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**SUBSTITUTE HOUSE BILL 1659**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Local Government (originally sponsored by Representatives Corry, Riccelli, Dufault, Dent, Mosbrucker, Chandler, Ybarra, and Ormsby)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to modifying dates related to the application due  
2 date for health sciences and services authorities and their sales and  
3 use tax authority; and amending RCW 82.14.480, 35.104.040, and  
4 35.104.050.

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

6 **Sec. 1.** RCW 82.14.480 and 2010 1st sp.s. c 33 s 3 are each  
7 amended to read as follows:

8 (1) The legislative authority of a local jurisdiction that has  
9 created a health sciences and services authority under RCW  
10 35.104.030, prior to January 1, (~~2010~~) 2019, may impose a sales and  
11 use tax in accordance with the terms of this chapter. The tax is in  
12 addition to other taxes authorized by law and must be collected from  
13 those persons who are taxable by the state under chapters 82.08 and  
14 82.12 RCW upon the occurrence of any taxable event within the local  
15 jurisdiction. The rate of the tax may not exceed 0.020 percent of the  
16 selling price in the case of a sales tax or the value of the article  
17 used in the case of a use tax.

18 (2) The tax imposed under subsection (1) of this section must be  
19 deducted from the amount of tax otherwise required to be collected or  
20 paid over to the department under chapter 82.08 or 82.12 RCW. The

1 department of revenue must perform the collection of the tax on  
2 behalf of the authority at no cost to the authority.

3 (3) The amounts received under this section may only be used in  
4 accordance with RCW 35.104.060 or to finance and retire the  
5 indebtedness incurred pursuant to RCW 35.104.070, in whole or in  
6 part.

7 (4) Prior to levying the tax authorized by subsection (1) of this  
8 section, local jurisdictions that have created a health sciences and  
9 services authority after January 1, 2010, are required to submit an  
10 expenditure plan for such tax revenue to the appropriate committees  
11 of the legislature at least three months prior to the first day of  
12 the next scheduled regular session of the legislature. The tax may  
13 not be collected prior to ninety days following the end of the  
14 legislative session for which the report is submitted. The report  
15 must include the authority's funding distribution plan including, but  
16 not limited to, how the activities supported by any tax authorized by  
17 this section will address health disparities resulting in lower  
18 disability adjusted life years experienced by populations within the  
19 jurisdiction, including migrant populations and members of a  
20 federally recognized Indian tribe.

21 (5) This section expires January 1, 2023.

22 **Sec. 2.** RCW 35.104.040 and 2012 c 229 s 581 are each amended to  
23 read as follows:

24 (1) The student achievement council may approve applications  
25 submitted by local governments for an area's designation as a health  
26 sciences and services authority under this chapter. The director must  
27 determine the division to review applications submitted by local  
28 governments under this chapter. The application for designation must  
29 be in the form and manner and contain such information as the student  
30 achievement council may prescribe, provided the application:

31 (a) Contains sufficient information to enable the director to  
32 determine the viability of the proposal;

33 (b) Demonstrates that an ordinance or resolution has been passed  
34 by the legislative authority of a local government that delineates  
35 the boundaries of an area that may be designated an authority;

36 (c) Is submitted on behalf of the local government, or, if that  
37 office does not exist, by the legislative body of the local  
38 government;

1 (d) Demonstrates that the public funds directed to programs or  
2 facilities in the authority will leverage private sector resources  
3 and contributions to activities to be performed;

4 (e) Provides a plan or plans for the development of the authority  
5 as an entity to advance as a cluster for health sciences education,  
6 health sciences research, biotechnology development, biotechnology  
7 product commercialization, and/or health care services; and

8 (f) Demonstrates that the state has previously provided funds to  
9 health sciences and services programs or facilities in the applicant  
10 city, town, or county.

11 (2) The director must determine the division to develop criteria  
12 to evaluate the application. The criteria must include:

13 (a) The presence of infrastructure capable of spurring  
14 development of the area as a center of health sciences and services;

15 (b) The presence of higher education facilities where  
16 undergraduate or graduate coursework or research is conducted; and

17 (c) The presence of facilities in which health services are  
18 provided.

19 (3) There may be no more than two authorities statewide.

20 (4) An authority may only be created in a county with a  
21 population of less than one million persons and located east of the  
22 crest of the Cascade mountains.

23 (5) The director may reject or approve an application. When  
24 denying an application, the director must specify the application's  
25 deficiencies. The decision regarding such designation as it relates  
26 to a specific local government is final; however, a rejected  
27 application may be resubmitted.

28 (6) Applications are due by December 31, (~~(2010)~~) 2019, and must  
29 be processed within sixty days of submission.

30 (7) The director may, at his or her discretion, amend the  
31 boundaries of an authority upon the request of the local government.

32 (8) The student achievement council may adopt any rules necessary  
33 to implement this chapter.

34 (9) The student achievement council must develop evaluation  
35 criteria that enables the local governments to measure the  
36 effectiveness of the program.

37 **Sec. 3.** RCW 35.104.050 and 2007 c 251 s 5 are each amended to  
38 read as follows:

1 (1) An authority shall be overseen by a board with not more than  
2 fourteen members. The authority board shall select the chair. Board  
3 members must have some experience with the mission of the authority.  
4 The board members shall be appointed as follows:

5 (a) The governor shall appoint three members;

6 (b) The county legislative authority in which the authority  
7 resides shall appoint three members;

8 (c) The mayor of the city in which the authority is created, or  
9 the mayor of the largest city within the authority if created by a  
10 county, shall appoint three members; and

11 (d) Up to five additional members may be appointed by the board.  
12 The board of a health sciences and services authority created after  
13 January 1, 2010, must include at least one representative from an  
14 Indian tribe that has a reservation that is located next to or within  
15 the boundaries of an area that may be designated an authority.

16 (2) A simple majority of the board members shall constitute a  
17 quorum.

18 (3) The board shall annually elect a secretary and any other  
19 officers it deems necessary.

20 (4) The local government shall designate an individual with  
21 financial experience to serve as treasurer. The individual may be a  
22 city or county treasurer, city or county auditor, or a private party.  
23 If the treasurer is a private party, the local government shall  
24 require a bond in an amount and under such terms and conditions as  
25 the local government deems necessary to protect the authority. The  
26 treasurer shall have the power to create and maintain funds, issue  
27 warrants, and invest funds in its possession.

28 (5) The board may adopt bylaws or rules for their own governance.

29 (6) Meetings of the board shall be held in accordance with the  
30 open public meetings act, chapter 42.30 RCW, and at the call of the  
31 chair or when a majority of the board so requests. Meetings of the  
32 board may be held at any location and board members may participate  
33 in a meeting of the board by means of a conference telephone or  
34 similar communication equipment under RCW 23B.08.200.

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