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**SUBSTITUTE SENATE BILL 5127**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** Senate Committee on Government Operations (originally sponsored by Senators West, Haugen, Morton, Prince, Moyer and McCaslin)

Read first time 02/02/95.

1 AN ACT Relating to public facilities districts; amending RCW  
2 36.100.030 and 82.14.048; and adding new sections to chapter 36.100  
3 RCW.

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

5 NEW SECTION. **Sec. 1.** The treasurer of the county in which a  
6 public facilities district is located shall be the treasurer of the  
7 district and is vested with authority to receive and disburse district  
8 revenues and taxes levied, credit district revenues and taxes to the  
9 proper fund, and perform other services as authorized by law on behalf  
10 of the district. The public facilities district funds shall be  
11 deposited with the county depositories under the same restrictions and  
12 security as provided for county depositories subject to the investment  
13 statutes governing investment of public funds. All interest collected  
14 on public facilities district funds shall belong to the district and be  
15 deposited to its credit in the proper district funds. The treasurer  
16 shall, at least monthly, certify the amount of all public facilities  
17 district funds and prepare such other reports as requested by the  
18 district. All public facilities district funds shall be paid to the

1 treasurer and shall be disbursed by him or her upon presentation of  
2 vouchers approved by the district.

3 NEW SECTION. **Sec. 2.** The board of directors of the public  
4 facilities district shall adopt a resolution that may be amended from  
5 time to time that shall establish the basic requirements governing  
6 methods and amounts of reimbursement payable to such district officials  
7 and employees for travel and other business expenses incurred on behalf  
8 of the district. The resolution shall, among other things, establish  
9 procedures for approving such expenses; the form of the travel and  
10 expense voucher; and requirements governing the use of credit cards  
11 issued in the name of the district. The resolution may also establish  
12 procedures for payment of per diem to board members. The state auditor  
13 shall, as provided by general law, cooperate with the public facilities  
14 district in establishing adequate procedures for regulating and  
15 auditing the reimbursement of all such expenses.

16 NEW SECTION. **Sec. 3.** The board of directors of the public  
17 facilities district may authorize payment of actual and necessary  
18 expenses of officers and employees for lodging, meals, and travel-  
19 related costs incurred in attending meetings or conferences on behalf  
20 of the public facilities district and strictly in the public interest  
21 and for public purposes. Officers and employees may be advanced  
22 sufficient sums to cover their anticipated expenses in accordance with  
23 rules adopted by the state auditor, which shall substantially conform  
24 to the procedures provided in RCW 43.03.150 through 43.03.210.

25 NEW SECTION. **Sec. 4.** Each member of the board of directors of the  
26 public facilities district may receive compensation of fifty dollars  
27 per day for attending meetings or conferences on behalf of the  
28 district, not to exceed three thousand dollars per year. A director  
29 may waive all or a portion of his or her compensation under this  
30 section as to a month or months during his or her term of office, by a  
31 written waiver filed with the public facilities district. The  
32 compensation provided in this section is in addition to reimbursement  
33 for expenses paid to the directors by the public facilities district.

34 NEW SECTION. **Sec. 5.** The board of directors of the public  
35 facilities district may purchase liability insurance with such limits

1 as the directors may deem reasonable for the purpose of protecting and  
2 holding personally harmless district officers and employees against  
3 liability for personal or bodily injuries and property damage arising  
4 from their acts or omissions while performing or in good faith  
5 purporting to perform their official duties.

6 NEW SECTION. **Sec. 6.** Whenever an action, claim, or proceeding is  
7 instituted against a person who is or was an officer or employee of the  
8 public facilities district arising out of the performance of duties for  
9 or employment with the district, the public facilities district may  
10 grant a request by the person that the attorney of the district's  
11 choosing be authorized to defend the claim, suit, or proceeding, and  
12 the costs of defense, attorneys' fees, and obligation for payments  
13 arising from the action may be paid from the district's funds. Costs  
14 of defense or judgment or settlement against the person shall not be  
15 paid in a case where the court has found that the person was not acting  
16 in good faith or within the scope of employment with or duties for the  
17 public facilities district.

18 **Sec. 7.** RCW 36.100.030 and 1989 1st ex.s. c 8 s 3 are each amended  
19 to read as follows:

20 (1) A public facilities district is authorized to acquire,  
21 construct, own, maintain, and operate sports ~~((and))~~ or entertainment  
22 facilities, or both sports and entertainment facilities, with  
23 contiguous parking facilities. The taxes that are provided for in this  
24 chapter may only be imposed for these purposes.

25 (2) A public facilities district may impose charges and fees for  
26 the use of its facilities, and may accept and expend or use gifts,  
27 grants, and donations. ~~((The taxes that are provided for in this~~  
28 ~~chapter may only be imposed for such purposes.))~~

29 NEW SECTION. **Sec. 8.** The board of directors of the public  
30 facilities district shall have authority to authorize the expenditure  
31 of funds for the public purposes of preparing and distributing  
32 information to the general public and promoting, advertising,  
33 improving, developing, operating, and maintaining facilities of the  
34 district. Nothing contained in this section may be construed to  
35 authorize preparation and distribution of information to the general

1 public for the purpose of influencing the outcome of a district  
2 election.

3 NEW SECTION. **Sec. 9.** The public facilities district shall have  
4 authority to create and fill positions, fix wages, salaries, and bonds  
5 therefor, pay costs involved in securing or arranging to secure  
6 employees, and establish benefits for employees, including holiday pay,  
7 vacations or vacation pay, retirement benefits, medical, life,  
8 accident, or health disability insurance, as approved by the board.  
9 Public facilities district board members, at their own expense, shall  
10 be entitled to medical, life, accident, or health disability insurance.  
11 Insurance for employees and board members shall not be considered  
12 compensation. District coverage for the board is not to exceed that  
13 provided public facilities district employees.

14 NEW SECTION. **Sec. 10.** The public facilities district may secure  
15 services by means of an agreement with a service provider. The public  
16 facilities district shall publish notice, establish criteria, receive  
17 and evaluate proposals, and negotiate with respondents under  
18 requirements set forth by district resolution.

19 NEW SECTION. **Sec. 11.** In addition to provisions contained in  
20 chapter 39.04 RCW, the public facilities district is authorized to  
21 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all  
22 purchases, contracts for purchase, and sales.

23 NEW SECTION. **Sec. 12.** (1) A public facilities district may issue  
24 revenue bonds to fund revenue generating facilities, or portions of  
25 facilities, which it is authorized to provide or operate. Whenever  
26 revenue bonds are to be issued, the board of directors of the district  
27 shall create or have created a special fund or funds from which, along  
28 with any reserves created pursuant to RCW 39.44.140, the principal and  
29 interest on such revenue bonds shall exclusively be payable. The board  
30 may obligate the district to set aside and pay into the special fund or  
31 funds a fixed proportion or a fixed amount of the revenues from the  
32 public improvements, projects, or facilities, and all related  
33 additions, that are funded by the revenue bonds. This amount or  
34 proportion shall be a lien and charge against these revenues, subject  
35 only to operating and maintenance expenses. The board shall have due

1 regard for the cost of operation and maintenance of the public  
2 improvements, projects, or facilities, or additions, that are funded by  
3 the revenue bonds, and shall not set aside into the special fund or  
4 funds a greater amount or proportion of the revenues that in its  
5 judgment will be available over and above the cost of maintenance and  
6 operation and the amount or proportion, if any, of the revenue so  
7 previously pledged. The board may also provide that revenue bonds  
8 payable out of the same source or sources of revenue may later be  
9 issued on a parity with any revenue bonds being issued and sold.

10 (2) Revenue bonds issued pursuant to this section shall not be an  
11 indebtedness of the district issuing the bonds, and the interest and  
12 principal on the bonds shall only be payable from the revenues lawfully  
13 pledged to meet the principal and interest requirements and any  
14 reserves created pursuant to RCW 39.44.140. The owner or bearer of a  
15 revenue bond or any interest coupon issued pursuant to this section  
16 shall not have any claim against the district arising from the bond or  
17 coupon except for payment from the revenues lawfully pledged to meet  
18 the principal and interest requirements and any reserves created  
19 pursuant to RCW 39.44.140. The substance of the limitations included  
20 in this subsection shall be plainly printed, written, or engraved on  
21 each bond issued pursuant to this section.

22 (3) Revenue bonds with a maturity in excess of thirty years shall  
23 not be issued. The board of directors of the district shall by  
24 resolution determine for each revenue bond issue the amount, date,  
25 form, terms, conditions, denominations, maximum fixed or variable  
26 interest rate or rates, maturity or maturities, redemption rights,  
27 registration privileges, manner of execution, manner of sale, callable  
28 provisions, if any, and covenants including the refunding of existing  
29 revenue bonds. Facsimile signatures may be used on the bonds and any  
30 coupons. Refunding revenue bonds may be issued in the same manner as  
31 revenue bonds are issued.

32 **Sec. 13.** RCW 82.14.048 and 1991 c 207 s 1 are each amended to read  
33 as follows:

34 The governing board of a public facilities district under chapter  
35 36.100 RCW may submit an authorizing proposition to the voters of the  
36 district, and if the proposition is approved by a majority of persons  
37 voting, fix and impose a sales and use tax in accordance with the terms  
38 of this chapter.

1       The tax authorized in this section shall be in addition to any  
2 other taxes authorized by law and shall be collected from those persons  
3 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
4 the occurrence of any taxable event within the public facilities  
5 district. The rate of tax shall equal one-tenth of one percent of the  
6 selling price in the case of a sales tax, or value of the article used,  
7 in the case of a use tax.

8       Moneys received from any tax imposed under this section shall be  
9 used for the purpose of providing funds for the costs associated with  
10 the financing, design, acquisition, construction, equipping, operating,  
11 maintaining, and reequipping of sports or entertainment facilities, or  
12 both sports and entertainment facilities, and contiguous parking.

13       NEW SECTION.   **Sec. 14.** Sections 1 through 6 and 8 through 12 of  
14 this act are each added to chapter 36.100 RCW.

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