**Washington State**
**House of Representatives**
**Office of Program Research**

# BILL ANALYSIS

# Local Government Committee

# HB 1037

**Brief Description:** Concerning public facilities district formation.

**Sponsors:** Representatives Dent and Ybarra.

**Brief Summary of Bill**

- Allows for the creation of a public facilities district by interlocal agreement that includes only a portion of the unincorporated areas of the county or counties involved.

**Hearing Date:** 1/17/25

**Staff:** Michelle Rusk (786-7153).

**Background:**

Public Facilities District Purpose and Formation.
Public facilities districts (districts) are municipal corporations with independent taxing authority. There are two distinct versions of districts that can be created. The first, which is governed by a separate statutory framework, is a countywide district that can be created by a county legislative authority.

The second type of district, and most relevant here, can be created by the legislative authority of any one town or city (city), or the legislative authorities of a combination of counties and cities. This type of district is coextensive with the boundary of the city or cities that formed the district, and the unincorporated area of any counties involved. Districts are governed by a board of directors (board) with the composition and appointing authority for the board varying depending on the legislative authority or authorities involved in the creation of the district.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

These districts can acquire, construct, maintain, repair, finance, and operate one or more regional centers and/or recreational facilities other than a ski area. A "regional center" is a convention, conference, or special events center, or a combination of facilities, and related parking facilities that serve a regional population and costs more than $10 million to construct, improve, or rehabilitate, including the cost of debt service.

**Summary of Bill:**

Public Facilities District Formation and Governance.
An interlocal agreement to create a public facilities district (district) between a town or city (city) or a contiguous group of cities, and a contiguous county or the counties in which the cities are located, may provide that only a portion of the unincorporated areas of the county or counties are included within the district. This type of district must be governed by a board of directors (board) consisting of a minimum of seven members, selected as follows:

- each city, town, or county's legislative authority may appoint one elected official from its jurisdiction; and
- four members appointed by the legislative authorities of the cities, towns, and county based on recommendations from local organizations, including but not limited to local chambers of commerce, local economic development councils, local labor councils, and neighborhood organizations directly affected by the location of the regional center in their area.

Members must be appointed in accordance with the terms of the interlocal agreement and serve four-year terms. For initial board members, board term length will vary from one to four years.

If a county or counties participated in creating a district with a city or combination of cities and counties, the treasurer of the county where the largest portion of the district is located must serve as the *ex officio* district treasurer. However, the board of a district may instead designate the treasurer of a city or town that participated in creating the district or another qualified individual as the treasurer for the district. The treasurer possesses all of the powers, responsibilities, and duties of a county treasurer with regard to the district's financial matters and must be bonded for not less than $25,000.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.