
SUBSTITUTE SENATE BILL 5440

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Kauffman and Rockefeller)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to public facilities districts and regional centers
2 under the authority of such districts; and amending RCW 35.57.010 and
3 82.14.390.

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

5 **Sec. 1.** RCW 35.57.010 and 2002 c 363 s 1 are each amended to read
6 as follows:

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

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

14 (c) The legislative authority of any town or city, or any
15 contiguous group of towns or cities, located in a county with a
16 population of less than one million and the legislative authority of a
17 contiguous county, or the legislative authority of the county or
18 counties in which the towns or cities are located, may enter into an

1 agreement under chapter 39.34 RCW for the creation and joint operation
2 of a public facilities district.

3 (d) The legislative authority of a city located in a county with a
4 population greater than one million may create a public facilities
5 district, when such city has a total population of less than one
6 hundred fifteen thousand but greater than eighty thousand and commences
7 construction on a regional center prior to July 1, 2008.

8 (2)(a) A public facilities district shall be coextensive with the
9 boundaries of the city or town or contiguous group of cities or towns
10 that created the district.

11 (b) A public facilities district created by an agreement between a
12 town or city, or a contiguous group of towns or cities, and a
13 contiguous county or the county in which they are located, shall be
14 coextensive with the boundaries of the towns or cities, and the
15 boundaries of the county or counties as to the unincorporated areas of
16 the county or counties. The boundaries shall not include incorporated
17 towns or cities that are not parties to the agreement for the creation
18 and joint operation of the district.

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

34 (b) A public facilities district created by a contiguous group of
35 cities and towns shall be governed by a board of directors consisting
36 of seven members selected as follows: (i) Three members appointed by
37 the legislative authorities of the cities and towns; and (ii) four
38 members appointed by the legislative authority based on recommendations

1 from local organizations. The members appointed under (b)(i) of this
2 subsection shall not be members of the legislative authorities of the
3 cities and towns. The members appointed under (b)(ii) of this
4 subsection, shall be based on recommendations received from local
5 organizations that include, but are not limited to the local chamber of
6 commerce, local economic development council, local labor council, and
7 a neighborhood organization that is directly affected by the location
8 of the regional center in their area. The members of the board of
9 directors shall be appointed in accordance with the terms of the
10 agreement under chapter 39.34 RCW for the joint operation of the
11 district and shall serve four-year terms. Of the initial members, one
12 must be appointed for a one-year term, one must be appointed for a two-
13 year term, one must be appointed for a three-year term, and the
14 remainder must be appointed for four-year terms.

15 (c) A public facilities district created by a town or city, or a
16 contiguous group of towns or cities, and a contiguous county or the
17 county or counties in which they are located, shall be governed by a
18 board of directors consisting of seven members selected as follows:

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

36 (4) A public facilities district is a municipal corporation, an
37 independent taxing "authority" within the meaning of Article VII,

1 section 1 of the state Constitution, and a "taxing district" within the
2 meaning of Article VII, section 2 of the state Constitution.

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

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

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

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

35 (2) The tax imposed under subsection (1) of this section shall be
36 deducted from the amount of tax otherwise required to be collected or
37 paid over to the department of revenue under chapter 82.08 or 82.12

1 RCW. The department of revenue shall perform the collection of such
2 taxes on behalf of the county at no cost to the public facilities
3 district.

4 (3) No tax may be collected under this section before August 1,
5 2000. The tax imposed in this section shall expire when the bonds
6 issued for the construction of the regional center and related parking
7 facilities are retired, but not more than twenty-five years after the
8 tax is first collected.

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

23 (5) The combined total tax levied under this section shall not be
24 greater than 0.033 percent. If both a public facilities district
25 created under chapter 35.57 RCW and a public facilities district
26 created under chapter 36.100 RCW impose a tax under this section, the
27 tax imposed by a public facilities district created under chapter 35.57
28 RCW shall be credited against the tax imposed by a public facilities
29 district created under chapter 36.100 RCW.

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

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