
HOUSE BILL 2402

State of Washington 53rd Legislature 1994 Regular Session

By Representatives Dellwo, Mielke, Brown, Orr and Silver

Read first time 01/14/94. Referred to Committee on Revenue.

1 AN ACT Relating to public facilities districts; amending RCW
2 36.100.030, 36.100.070, and 82.14.048; and adding new sections to
3 chapter 36.100 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, if authorized by board resolution, may
27 receive compensation of fifty dollars per day for attending meetings or
28 conferences on behalf of the district, not to exceed three thousand
29 dollars per year. Compensation under this section must be authorized
30 by the public facilities district board of directors by board
31 resolution at a regularly scheduled meeting. A director may waive all
32 or a portion of his or her compensation under this section as to a
33 month or months during his or her term of office, by a written waiver
34 filed with the public facilities district. The compensation provided
35 in this section is in addition to reimbursement for expenses paid to
36 the directors by the public facilities district.

1 NEW SECTION. **Sec. 5.** The board of directors of the public
2 facilities district may purchase liability insurance with such limits
3 as the directors may deem reasonable for the purpose of protecting and
4 holding personally harmless district officers and employees against
5 liability for personal or bodily injuries and property damage arising
6 from their acts or omissions while performing or in good faith
7 purporting to perform their official duties.

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

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

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

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

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

1 authorize preparation and distribution of information to the general
2 public for the purpose of influencing the outcome of a district
3 election.

4 **Sec. 9.** RCW 36.100.070 and 1988 ex.s. c 1 s 17 are each amended to
5 read as follows:

6 A public facilities district may acquire and transfer real and
7 personal property by lease, sublease, purchase, ~~((or))~~ sale, or
8 condemnation under the procedure in chapter 8.04 RCW. A public
9 facilities district may also execute an executory conditional sales
10 contract for the purchase or construction of real or personal property,
11 or property rights in connection with the exercise of powers or duties
12 that as of the effective date of this act are authorized to exercise,
13 if the entire amount of the purchase price specified in the contract
14 does not result in a total indebtedness in excess of three-eighths of
15 one percent of the value of the taxable property in such district. If
16 the proposed contract would result in a total indebtedness in excess of
17 three-eighths of one percent of the value of the taxable property of
18 the district, a proposition in regard to whether such a contract may be
19 executed shall be submitted to the voters for approval or rejection in
20 the same manner that bonds issued for capital purposes are submitted to
21 the voters. A district may jointly execute contracts authorized by
22 this section, if the entire amount of the purchase price does not
23 result in a joint total indebtedness in excess of three-eighths of one
24 percent of the value of the taxable property in the district. The term
25 "value of the taxable property" has the meaning set forth in RCW
26 39.36.015.

27 A public facilities district may execute leases for a period of
28 years with or without an option to purchase for the lease of any real
29 or personal property, or property rights. With respect only to leases
30 that finance the acquisition of property by the lessee, the aggregated
31 portions of lease payments over the term of the lease that are
32 allocable to principal shall constitute debt, which shall not result in
33 a total indebtedness in excess of one and one-fourth percent of the
34 taxable property of the district computed in accordance with RCW
35 39.36.030, unless a proposition in regard to whether such a lease may
36 be executed is submitted to the voters for their approval or rejection
37 in the same manner that bond issues for capital purposes are submitted,
38 and the voters approve the same.

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

12 NEW SECTION. **Sec. 11.** The public facilities district may secure
13 services by means of an agreement with a service provider. The public
14 facilities district shall publish notice, establish criteria, receive
15 and evaluate proposals, and negotiate with respondents under
16 requirements set forth by district resolution.

17 NEW SECTION. **Sec. 12.** In addition to provisions contained in
18 chapter 39.04 RCW, the public facilities district is authorized to
19 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all
20 purchases, contracts for purchase, and sales.

21 NEW SECTION. **Sec. 13.** (1) A public facilities district may issue
22 revenue bonds to fund revenue generating facilities, or portions of
23 facilities, which it is authorized to provide or operate. Whenever
24 revenue bonds are to be issued, the board of directors of the district
25 shall create or have created a special fund or funds from which, along
26 with any reserves created pursuant to RCW 39.44.140, the principal and
27 interest on such revenue bonds shall exclusively be payable. The board
28 may obligate the district to set aside and pay into the special fund or
29 funds a fixed proportion or a fixed amount of the revenues from the
30 public improvements, projects, or facilities, and all related
31 additions, that are funded by the revenue bonds. This amount or
32 proportion shall be a lien and charge against these revenues, subject
33 only to operating and maintenance expenses. The board shall have due
34 regard for the cost of operation and maintenance of the public
35 improvements, projects, or facilities, or additions, that are funded by
36 the revenue bonds, and shall not set aside into the special fund or

1 funds a greater amount or proportion of the revenues that in its
2 judgment will be available over and above the cost of maintenance and
3 operation and the amount or proportion, if any, of the revenue so
4 previously pledged. The board may also provide that revenue bonds
5 payable out of the same source or sources of revenue may later be
6 issued on a parity with any revenue bonds being issued and sold.

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

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

29 **Sec. 14.** RCW 82.14.048 and 1991 c 207 s 1 are each amended to read
30 as follows:

31 The governing board of a public facilities district under chapter
32 36.100 RCW may submit an authorizing proposition to the voters of the
33 district, and if the proposition is approved by a majority of persons
34 voting, fix and impose a sales and use tax in accordance with the terms
35 of this chapter.

36 The tax authorized in this section shall be in addition to any
37 other taxes authorized by law and shall be collected from those persons
38 who are taxable by the state under chapters 82.08 and 82.12 RCW upon

1 the occurrence of any taxable event within the public facilities
2 district. The rate of tax shall equal one-tenth of one percent of the
3 selling price in the case of a sales tax, or value of the article used,
4 in the case of a use tax.

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

10 NEW SECTION. **Sec. 15.** Sections 1 through 6, 8, and 10 through 13
11 of this act are each added to chapter 36.100 RCW.

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