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SENATE BILL 5053

State of Washington

69th Legislature

2025 Regular Session

By Senator Warnick
Prefiled 12/13/24.

- AN ACT Relating to public facilities districts; and amending RCW 35.57.010 and 36.100.010.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 35.57.010 and 2023 c 218 s 1 are each amended to 5 read as follows:
 - (1) (a) The legislative authority of any town or city located in a county with a population of less than one million may create a public facilities district.
 - (b) The legislative authorities of any contiguous group of towns or cities located in a county or counties each with a population of less than one million may enter an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.
 - (c) The legislative authority of any town or city, or any contiguous group of towns or cities, located in a county with a population of less than one million and the legislative authority of a contiguous county, or the legislative authority of the county or counties in which the towns or cities are located, may enter into an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.
 - (d) The legislative authority of a city located in a county with a population greater than one million may create a public facilities

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district, when the city has a total population of less than one hundred fifteen thousand but greater than eighty thousand and commences construction of a regional center prior to July 1, 2008.

- (e) At least three contiguous towns or cities with a combined population of at least one hundred sixty thousand, each of which previously created a public facilities district under (a) of this subsection, may create an additional public facilities district. The previously created districts may continue their full corporate existence and activities notwithstanding the creation and existence of the additional district within the same geographic area.
- (f) The legislative authority of two or more contiguous towns or cities or the legislative authority of two or more contiguous towns or cities and the legislative authority of the county or counties in which the towns or cities are located, each of which participated in the creation of a public facilities district under (c) of this subsection, may create an additional public facilities district. Any previously created district may continue its full corporate existence and activities notwithstanding the creation and existence of an additional district within the same geographic area. A public facilities district formed under this subsection (1)(f) must be created prior to July 1, 2026. The creation of a public facilities district under this subsection does not require all of the original participating towns, cities, or counties that created a public facilities district under (c) of this subsection to participate in the formation of the additional public facilities district under this subsection.
- (2)(a) A public facilities district is coextensive with the boundaries of the city or town or contiguous group of cities or towns that created the district.
- (b) A public facilities district created by an agreement between a town or city, or a contiguous group of towns or cities, and a contiguous county or the county in which they are located, is coextensive with the boundaries of the towns or cities, and the boundaries of the county or counties as to the unincorporated areas of the county or counties, unless the agreement provides for only a portion of the unincorporated areas of the county or counties be included within the district, in which case only the designated portions are included. The boundaries do not include incorporated towns or cities that are not parties to the agreement for the creation and joint operation of the district.

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

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

(c) (i) A public facilities district created by a town or city, or a contiguous group of towns or cities, and a contiguous county or the county or counties in which they are located that includes the entirety of the county or counties within the boundary of the district, must be governed by a board of directors consisting of

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

(ii) A public facilities district created by a town or city, or a contiguous group of towns or cities, and a contiguous county or the county or counties in which they are located that includes less than the entirety of the unincorporated county or counties within the boundaries of the district, must be governed by a board of directors consisting of a minimum of seven members selected as follows: (A) Each city, town, or county's legislative authority may appoint one elected official from its jurisdiction; and (B) four members appointed by the legislative authorities of the cities, towns, and county based on recommendations from local organizations.

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(iii) The members appointed under (c) (ii) (B) of this subsection must be based on recommendations received from local organizations that include, but are not limited to, the local chamber of commerce, the local economic development council, the local labor council, and a neighborhood organization that is directly affected by the location of the regional center in their area. The members of the board of directors must be appointed in accordance with the terms of the agreement under chapter 39.34 RCW for the joint operation of the district and serve four-year terms. Of the initial members, one must be appointed for a one-year term, one must be appointed for a two

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1 year term, one must be appointed for a three-year term, and the
2 remainder must be appointed for four-year terms.

- (d) (i) A public facilities district created under subsection (1) (e) of this section must provide, in the agreement providing for its creation and operation, that the district must be governed by an odd-numbered board of directors of not more than nine members who are also members of the legislative authorities that created the public facilities district or of the governing boards of the public facilities districts previously created by those legislative authorities, or both.
- (ii) A board of directors formed under this subsection must have an equal number of members representing each city or town participating in the public facilities district. If there are unfilled board member positions after each city or town has appointed an equal number of board members, the members so appointed must appoint a number of additional board members necessary to fill any remaining positions. For a board formed under this subsection to submit a proposition to the voters under RCW 82.14.048, a majority of the members representing or appointed by each legislative authority participating in the public facilities district must agree to submit the proposition to the voters.
- (4) A public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.
- (5) A public facilities district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued.
- (6) A public facilities district may acquire and transfer real and personal property by lease, sublease, purchase, or sale. No direct or collateral attack on any public facilities district purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation by the city and/or county legislative authority.
- (7) If a county or counties participated in the creation of a public facilities district under this chapter, the treasurer of the county in which the largest proportion of the district is located

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- shall serve as the ex officio treasurer of the district, unless the board of the public facilities districts designates the treasurer of a city or town that participated in the creation of the public facilities district or other person having the necessary experience and qualifications to perform the duties of treasurer. Such a treasurer possesses all of the powers, responsibilities, and duties of, and is subject to the same restrictions as provided by law for, a county treasurer with regard to district financial matters. Such treasurer must be bonded for not less than \$25,000.
 - Sec. 2. RCW 36.100.010 and 2010 1st sp.s. c 15 s 2 are each amended to read as follows:

- (1) One or more public facilities districts may be created in any county and must be coextensive with the boundaries of the county.
- (2) A public facilities district is created upon adoption of a resolution providing for the creation of such a district by the county legislative authority in which the proposed district is located.
- (3) A public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.
- (4) Except as provided in RCW 36.100.040 (4) and (5), no taxes authorized under this chapter may be assessed or levied unless a majority of the voters of the public facilities district has approved such tax at a general or special election. A single ballot proposition may both validate the imposition of the sales and use tax under RCW 82.14.048 and the excise tax under RCW 36.100.040(1).
- (5) (a) A public facilities district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, including contracts with public and private parties, to acquire, own, sell, transfer, lease, and otherwise acquire or dispose of property, to grant concessions under terms approved by the public facilities district, and to sue and be sued.
- (b) A public facilities district created by a county with a population of one million five hundred thousand or more to acquire, own, and operate a convention and trade center transferred from a

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- public nonprofit corporation may continue to contract with the Seattle-King county convention and visitors' bureau or its successor in interest for marketing the convention and trade center facility and services.
 - (6) A public facilities district may enter into contracts with a county for the purpose of exercising any powers of a community renewal agency under chapter 35.81 RCW.

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- (7) The legislative authority of a city or county, the board of directors of a public nonprofit corporation, or the state of Washington may transfer property to a public facilities district created under this chapter, with or without consideration. No property that is encumbered with debt or that is in need of major capital renovation may be transferred to the district without the agreement of the district and revenues adequate to retire the existing indebtedness.
- (8) A public facilities district may enter into agreements with the state, any municipal corporation, or any other governmental entity for the design, financing, acquisition, development, construction, reconstruction, lease, remodeling, alteration, maintenance, equipping, reequipping, repair, operation, or management of one or more facilities of the parties thereto. Agreements may provide that any party to the contract designs, finances, acquires, develops, constructs, reconstructs, remodels, alters, maintains, equips, reequips, repairs, and operates one or more facilities for the other party or parties to the contract. A public facilities district may enter into an agreement with the state, any municipal corporation, or other public or private entity that will assist a public facilities district in the financing of all or any part of a district facility on such terms as may be determined by agreement between the respective parties, including without limitation by a loan, guaranty, or other financing agreement.
- 32 (9) Nothing in this chapter prohibits a county from participating
 33 in the creation and operation of a public facilities district as
 34 provided for in chapter 35.57 RCW.

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