

**EHB 2388** - S AMD 597

By Senator Hatfield

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 35.57.010 and 2002 c 363 s 1 are each amended to read  
4 as follows:

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

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

12 (c) The legislative authority of any town or city, or any  
13 contiguous group of towns or cities, located in a county with a  
14 population of less than one million and the legislative authority of a  
15 contiguous county, or the legislative authority of the county or  
16 counties in which the towns or cities are located, may enter into an  
17 agreement under chapter 39.34 RCW for the creation and joint operation  
18 of a public facilities district.

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

24 (2)(a) A public facilities district shall be coextensive with the  
25 boundaries of the city or town or contiguous group of cities or towns  
26 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 coextensive with the boundaries of the towns or cities, and the

1 boundaries of the county or counties as to the unincorporated areas of  
2 the county or counties. The boundaries shall not include incorporated  
3 towns or cities that are not parties to the agreement for the creation  
4 and joint operation of the district.

5 (3)(a) A public facilities district created by a single city or  
6 town shall be governed by a board of directors consisting of five  
7 members selected as follows: (i) Two members appointed by the  
8 legislative authority of the city or town; and (ii) three members  
9 appointed by legislative authority based on recommendations from local  
10 organizations. The members appointed under (a)(i) of this subsection,  
11 shall not be members of the legislative authority of the city or town.  
12 The members appointed under (a)(ii) of this subsection, shall be based  
13 on recommendations received from local organizations that may include,  
14 but are not limited to the local chamber of commerce, local economic  
15 development council, and local labor council. The members shall serve  
16 four-year terms. Of the initial members, one must be appointed for a  
17 one-year term, one must be appointed for a two-year term, one must be  
18 appointed for a three-year term, and the remainder must be appointed  
19 for four-year terms.

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

1 (c) A public facilities district created by a town or city, or a  
2 contiguous group of towns or cities, and a contiguous county or the  
3 county or counties in which they are located, shall be governed by a  
4 board of directors consisting of seven members selected as follows:  
5 (i) Three members appointed by the legislative authorities of the  
6 cities, towns, and county; and (ii) four members appointed by the  
7 legislative authority based on recommendations from local  
8 organizations. The members appointed under (c)(i) of this subsection  
9 shall not be members of the legislative authorities of the cities,  
10 towns, or county. The members appointed under (c)(ii) of this  
11 subsection shall be based on recommendations received from local  
12 organizations that include, but are not limited to, the local chamber  
13 of commerce, the local economic development council, the local labor  
14 council, and a neighborhood organization that is directly affected by  
15 the location of the regional center in their area. The members of the  
16 board of directors shall be appointed in accordance with the terms of  
17 the agreement under chapter 39.34 RCW for the joint operation of the  
18 district and shall serve four-year terms. Of the initial members, one  
19 must be appointed for a one-year term, one must be appointed for a  
20 two-year term, one must be appointed for a three-year term, and the  
21 remainder must be appointed for four-year terms.

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

26 (5) A public facilities district shall constitute a body corporate  
27 and shall possess all the usual powers of a corporation for public  
28 purposes as well as all other powers that may now or hereafter be  
29 specifically conferred by statute, including, but not limited to, the  
30 authority to hire employees, staff, and services, to enter into  
31 contracts, and to sue and be sued.

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

1       **Sec. 2.** RCW 82.14.390 and 2006 c 298 s 1 are each amended to read  
2 as follows:

3       (1) Except as provided in subsection (6) of this section, the  
4 governing body of a public facilities district (a) created before July  
5 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction  
6 of a new regional center, or improvement or rehabilitation of an  
7 existing new regional center, before January 1, 2004(~~(, or)~~); (b)  
8 created before July 1, 2006, under chapter 35.57 RCW in a county or  
9 counties in which there are no other public facilities districts on  
10 June 7, 2006, and in which the total population in the public  
11 facilities district is greater than ninety thousand that commences  
12 construction of a new regional center before February 1, 2007; (c)  
13 created under the authority of RCW 35.57.010(1)(d); or (d) created  
14 before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a  
15 county or counties in which there are no other public facilities  
16 districts on the effective date of this act, and in which the total  
17 population in the public facilities district is greater than seventy  
18 thousand, that commences construction of a new regional center before  
19 January 1, 2009, may impose a sales and use tax in accordance with the  
20 terms of this chapter. The tax is in addition to other taxes  
21 authorized by law and shall be collected from those persons who are  
22 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
23 occurrence of any taxable event within the public facilities district.  
24 The rate of tax shall not exceed 0.033 percent of the selling price in  
25 the case of a sales tax or value of the article used in the case of a  
26 use tax.

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

33       (3) No tax may be collected under this section before August 1,  
34 2000. The tax imposed in this section shall expire when the bonds  
35 issued for the construction of the regional center and related parking  
36 facilities are retired, but not more than twenty-five years after the  
37 tax is first collected.

1 (4) Moneys collected under this section shall only be used for the  
2 purposes set forth in RCW 35.57.020 and must be matched with an amount  
3 from other public or private sources equal to thirty-three percent of  
4 the amount collected under this section, provided that amounts  
5 generated from nonvoter approved taxes authorized under chapter 35.57  
6 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW  
7 shall not constitute a public or private source. For the purpose of  
8 this section, public or private sources includes, but is not limited to  
9 cash or in-kind contributions used in all phases of the development or  
10 improvement of the regional center, land that is donated and used for  
11 the siting of the regional center, cash or in-kind contributions from  
12 public or private foundations, or amounts attributed to private sector  
13 partners as part of a public and private partnership agreement  
14 negotiated by the public facilities district.

15 (5) The combined total tax levied under this section shall not be  
16 greater than 0.033 percent. If both a public facilities district  
17 created under chapter 35.57 RCW and a public facilities district  
18 created under chapter 36.100 RCW impose a tax under this section, the  
19 tax imposed by a public facilities district created under chapter 35.57  
20 RCW shall be credited against the tax imposed by a public facilities  
21 district created under chapter 36.100 RCW.

22 (6) A public facilities district created under chapter 36.100 RCW  
23 is not eligible to impose the tax under this section if the legislative  
24 authority of the county where the public facilities district is located  
25 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW  
27 to read as follows:

28 (1) In a county with a population under three hundred thousand, the  
29 governing body of a public facilities district, which is created before  
30 August 1, 2001, under chapter 35.57 RCW or before January 1, 2000,  
31 under chapter 36.100 RCW, in which the total population in the public  
32 facilities district is greater than ninety thousand and less than one  
33 hundred thousand that commences improvement or rehabilitation of an  
34 existing regional center, to be used for community events, and  
35 artistic, musical, theatrical, or other cultural exhibitions,  
36 presentations, or performances and having two thousand or fewer  
37 permanent seats, before January 1, 2009, may impose a sales and use tax

1 in accordance with the terms of this chapter. The tax is in addition  
2 to other taxes authorized by law and shall be collected from those  
3 persons who are taxable by the state under chapters 82.08 and 82.12 RCW  
4 upon the occurrence of any taxable event within the public facilities  
5 district. The rate of tax for a public facilities district created  
6 prior to August 1, 2001, under chapter 35.57 RCW, may not exceed 0.025  
7 percent of the selling price in the case of a sales tax or value of the  
8 article used in the case of a use tax. The rate of tax, for a public  
9 facilities district created prior to January 1, 2000, under chapter  
10 36.100 RCW, may not exceed 0.020 percent of the selling price in the  
11 case of a sales tax or the value of the article used in the case of a  
12 use tax.

13 (2) The tax imposed under subsection (1) of this section shall be  
14 deducted from the amount of tax otherwise required to be collected or  
15 paid over to the department under chapter 82.08 or 82.12 RCW. The  
16 department shall perform the collection of such taxes on behalf of the  
17 county at no cost to the public facilities district.

18 (3) The tax imposed in this section shall expire when the bonds  
19 issued for the construction of the regional center and related parking  
20 facilities are retired, but not more than twenty-five years after the  
21 tax is first collected.

22 (4) Moneys collected under this section shall only be used for the  
23 purposes set forth in RCW 35.57.020 and must be matched with an amount  
24 from other public or private sources equal to thirty-three percent of  
25 the amount collected under this section, provided that amounts  
26 generated from nonvoter-approved taxes authorized under chapter 35.57  
27 RCW may not constitute a public or private source. For the purpose of  
28 this section, public or private sources include, but are not limited to  
29 cash or in-kind contributions used in all phases of the development or  
30 improvement of the regional center, land that is donated and used for  
31 the siting of the regional center, cash or in-kind contributions from  
32 public or private foundations, or amounts attributed to private sector  
33 partners as part of a public and private partnership agreement  
34 negotiated by the public facilities district."

1        On page 1, line 3 of the title, after "district;" strike the  
2 remainder of the title and insert "amending RCW 35.57.010 and  
3 82.14.390; and adding a new section to chapter 82.14 RCW."

EFFECT:    The time frame is shortened for allowing certain cities to create a public facilities district in counties with over one million persons from July 1, 2009, to July 1, 2008.

         The rate of the sales tax that is credited against the state portion of the sales tax for the Yakima theater is reduced from 0.033% to 0.025% and the rate for the Longview theater is reduced from 0.033% to 0.020%.

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