
SECOND SUBSTITUTE HOUSE BILL 1037

State of Washington

69th Legislature

2025 Regular Session

By House Finance (originally sponsored by Representatives Dent and Ybarra)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to public facilities districts; and amending RCW
2 36.100.010 and 36.100.020.

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

4 **Sec. 1.** RCW 36.100.010 and 2010 1st sp.s. c 15 s 2 are each
5 amended to read as follows:

6 (1) One or more public facilities districts may be created in any
7 county and must be coextensive with the boundaries of the county.

8 (2) Until December 31, 2060, one public facilities district may
9 be created by an agreement between a town or city, or a contiguous
10 group of towns or cities, and the county in which they are located,
11 the county being located along the eastern crest of the Cascade
12 mountains with a population of less than 50,000. The district is
13 coextensive with the boundaries of the towns or cities, and the
14 boundaries of school districts selected to be included in the
15 district within the county. The boundaries do not include
16 incorporated towns or cities that are not parties to the agreement
17 for the creation and joint operation of the district.

18 (3) A public facilities district is created upon adoption of a
19 resolution providing for the creation of such a district by the
20 county legislative authority in which the proposed district is
21 located.

1 ~~((3))~~ (4) A public facilities district is a municipal
2 corporation, an independent taxing "authority" within the meaning of
3 Article VII, section 1 of the state Constitution, and a "taxing
4 district" within the meaning of Article VII, section 2 of the state
5 Constitution.

6 ~~((4))~~ (5) Except as provided in RCW 36.100.040 (4) and (5), no
7 taxes authorized under this chapter may be assessed or levied unless
8 a majority of the voters of the public facilities district has
9 approved such tax at a general or special election. A single ballot
10 proposition may both validate the imposition of the sales and use tax
11 under RCW 82.14.048 and the excise tax under RCW 36.100.040(1).

12 ~~((5))~~ (6)(a) A public facilities district constitutes a body
13 corporate and possesses all the usual powers of a corporation for
14 public purposes as well as all other powers that may now or hereafter
15 be specifically conferred by statute, including, but not limited to,
16 the authority to hire employees, staff, and services, to enter into
17 contracts, including contracts with public and private parties, to
18 acquire, own, sell, transfer, lease, and otherwise acquire or dispose
19 of property, to grant concessions under terms approved by the public
20 facilities district, and to sue and be sued.

21 (b) A public facilities district created by a county with a
22 population of ~~((one million five hundred thousand))~~ 1,500,000 or more
23 to acquire, own, and operate a convention and trade center
24 transferred from a public nonprofit corporation may continue to
25 contract with the Seattle-King county convention and visitors' bureau
26 or its successor in interest for marketing the convention and trade
27 center facility and services.

28 ~~((6))~~ (7) A public facilities district may enter into contracts
29 with a county for the purpose of exercising any powers of a community
30 renewal agency under chapter 35.81 RCW.

31 ~~((7))~~ (8) The legislative authority of a city or county, the
32 board of directors of a public nonprofit corporation, or the state of
33 Washington may transfer property to a public facilities district
34 created under this chapter, with or without consideration. No
35 property that is encumbered with debt or that is in need of major
36 capital renovation may be transferred to the district without the
37 agreement of the district and revenues adequate to retire the
38 existing indebtedness.

39 ~~((8))~~ (9) A public facilities district may enter into
40 agreements with the state, any municipal corporation, or any other

1 governmental entity for the design, financing, acquisition,
2 development, construction, reconstruction, lease, remodeling,
3 alteration, maintenance, equipping, reequipping, repair, operation,
4 or management of one or more facilities of the parties thereto.
5 Agreements may provide that any party to the contract designs,
6 finances, acquires, develops, constructs, reconstructs, remodels,
7 alters, maintains, equips, reequips, repairs, and operates one or
8 more facilities for the other party or parties to the contract. A
9 public facilities district may enter into an agreement with the
10 state, any municipal corporation, or other public or private entity
11 that will assist a public facilities district in the financing of all
12 or any part of a district facility on such terms as may be determined
13 by agreement between the respective parties, including without
14 limitation by a loan, guaranty, or other financing agreement.

15 (10) Nothing in this chapter prohibits a county from
16 participating in the creation and operation of a public facilities
17 district as provided for in chapter 35.57 RCW.

18 **Sec. 2.** RCW 36.100.020 and 2010 1st sp.s. c 15 s 3 are each
19 amended to read as follows:

20 (1)(a) A public facilities district must be governed by a board
21 of directors consisting of five, seven, or nine members as provided
22 in this section.

23 (b) If the largest city in the county in which the public
24 facilities district created under RCW 36.100.010(1) is located has a
25 population that is at least (~~forty~~) 40 percent of the total county
26 population, the board of directors of the public facilities district
27 must consist of five members selected as follows:

28 (i) Two members appointed by the county legislative authority to
29 serve for four-year staggered terms;

30 (ii) Two members appointed by the city council of the largest
31 city in the county to serve for four-year staggered terms; and

32 (iii) One person to serve for a four-year term who is selected by
33 the other directors.

34 (c)(i) Except as provided in (c)(ii) of this subsection (1), if
35 the largest city in the county in which the public facilities
36 district created under RCW 36.100.010(1) is located has a population
37 of less than (~~forty~~) 40 percent of the total county population, the
38 county legislative authority must establish in the resolution
39 creating the public facilities district whether the board of

1 directors of the public facilities district has either five or seven
2 members, and the county legislative authority must appoint the
3 members of the board of directors to reflect the interests of cities
4 and towns in the county, as well as the unincorporated area of the
5 county.

6 (ii) However, if the county has a population of (~~one million~~
7 ~~five hundred thousand~~) 1,500,000 or more, the largest city in the
8 county has a population of less than (~~forty~~) 40 percent of the
9 total county population, and the county operates under a county
10 charter, which provides for an elected county executive, the members
11 of the board of directors must be appointed as follows:

12 (A) If the public facilities district is created to construct a
13 baseball stadium as defined in RCW 82.14.0485, three members must be
14 appointed by the governor and the remaining members must be appointed
15 by the county executive subject to confirmation by the county
16 legislative authority. Of the members appointed by the governor, the
17 speaker of the house of representatives and the majority leader of
18 the senate must each recommend to the governor a person to be
19 appointed to the board; and

20 (B) If the public facilities district is created to acquire, own,
21 and operate a convention and trade center, following the expiration
22 of the terms of the initial board of directors, three members must be
23 appointed by the governor, three members must be nominated by the
24 county executive subject to confirmation by the county legislative
25 authority, and three members must be nominated by the mayor of the
26 city in which the convention and trade center is located subject to
27 confirmation by the city legislative authority. Members of the board
28 of directors may not be members of the legislative authority of the
29 county or any city within the county.

30 (d) The initial board of directors of a public facilities
31 district created in a county of (~~one million five hundred thousand~~)
32 1,500,000 or more to acquire, own, and operate a convention and trade
33 center must be comprised of the nine members of the board of the
34 public nonprofit corporation that transfers the convention and trade
35 center to the public facilities district under RCW 36.100.230. The
36 governor must designate which of the initial board members must serve
37 two-year terms and which must serve four-year terms and identify the
38 board positions to which successors to initial directors are to be
39 appointed by the county and the city.

1 (e)(i) Until December 31, 2060, the public facilities district
2 created under RCW 36.100.010(2) that includes less than the entirety
3 of the unincorporated county within the boundaries of the district as
4 provided in RCW 36.100.010(2), must be governed by a board of
5 directors consisting of a minimum of seven members selected as
6 follows: (A) Each city, town, or county's legislative authority may
7 appoint one elected official from its jurisdiction; and (B) four
8 members appointed by the legislative authorities of the cities,
9 towns, and county based on recommendations from local organizations.

10 (ii) The members appointed under (e)(i)(B) of this subsection
11 must be based on recommendations received from local organizations
12 that include, but are not limited to, the local chamber of commerce,
13 the local economic development council, the local labor council, and
14 a neighborhood organization that is directly affected by the location
15 of the facility in their area. The members of the board of directors
16 must be appointed in accordance with the terms of the agreement under
17 chapter 39.34 RCW for the joint operation of the district and serve
18 four-year terms.

19 (iii) Until December 31, 2060, the treasurer of the county in
20 which the public facilities district created under RCW 36.100.010(2)
21 is located shall serve as the ex officio treasurer of the district,
22 unless the board of the public facilities district designates the
23 treasurer of a city or town that participated in the creation of the
24 public facilities district or other person having the necessary
25 experience and qualifications to perform the duties of treasurer.
26 Such a treasurer possesses all of the powers, responsibilities, and
27 duties of, and is subject to the same restrictions as provided by law
28 for, a county treasurer with regard to district financial matters.
29 Such treasurer must be bonded for not less than \$25,000.

30 (2) At least one member on the board of directors must be
31 representative of the lodging industry in the public facilities
32 district before the public facilities district imposes the excise tax
33 under RCW 36.100.040(1). Of the members of the board of directors of
34 a public facilities district created in a county of (~~one million~~
35 ~~five hundred thousand~~) 1,500,000 or more to acquire, own, and
36 operate a convention and trade center, one of the governor's
37 appointments and one of the county's appointments must be
38 representative of the lodging industry in the public facilities
39 district and one of the city's appointments must be representative of

1 organized labor, except that these requirements do not apply to the
2 initial board of such district.

3 (3) Members of the board of directors must serve four-year terms
4 of office, except that two of the initial five board members, three
5 of the initial seven board members, and four of the initial nine
6 board members must serve two-year terms of office.

7 (4) A vacancy must be filled in the same manner as the original
8 appointment was made and the person appointed to fill a vacancy must
9 serve for the remainder of the unexpired term of the office for the
10 position to which he or she was appointed.

11 (5) Any director may be removed from office by the person or
12 entity that appointed or confirmed such director for any reason or
13 for no reason as follows: A director appointed by the governor may be
14 removed from office by the governor; and any director confirmed by a
15 city or county legislative authority may be removed from office by
16 action of at least two-thirds of the members of the legislative
17 authority that confirmed the director.

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