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SENATE BILL 6638

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State of Washington                      62nd Legislature                      2012 1st Special Session

By Senators Kilmer and Pridemore

Read first time 04/07/12. Referred to Committee on Ways & Means.

1            AN ACT Relating to the taxing authority of public facilities  
2 districts; and amending RCW 82.14.390.

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

4            **Sec. 1.** RCW 82.14.390 and 2011 1st sp.s. c 50 s 973 are each  
5 amended to read as follows:

6            (1) Except as provided in subsection (7) of this section, the  
7 governing body of a public facilities district (a) created before July  
8 31, 2002, under chapter 35.57 or 36.100 RCW that (~~commences~~)  
9 commenced construction of a new regional center, or improvement or  
10 rehabilitation of an existing new regional center, before January 1,  
11 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a  
12 county or counties in which there are no other public facilities  
13 districts on June 7, 2006, and in which the total population in the  
14 public facilities district is greater than ninety thousand that  
15 (~~commences~~) commenced construction of a new regional center before  
16 February 1, 2007; (c) created under the authority of RCW  
17 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter  
18 35.57 or 36.100 RCW, in a county or counties in which there are no  
19 other public facilities districts on July 22, 2007, and in which the

1 total population in the public facilities district is greater than  
2 seventy thousand, that (~~commences~~) commenced construction of a new  
3 regional center before January 1, 2009, or before January 1, 2011, in  
4 the case of a new regional center in a county designated by the  
5 president as a disaster area in December 2007, may impose a sales and  
6 use tax in accordance with the terms of this chapter. The tax is in  
7 addition to other taxes authorized by law and must be collected from  
8 those persons who are taxable by the state under chapters 82.08 and  
9 82.12 RCW upon the occurrence of any taxable event within the public  
10 facilities district. The rate of tax may not exceed 0.033 percent of  
11 the selling price in the case of a sales tax or value of the article  
12 used in the case of a use tax.

13 (2)(a) The governing body of a public facilities district imposing  
14 a sales and use tax under the authority of this section may increase  
15 the rate of tax up to 0.037 percent if, within three fiscal years of  
16 July 1, 2008, the department determines that, as a result of RCW  
17 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020,  
18 a public facilities district's sales and use tax collections for fiscal  
19 years after July 1, 2008, have been reduced by a net loss of at least  
20 0.50 percent from the fiscal year before July 1, 2008. The fiscal year  
21 in which this section becomes effective is the first fiscal year after  
22 July 1, 2008.

23 (b) The department must determine sales and use tax collection net  
24 losses under this section as provided in RCW 82.14.500 (2) and (3).  
25 The department must provide written notice of its determinations to  
26 public facilities districts. Determinations by the department of a  
27 public facilities district's sales and use tax collection net losses as  
28 a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to  
29 RCW 82.14.020 are final and not appealable.

30 (c) A public facilities district may increase its rate of tax after  
31 it has received written notice from the department as provided in (b)  
32 of this subsection. The increase in the rate of tax must be made in  
33 0.001 percent increments and must be the least amount necessary to  
34 mitigate the net loss in sales and use tax collections as a result of  
35 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
36 82.14.020. The increase in the rate of tax is subject to RCW  
37 82.14.055.

1 (3) The tax imposed under subsection (1) of this section must be  
2 deducted from the amount of tax otherwise required to be collected or  
3 paid over to the department of revenue under chapter 82.08 or 82.12  
4 RCW. The department of revenue must perform the collection of such  
5 taxes on behalf of the county at no cost to the public facilities  
6 district. During the 2011-2013 fiscal biennium, distributions by the  
7 state to a public facilities district based on the additional rate  
8 authorized in subsection (2) of this section must be reduced by 3.4  
9 percent.

10 (4) No tax may be collected under this section before August 1,  
11 2000. The tax imposed in this section expires when the bonds issued  
12 for the construction, improvement, rehabilitation, or expansion of the  
13 regional center and related parking facilities are retired, but not  
14 more than (~~twenty-five~~) forty years after the tax is first collected.

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

29 (6) The combined total tax levied under this section may not be  
30 greater than 0.037 percent. If both a public facilities district  
31 created under chapter 35.57 RCW and a public facilities district  
32 created under chapter 36.100 RCW impose a tax under this section, the  
33 tax imposed by a public facilities district created under chapter 35.57  
34 RCW must be credited against the tax imposed by a public facilities  
35 district created under chapter 36.100 RCW.

36 (7) A public facilities district created under chapter 36.100 RCW  
37 is not eligible to impose the tax under this section if the legislative

1 authority of the county where the public facilities district is located  
2 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

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