
SUBSTITUTE SENATE BILL 5001

State of Washington

68th Legislature

2023 Regular Session

By Senate Local Government, Land Use & Tribal Affairs (originally sponsored by Senators Hawkins, Hunt, Nguyen, and J. Wilson)

READ FIRST TIME 01/25/23.

1 AN ACT Relating to public facilities districts created by at
2 least two city or county legislative authorities; and amending RCW
3 35.57.010, 35.57.020, and 82.14.048.

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

5 **Sec. 1.** RCW 35.57.010 and 2010 c 192 s 1 are each amended to
6 read 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
11 or cities located in a county or counties each with a population of
12 less than one million may enter an agreement under chapter 39.34 RCW
13 for the 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
17 a contiguous county, or the legislative authority of the county or
18 counties in which the towns or cities are located, may enter into an
19 agreement under chapter 39.34 RCW for the creation and joint
20 operation of a public facilities district.

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

6 (e) At least three contiguous towns or cities with a combined
7 population of at least one hundred sixty thousand, each of which
8 previously created a public facilities district under (a) of this
9 subsection, may create an additional public facilities district. The
10 previously created districts may continue their full corporate
11 existence and activities notwithstanding the creation and existence
12 of the additional district within the same geographic area.

13 (f) The legislative authority of two or more contiguous towns or
14 cities or the legislative authority of two or more contiguous towns
15 or cities and the legislative authority of the county or counties in
16 which the towns or cities are located, each of which previously
17 created a public facilities district under (c) of this subsection,
18 may create an additional public facilities district. The previously
19 created districts may continue their full corporate existence and
20 activities notwithstanding the creation and existence of the
21 additional district within the same geographic area.

22 (2)(a) A public facilities district is coextensive with the
23 boundaries of the city or town or contiguous group of cities or towns
24 that created the district.

25 (b) A public facilities district created by an agreement between
26 a town or city, or a contiguous group of towns or cities, and a
27 contiguous county or the county in which they are located, is
28 coextensive with the boundaries of the towns or cities, and the
29 boundaries of the county or counties as to the unincorporated areas
30 of the county or counties. The boundaries do not include incorporated
31 towns or cities that are not parties to the agreement for the
32 creation and joint operation of the district.

33 (3)(a) A public facilities district created by a single city or
34 town shall be governed by a board of directors consisting of five
35 members selected as follows: (i) Two members appointed by the
36 legislative authority of the city or town; and (ii) three members
37 appointed by legislative authority based on recommendations from
38 local organizations. The members appointed under (a)(i) of this
39 subsection, shall not be members of the legislative authority of the
40 city or town. The members appointed under (a)(ii) of this subsection,

1 must be based on recommendations received from local organizations
2 that may include, but are not limited to, the local chamber of
3 commerce, local economic development council, and local labor
4 council. The members shall serve four-year terms. Of the initial
5 members, one must be appointed for a one-year term, one must be
6 appointed for a two-year term, one must be appointed for a three-year
7 term, and the remainder must be appointed for four-year terms.

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

28 (c) A public facilities district created by a town or city, or a
29 contiguous group of towns or cities, and a contiguous county or the
30 county or counties in which they are located, must be governed by a
31 board of directors consisting of seven members selected as follows:
32 (i) Three members appointed by the legislative authorities of the
33 cities, towns, and county; and (ii) four members appointed by the
34 legislative authorities of the cities, towns, and county based on
35 recommendations from local organizations. The members appointed under
36 (c) (i) of this subsection shall not be members of the legislative
37 authorities of the cities, towns, or county. The members appointed
38 under (c) (ii) of this subsection must be based on recommendations
39 received from local organizations that include, but are not limited
40 to, the local chamber of commerce, the local economic development

1 council, the local labor council, and a neighborhood organization
2 that is directly affected by the location of the regional center in
3 their area. The members of the board of directors must be appointed
4 in accordance with the terms of the agreement under chapter 39.34 RCW
5 for the joint operation of the district and shall serve four-year
6 terms. Of the initial members, one must be appointed for a one-year
7 term, one must be appointed for a two-year term, one must be
8 appointed for a three-year term, and the remainder must be appointed
9 for four-year terms.

10 (d) (i) A public facilities district created under subsection
11 (1)(e) of this section must provide, in the agreement providing for
12 its creation and operation, that the district must be governed by an
13 odd-numbered board of directors of not more than nine members who are
14 also members of the legislative authorities that created the public
15 facilities district or of the governing boards of the public
16 facilities districts previously created by those legislative
17 authorities, or both.

18 (ii) A board of directors formed under this subsection must have
19 an equal number of members representing each city or town
20 participating in the public facilities district. If there are
21 unfilled board member positions after each city or town has appointed
22 an equal number of board members, the members so appointed must
23 appoint a number of additional board members necessary to fill any
24 remaining positions. For a board formed under this subsection to
25 submit a proposition to the voters under RCW 82.14.048, a majority of
26 the members representing or appointed by each legislative authority
27 participating in the public facilities district must agree to submit
28 the proposition to the voters (~~;~~ however, the board may not submit a
29 proposition to the voters prior to January 1, 2011).

30 (4) A public facilities district is a municipal corporation, an
31 independent taxing "authority" within the meaning of Article VII,
32 section 1 of the state Constitution, and a "taxing district" within
33 the meaning of Article VII, section 2 of the state Constitution.

34 (5) A public facilities district constitutes a body corporate and
35 possesses all the usual powers of a corporation for public purposes
36 as well as all other powers that may now or hereafter be specifically
37 conferred by statute (~~(7)~~) including, but not limited to, the
38 authority to hire employees, staff, and services, to enter into
39 contracts, and to sue and be sued.

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

7 **Sec. 2.** RCW 35.57.020 and 2019 c 341 s 1 are each amended to
8 read as follows:

9 (1)(a) A public facilities district is authorized to acquire,
10 construct, own, remodel, maintain, equip, reequip, repair, finance,
11 and operate one or more regional centers. For purposes of this
12 chapter, "regional center" means a convention, conference, or special
13 events center, or any combination of facilities, and related parking
14 facilities, serving a regional population constructed, improved, or
15 rehabilitated after July 25, 1999, at a cost of at least ten million
16 dollars, including debt service. "Regional center" also includes an
17 existing convention, conference, or special events center, and
18 related parking facilities, serving a regional population, that is
19 improved or rehabilitated after July 25, 1999, where the costs of
20 improvement or rehabilitation are at least ten million dollars,
21 including debt service. A "special events center" is a facility,
22 available to the public, used for community events, sporting events,
23 trade shows, and artistic, musical, theatrical, or other cultural
24 exhibitions, presentations, or performances. A regional center is
25 conclusively presumed to serve a regional population if state and
26 local government investment in the construction, improvement, or
27 rehabilitation of the regional center is equal to or greater than ten
28 million dollars.

29 (b) A public facilities district created under RCW
30 35.57.010(1)(e):

31 (i) Is authorized, in addition to the authority granted under (a)
32 of this subsection, to acquire, construct, own, remodel, maintain,
33 equip, reequip, repair, finance, and operate one or more recreational
34 facilities other than a ski area;

35 (ii) If exercising its authority under (a) or (b)(i) of this
36 subsection, must obtain voter approval to fund each recreational
37 facility or regional center pursuant to RCW 82.14.048(4)(a); and

38 (iii) Possesses all of the powers with respect to recreational
39 facilities other than a ski area that all public facilities districts

1 possess with respect to regional centers under subsections (3), (4),
2 and (7) of this section.

3 (c) A public facilities district created under
4 RCW 35.57.010(1)(a) by a city or town that participated in the
5 creation of an additional public facilities district under
6 RCW 35.57.010(1)(e):

7 (i) Is authorized, in addition to the authority granted under (a)
8 of this subsection, to acquire, construct, own, remodel, maintain,
9 equip, reequip, repair, finance, and operate one or more recreational
10 facilities other than a ski area;

11 (ii) If exercising its authority under (c)(i) of this subsection,
12 must obtain voter approval to fund each recreational facility
13 pursuant to RCW 82.14.048(4)(a); and

14 (iii) Possesses all of the powers with respect to recreational
15 facilities other than a ski area that all public facilities districts
16 possess with respect to regional centers.

17 (d) A public facilities district created under RCW
18 35.57.010(1)(f) is authorized, in lieu of the authority granted under
19 (a) of this subsection, to acquire, construct, own, remodel,
20 maintain, equip, reequip, repair, finance, and operate regional
21 aquatics and sports facilities, including the purchase, acquisition,
22 construction, repairing, remodeling, and operation of community pools
23 within the district. Additionally, a public facilities district
24 created under RCW 35.57.010(1)(f) may provide funding for
25 transportation improvements directly associated with facilitating
26 motor vehicle and pedestrian access to regional aquatics and sports
27 facilities, which includes funding for new construction,
28 reconstruction, and expansion of pedestrian trails, city streets,
29 county roads, and state highways.

30 (2) A public facilities district may enter into contracts with
31 any city or town for the purpose of exercising any powers of a
32 community renewal agency under chapter 35.81 RCW.

33 (3) A public facilities district may impose charges and fees for
34 the use of its facilities, and may accept and expend or use gifts,
35 grants, and donations for the purpose of a regional center.

36 (4) A public facilities district may impose charges, fees, and
37 taxes authorized in RCW 35.57.040, and use revenues derived therefrom
38 for the purpose of paying principal and interest payments on bonds
39 issued by the public facilities district to construct a regional
40 center.

1 (5) Notwithstanding the establishment of a career, civil, or
2 merit service system, a public facilities district may contract with
3 a public or private entity for the operation or management of its
4 public facilities.

5 (6) A public facilities district is authorized to use the
6 supplemental alternative public works contracting procedures set
7 forth in chapter 39.10 RCW in connection with the design,
8 construction, reconstruction, remodel, or alteration of any regional
9 center.

10 (7) A city or town in conjunction with any special agency,
11 authority, or other district established by a county or any other
12 governmental agency is authorized to use the supplemental alternative
13 public works contracting procedures set forth in chapter 39.10 RCW in
14 connection with the design, construction, reconstruction, remodel, or
15 alteration of any regional center funded in whole or in part by a
16 public facilities district.

17 (8) Any provision required to be submitted for voter approval
18 under this section((~~7~~)) may not be submitted for voter approval prior
19 to January 1, 2011.

20 **Sec. 3.** RCW 82.14.048 and 2012 c 4 s 6 are each amended to read
21 as follows:

22 (1) The following definitions apply throughout this section
23 unless the context clearly requires otherwise.

24 (a) "Distressed public facilities district" means a public
25 facilities district that has defaulted on bond anticipation notes or
26 bonds in excess of forty million dollars on or before April 1, 2012;
27 and

28 (b) "Anchor jurisdiction" means a city that has entered into an
29 agreement to form a public facilities district under RCW
30 35.57.010(1)(c) that constitutes a distressed public facilities
31 district under this chapter and in which the largest asset of such
32 public facilities district is located.

33 (2)(a) The governing board of a public facilities district under
34 chapter 36.100 or 35.57 RCW may submit an authorizing proposition to
35 the voters of the district, and if the proposition is approved by a
36 majority of persons voting, impose a sales and use tax in accordance
37 with the terms of this chapter.

38 (b) In addition to the tax authorized pursuant to (a) of this
39 subsection and in addition to any other authority conferred by law,

1 the legislative authority of an anchor jurisdiction may impose a
2 sales and use tax within the geographical boundaries of the anchor
3 jurisdiction in accordance with the terms of this chapter without
4 submitting an authorizing proposition to the voters of the anchor
5 jurisdiction or the distressed public facilities district.

6 (3) The tax authorized in this section is in addition to any
7 other taxes authorized by law and must be collected from those
8 persons who are taxable by the state under chapters 82.08 and 82.12
9 RCW upon the occurrence of any taxable event within the public
10 facilities district. The rate of tax may not exceed two-tenths of one
11 percent of the selling price in the case of a sales tax, or value of
12 the article used, in the case of a use tax. A public facilities
13 district formed under RCW 35.57.010(1)(e) may not impose the tax
14 authorized under this section at a rate that exceeds two-tenths of
15 one percent minus the rate of the highest tax authorized by this
16 section that is imposed by any other public facilities district
17 within its boundaries. A public facilities district formed under RCW
18 35.57.010(1)(f) may impose the tax authorized under this section at a
19 rate of not more than two-tenths of one percent regardless of the tax
20 imposed under this section by any other public facilities district
21 within its boundaries. An anchor jurisdiction may impose the tax
22 authorized by subsection (2)(b) of this section at a rate not to
23 exceed two-tenths of one percent, regardless of whether any other
24 public facilities district (including a distressed public facilities
25 district) within its boundaries imposes the tax authorized by this
26 section or the rate of such tax imposed by the public facilities
27 district. If a public facilities district formed under RCW
28 35.57.010(1)(e) has imposed a tax under this section and issued or
29 incurred obligations pledging that tax, so long as those obligations
30 are outstanding no other public facilities district within its
31 boundaries may thereafter impose a tax under this section at a rate
32 that would reduce the rate of the tax that was pledged to the
33 repayment of those obligations. A public facilities district that
34 imposes a tax under this section is responsible for the payment of
35 any costs incurred for the purpose of administering the provisions of
36 this section, RCW 35.57.010(1)(e), and 35.57.020(1)(b), including any
37 administrative costs associated with the imposition of the tax under
38 this section incurred by either the department of revenue or local
39 government, or both.

1 (4) (a) Moneys received by a public facilities district from any
2 tax imposed by the public facilities district under the authority of
3 this section must be used for the purpose of providing funds for the
4 costs associated with the financing, refinancing, design,
5 acquisition, construction, equipping, operating, maintaining,
6 remodeling, repairing, and reequipping of its public facilities, and
7 for transportation improvements directly associated with facilitating
8 motor vehicle and pedestrian access to its public facilities.

9 (b) Moneys received by an anchor jurisdiction from any tax
10 imposed by the anchor jurisdiction under the authority of this
11 section must be used for the purpose of providing funds for the costs
12 associated with the financing, refinancing, design, acquisition,
13 construction, equipping, operating, maintaining, remodeling,
14 repairing, and reequipping of the public facilities of the distressed
15 public facilities district, and for all litigation, investigation,
16 and related costs and expenses incurred by the anchor jurisdiction
17 toward resolving matters related to the defaults of the distressed
18 public facilities district. To the extent the distressed public
19 facilities district owes money to an anchor jurisdiction, the anchor
20 jurisdiction may apply money from the sales tax imposed under this
21 section to any such obligations. Any sales tax imposed by an anchor
22 jurisdiction under this section must terminate no later than thirty
23 years after it is first imposed.

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