 protection districts under RCW 52.16.140 and 52.16.160 and regional
7 fire protection service authorities under RCW 52.26.140(1) (b) and
8 (c) must be reduced on a pro rata basis or eliminated; and

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

18 **Sec. 405.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to
19 read as follows:

20 Except as is permitted under RCW 84.55.050, all taxes (~~shall~~)
21 must be levied or voted in specific amounts.

22 The rate percent of all taxes for state and county purposes, and
23 purposes of taxing districts coextensive with the county, (~~shall~~)
24 must be determined, calculated and fixed by the county assessors of
25 the respective counties, within the limitations provided by law, upon
26 the assessed valuation of the property of the county, as shown by the
27 completed tax rolls of the county, and the rate percent of all taxes
28 levied for purposes of taxing districts within any county (~~shall~~)
29 must be determined, calculated and fixed by the county assessors of
30 the respective counties, within the limitations provided by law, upon
31 the assessed valuation of the property of the taxing districts
32 respectively.

33 When a county assessor finds that the aggregate rate of tax levy
34 on any property, that is subject to the limitations set forth in RCW
35 84.52.043 or 84.52.050, exceeds the limitations provided in either of
36 these sections, the assessor (~~shall~~) must recompute and establish a
37 consolidated levy in the following manner:

38 (1) The full certified rates of tax levy for state, county,
39 county road district, and city or town purposes (~~shall~~) must be

1 extended on the tax rolls in amounts not exceeding the limitations
2 established by law; however any state levy (~~shall~~) takes precedence
3 over all other levies and (~~shall~~) may not be reduced for any
4 purpose other than that required by RCW 84.55.010. If, as a result of
5 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
6 84.52.105, the portion of the levy by a metropolitan park district
7 that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and
8 84.52.140, the combined rate of regular property tax levies that are
9 subject to the one percent limitation exceeds one percent of the true
10 and fair value of any property, then these levies (~~shall~~) must be
11 reduced as follows:

12 (a) The levy imposed by a county under RCW 84.52.140 (~~shall~~)
13 must be reduced until the combined rate no longer exceeds one percent
14 of the true and fair value of any property or (~~shall~~) must be
15 eliminated;

16 (b) If the combined rate of regular property tax levies that are
17 subject to the one percent limitation still exceeds one percent of
18 the true and fair value of any property, the portion of the levy by a
19 fire protection district that is protected under RCW 84.52.125
20 (~~shall~~) must be reduced until the combined rate no longer exceeds
21 one percent of the true and fair value of any property or (~~shall~~)
22 must be eliminated;

23 (c) If the combined rate of regular property tax levies that are
24 subject to the one percent limitation still exceeds one percent of
25 the true and fair value of any property, the levy imposed by a county
26 under RCW 84.52.135 must be reduced until the combined rate no longer
27 exceeds one percent of the true and fair value of any property or
28 must be eliminated;

29 (d) If the combined rate of regular property tax levies that are
30 subject to the one percent limitation still exceeds one percent of
31 the true and fair value of any property, the levy imposed by a ferry
32 district under RCW 36.54.130 must be reduced until the combined rate
33 no longer exceeds one percent of the true and fair value of any
34 property or must be eliminated;

35 (e) If the combined rate of regular property tax levies that are
36 subject to the one percent limitation still exceeds one percent of
37 the true and fair value of any property, the portion of the levy by a
38 metropolitan park district that is protected under RCW 84.52.120
39 (~~shall~~) must be reduced until the combined rate no longer exceeds

1 one percent of the true and fair value of any property or (~~shall~~)
2 must be eliminated;

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

12 (g) If the combined rate of regular property tax levies that are
13 subject to the one percent limitation still exceeds one percent of
14 the true and fair value of any property, then the thirty cents per
15 thousand dollars of assessed value of tax levy imposed under RCW
16 84.52.069 (~~shall~~) must be reduced until the combined rate no longer
17 exceeds one percent of the true and fair value of any property or
18 eliminated.

19 (2) The certified rates of tax levy subject to these limitations
20 by all junior taxing districts imposing taxes on such property
21 (~~shall~~) must be reduced or eliminated as follows to bring the
22 consolidated levy of taxes on such property within the provisions of
23 these limitations:

24 (a) First, the certified property tax levy rates of those junior
25 taxing districts authorized under RCW 36.68.525, 36.69.145,
26 35.95A.100, (~~and~~) 67.38.130, and section 403 of this act (~~shall~~)
27 must be reduced on a pro rata basis or eliminated;

28 (b) Second, if the consolidated tax levy rate still exceeds these
29 limitations, the certified property tax levy rates of flood control
30 zone districts (~~shall~~) must be reduced on a pro rata basis or
31 eliminated;

32 (c) Third, if the consolidated tax levy rate still exceeds these
33 limitations, the certified property tax levy rates of all other
34 junior taxing districts, other than fire protection districts,
35 regional fire protection service authorities, library districts, the
36 first fifty cent per thousand dollars of assessed valuation levies
37 for metropolitan park districts, and the first fifty cent per
38 thousand dollars of assessed valuation levies for public hospital
39 districts, (~~shall~~) must be reduced on a pro rata basis or
40 eliminated;

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

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

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

20 **PART V**

21 **PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM**

22 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) A program created
23 under this chapter must provide or continue to provide funding
24 authorized under this chapter only to cultural organizations that
25 provide discernible public benefits. Each program created under this
26 chapter must identify a range of public benefits that cultural
27 organizations may provide or continue to provide in satisfaction of
28 this requirement for eligibility to receive funding authorized under
29 this chapter. The public benefits include, without limitation:
30 Reasonable opportunities for access to facilities, programs, and
31 services on a reduced or no admission fee basis, particularly for
32 diverse and underserved populations and communities; providing,
33 through technological and other means, services or programs in
34 locations other than an organization's own facilities; providing
35 educational programs and experiences both at an organization's own
36 facilities and in schools and other venues; broadening cultural
37 programs, performances, and exhibitions for the enlightenment and
38 entertainment of the public; supporting collaborative relationships

1 with other cultural organizations in order to extend the reach and
2 impact of the collaborating organizations for the benefit of the
3 public; and, in the case of community-based cultural organizations,
4 organizational capacity-building projects or activities that an
5 organization can demonstrate, to the reasonable satisfaction of the
6 designated entity, will enhance the ability of the organization to
7 provide or continue to provide meaningful public benefits not
8 otherwise achievable.

9 (2) Each program created under this chapter must adopt guidelines
10 establishing a baseline standard of continuous performance with
11 respect to the provision of public benefits required under this
12 chapter and for evaluating the eligibility of any cultural
13 organization to receive funds under this chapter based on the
14 continuous performance of the organization in the provision of the
15 public benefits. The guidelines must include: (a) Procedures for
16 notifying any organization at risk of losing its eligibility to
17 receive funds under this chapter for failure to achieve the program's
18 baseline standard of performance with respect to the continuous
19 provision of public benefits; and (b) measures or procedures
20 available to the organization for either retaining or recovering
21 eligibility, as appropriate.

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

23 (1) A program created under this chapter must develop and provide a
24 public school cultural access program, as provided in section 601 of
25 this act.

26 (2) To the extent practicable consistent with available
27 resources, the public school cultural access element of a program of
28 a county described in section 601(2) of this act must include the
29 following attributes:

30 (a) Provide benefits designed to increase public school student
31 access to the programming offered and facilities operated by regional
32 and community-based cultural organizations receiving funding under
33 this chapter;

34 (b) Offer benefits to every public school in the county while
35 scaling the range of benefits available to and the frequency of
36 opportunities to participate by any particular school to coincide
37 with the relative percentage of students attending the school who
38 participate in the national free or reduced-price school meals
39 program;

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

3 (i) Establishing and operating, within funding provided to
4 support the public school cultural access program under this
5 subsection, of a centralized service available to regional and
6 community-based cultural organizations receiving funding under this
7 chapter and public schools in the county to coordinate opportunities
8 for public school student access to the programs and activities
9 offered by the organizations both at the facilities and venues
10 operated by the organizations and through programs and experiences
11 provided by the organizations at schools and elsewhere;

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

15 (iii) In consultation with cultural organizations located within
16 the county, preparing and maintaining a readily accessible and
17 current guide cataloging access opportunities and facilitating
18 scheduling;

19 (iv) Coordinating closely with cultural organizations to maximize
20 student utilization of available opportunities in a cost-efficient
21 manner including possible scheduling on a single day opportunities
22 for different grade levels at any one school and participation in
23 multiple programs or activities in the same general area for which
24 program-funded transportation is provided;

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

30 (vi) Building meaningful partnerships with public schools and
31 cultural organizations in order to maximize participation in school
32 access programs and activities and ensure their relevance and
33 effectiveness;

34 (d) When a program determines that its program element required
35 under (c)(i) through (vi) of this subsection has achieved sufficient
36 scale and participation among public schools located within its
37 boundaries and that it has resources remaining to devote to
38 additional public school cultural access programs without diminishing
39 such participation, the county may develop and financially support
40 other public school cultural access activities in conjunction with

1 cultural organizations receiving funds under this chapter; public
2 school districts; and other public or nonprofit organizations that
3 support cultural access. Any funding for development and support of
4 such activities provided to cultural organizations receiving funds
5 under this subsection must only be used to supplement the public
6 benefits provided by such organizations as required under this
7 chapter and may not be used by such organizations to replace or
8 diminish funding for such required public benefits;

9 (e) Preparation of an annual public school cultural access plan
10 for review and adoption prior to implementation; and

11 (f) Compilation of an annual report documenting the reach and
12 evaluating the effectiveness of program-funded public school cultural
13 access efforts, including recommendations to the county for
14 improvements.

15 **PART VI**
16 **USE OF FUNDS**

17 NEW SECTION. **Sec. 601.** ALLOCATION. (1) A program in a county
18 with a population of less than one million five hundred thousand must
19 allocate the proceeds of taxes authorized under sections 402 and 403
20 of this act as follows:

21 (a) If any start-up funding has been provided to the program
22 under section 302 of this act with the expectation that the funding
23 will be repaid, the program must annually reserve from total funds
24 available funding sufficient to provide for repayment of such start-
25 up funding until any such start-up funding has been fully repaid;

26 (b) The funding determined by the county forming such a program
27 to be reserved for program costs, including direct administrative
28 costs, and repaying any start-up funding provided under section 302
29 of this act. Information disclosing the amount of funding to be
30 reserved for program administrative costs must be included in any
31 proposition submitted to voters under section 402 or 403 of this act;

32 (c) The county must determine the percentage of total funds
33 available annually to be reserved for a public school cultural access
34 program established and managed by the county to increase access to
35 cultural activities and programming for public school students
36 resident in the county. The activities and programming need not be
37 located or provided within the county. In developing its program, the
38 county may consider the attributes prescribed for a public school

1 cultural access program required to be undertaken under section
2 502(2) of this act and may also consider providing funding for music
3 and arts education in public schools that is in addition to that
4 provided for in the program of basic education funding;

5 (d) Remaining funds available annually, including all funds not
6 initially reserved under (a), (b), and (c) of this subsection as well
7 as funds not distributed by the county from the reserved funds must
8 be distributed by the county to the entity designated by the
9 legislative authority of the county creating the program. The county
10 must determine:

11 (i) Guidelines, consistent with the requirements of this chapter,
12 it deems necessary or appropriate for determining the eligibility of
13 cultural organizations to receive funding under this chapter;

14 (ii) Criteria for the award of funds to eligible cultural
15 organizations, including the public benefits to be derived from
16 projects submitted for funding;

17 (iii) The amount of funding to be allocated to support designated
18 entity administrative costs;

19 (iv) Criteria for the identification by the county or, if so
20 directed by the county, by the designated entity of any cultural
21 organization or organizations that would receive annual distributions
22 of funds in such amounts determined by the county or, if so directed
23 by the county, the designated entity; and

24 (v) Procedures to be used by the designated entity in awarding
25 funding to other cultural organizations that may, but are not
26 required to include a periodic competitive process for awarding funds
27 for particular purposes or projects proposed by eligible cultural
28 organizations;

29 (e) In evaluating requests for funding authorized under this
30 chapter, the designated entity responsible for the distribution of
31 the funds must consider the public benefits that any cultural
32 organizations represented will be derived from proposed projects. At
33 the conclusion of a project approved for funding, such organization
34 is required to report to the designated entity on the public benefits
35 realized;

36 (f) Funds distributed to cultural organizations may be used to
37 support cultural and educational activities, programs, and
38 initiatives; public benefits and communications; and basic
39 operations. Funds may also be used for: (i) Capital expenditures or
40 acquisitions including, but not limited to, the acquisition of or

1 construction of improvements to real property; and (ii) technology,
2 equipment, and supplies reasonably related to or necessary for a
3 project otherwise eligible for funding under this chapter. Program
4 guidelines may also determine the circumstances under which funds may
5 be used to fund start-up expenses of new community-based cultural
6 organizations;

7 (g) If the county or designated entity determine the eligibility
8 of a cultural organization to receive funding or the relative
9 magnitude of the funding it receives on the basis of its budget,
10 revenues, or expenses, any determination with respect to a qualifying
11 state-related cultural organization must exclude any state funding
12 received by the organization or for the institution it supports.

13 (2) A county with a population of more than one million five
14 hundred thousand must allocate the proceeds of the taxes authorized
15 under sections 402 and 403 of this act as follows:

16 (a) If any start-up funding has been provided to the program
17 under section 302 of this act with the expectation that the funding
18 will be repaid, the program must annually reserve from total funds
19 available annually funding sufficient to provide for repayment of
20 such start-up funding until any such start-up funding has been fully
21 repaid;

22 (b) After allocating any funds as required in (a) of this
23 subsection, up to one and one-fourth percent of total funds available
24 annually may be used for program administrative costs;

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

29 (d) Seventy-five percent of total remaining funds available
30 annually excluding funds initially reserved under (a), (b), and (c)
31 of this subsection must be reserved for distribution by the program
32 to regional cultural organizations that are cultural organizations
33 that own, operate, or support cultural facilities or provide
34 performances, exhibits, educational programs, experiences, or
35 entertainment that widely benefit and are broadly attended by the
36 public, subject to further definition under guidelines adopted by the
37 program. A regional cultural organization may also generally be
38 characterized under program guidelines as a financially stable,
39 substantial organization with full-time support and program staff,
40 maintaining a broad-based membership, having year-round or enduring

1 seasonal operations, being a substantial financial contributor to the
2 development, operation, and maintenance of the organization's
3 principal venue or venues, and providing substantial public benefits.
4 The funding must be provided only to those regional cultural
5 organizations that the program determines, on an annual basis, to
6 have met the following guidelines:

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

10 (ii) The organization has its principal location or locations and
11 conducts the majority of its activities within the county area
12 primarily for the benefit of county residents;

13 (iii) The organization has not declared bankruptcy or suspended
14 or substantially curtailed operations for a period longer than six
15 months during the preceding two years;

16 (iv) The organization provided to the program audited annual
17 financial statements for at least its two most recent fiscal years;

18 (v) Over the three preceding years, the organization has minimum
19 average annual revenues of at least one million two hundred fifty
20 thousand dollars. The program must annually and cumulatively adjust
21 the minimum revenues by the annual percentage change in the consumer
22 price index for the prior year for the Seattle-Tacoma-Bellevue,
23 Washington metropolitan statistical area for all urban consumer, all
24 goods, as published by the United States department of labor, bureau
25 of labor statistics. The minimum revenues requirement, adjusted for
26 inflation as provided in this section, remains effective through the
27 date on which the initial tax authorized by the voters under section
28 402 or 403 of this act expires. Thereafter, the program must, at the
29 beginning of each subsequent period of funding as approved by the
30 voters, establish initial minimum average annual revenues of not less
31 than the amount of the minimum revenues required during the final
32 year of the immediately preceding period of funding;

33 (vi) For purposes of determining the eligibility of a regional
34 organization to receive funding or the relative magnitude of the
35 funding it receives on the basis of its revenues, any determination
36 with respect to a qualifying state-related cultural organization must
37 exclude any state funding received by the organization or for the
38 institution it supports; and

39 (vii) Any additional guidelines, consistent with section 201 of
40 this act and this section, as the program deems necessary or

1 appropriate for determining the eligibility of prospective regional
2 cultural organizations to receive funding under this section and for
3 establishing the amount of funding any organization may receive;

4 (e) Funds available under (d) of this subsection must be
5 distributed among eligible regional cultural organizations based on
6 an annual ranking of eligible organizations by the combined size of
7 their average annual revenues and their average annual attendance,
8 both over the three preceding years. However, an organization's
9 attendance must have twice the weight of the organization's revenues
10 in determining its relative ranking. Available funds must be
11 distributed proportionally among eligible organizations, consistent
12 with the ranking, such that the organization with the largest
13 combined revenues and weighted attendance would receive the most
14 funding and the organization with the smallest combined revenues and
15 weighted attendance would receive the least funding. However, no
16 organization may receive funds in excess of fifteen percent of its
17 average annual revenues over the three preceding years. Any funds
18 available under (d) of this subsection not distributed to regional
19 cultural organizations as a result of application of the formula
20 provided under this subsection (2)(e) must be allocated by the
21 program for distribution under (g) of this subsection;

22 (f) Funds distributed to regional cultural organizations under
23 (d) of this subsection must be used to support cultural and
24 educational activities, programs and initiatives, public benefits and
25 communications, and basic operations. No funds distributed to
26 regional cultural organizations under (d) of this subsection may be
27 used for capital expenditures or acquisitions including, but not
28 limited to, the acquisition of or the construction of improvements to
29 real property;

30 (g) In addition to providing or continuing to provide public
31 benefits identified by the program under this section, regional
32 cultural organizations receiving funding under this subsection (2)
33 must participate in good faith in the program's public school
34 cultural access program required under section 502 of this act. The
35 regional cultural organizations must provide or continue to provide
36 public benefits under this section in addition to participating in
37 the public school cultural access program. Each regional cultural
38 organization receiving funds authorized under this chapter pursuant
39 to a program allocation formula must annually, prior to year end,
40 preview for the program public benefits the organization's plans to

1 provide or continue to provide in the following year and report on
2 public benefits it provided or continued to provide during the
3 current year;

4 (h) Remaining funds available annually, including funds not
5 initially reserved under (a) through (d) of this subsection as well
6 as funds not distributed by the program from the reserved funds must
7 be distributed by the program to the public agency designated by the
8 legislative authority of the county creating such a program;

9 (i) Funds distributed by the designated public agencies under (h)
10 of this subsection must be applied as follows:

11 (i) Not more than eight percent of such funds must be used for
12 administrative costs of the public agency designated by a county
13 creating the program; and

14 (ii) The balance must be used to fund community-based cultural
15 organizations that are cultural organizations or a community
16 preservation and development authority formed under chapter 43.167
17 RCW prior to January 1, 2011, that primarily function, focus their
18 activities, and are supported or patronized within a local community
19 and are not a regional cultural organization, subject to further
20 definition under guidelines adopted by the designated public agency.
21 Designated public agencies must adopt:

22 (A) Guidelines, consistent with the requirements of this chapter,
23 it deems necessary or appropriate for determining the eligibility of
24 community-based cultural organizations to receive funding under this
25 chapter and for establishing the amount of funding any organization
26 may receive;

27 (B) Criteria for the award of funds to eligible community-based
28 cultural organizations, including the public benefits to be derived
29 from projects submitted for funding; and

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

32 (j) Funds distributed to community-based cultural organizations
33 may be used to support cultural and educational activities, programs,
34 and initiatives; public benefits and communications; and basic
35 operations. Funds may also be used for: (i) Capital expenditures or
36 acquisitions including, but not limited to, the acquisition of or
37 construction of improvements to real property; and (ii) technology,
38 equipment, and supplies reasonably related to or necessary for a
39 project otherwise eligible for funding under this chapter. Program
40 guidelines may also determine the circumstances under which funds may

1 be used to fund start-up expenses of new community-based cultural
2 organizations.

3 **PART VII**
4 **MISCELLANEOUS**

5 NEW SECTION. **Sec. 701.** No direct or collateral attack on any
6 program purported to be authorized or created in conformance with
7 this chapter may be commenced more than thirty days after creation.

8 NEW SECTION. **Sec. 702.** Sections 101 through 305, 401, 501, 502,
9 and 601 of this act constitute a new chapter in Title 36 RCW.

10 NEW SECTION. **Sec. 703.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 NEW SECTION. **Sec. 704.** The provisions of this act must be
15 liberally construed to effectuate the policies and purposes of this
16 act.

17 NEW SECTION. **Sec. 705.** Section 404 of this act expires January
18 1, 2018.

19 NEW SECTION. **Sec. 706.** Section 405 of this act takes effect
20 January 1, 2018.

--- END ---