
HOUSE BILL 1837

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Kenney and Santos

Read first time 02/04/11. Referred to Committee on Community Development & Housing.

1 AN ACT Relating to authorizing the creation of cultural access
2 authorities; amending RCW 84.52.010 and 36.96.010; adding a new section
3 to chapter 82.14 RCW; adding a new section to chapter 84.52 RCW; adding
4 a new chapter to Title 36 RCW; and creating a new section.

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

6 **PART I**
7 **INTENT**

8 NEW SECTION. **Sec. 101.** INTENT. (1) The legislature finds that:
9 (a) The cultural organizations of the state provide numerous public
10 benefits. Providing support for the state's cultural organizations is
11 in the public interest and will serve multiple public purposes
12 including, among others, enhancing and extending the educational reach
13 and offerings of cultural organizations; ensuring continued and
14 expanded access to the facilities and programs of cultural
15 organizations by economically and geographically underserved
16 populations; and providing financial stability to the organizations to
17 enable them to focus on core missions as well as to continue and extend
18 the numerous public benefits they provide.

1 (b) Cultural organizations represent an essential component of the
2 state's overall quality of life, contributing substantially to the
3 state's attractiveness and competitiveness in the global economy.

4 (c) Cultural organizations are themselves a significant component
5 of the state's economy. Through their numerous missions and offerings,
6 they afford the state's citizens meaningful and life enriching
7 educational and other experiences.

8 (d) Cultural institutions are an essential source of knowledge and
9 inspiration for the citizens of the state.

10 (2) The purpose of this chapter is to authorize formation of
11 cultural access authorities and to authorize funding for public school
12 cultural access programs and the support of cultural organizations,
13 subject to voter approval.

14 **PART II**
15 **DEFINITIONS**

16 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this
17 section apply throughout this chapter unless the context clearly
18 requires otherwise.

19 (1) "Administrative costs" means all operating, administrative, and
20 maintenance expenses of an authority, a designated public agency, or a
21 designated entity.

22 (2) "Attendance" means the total number of visits by persons in
23 physical attendance during a year at cultural organization facilities
24 located or cultural organization programs provided within an authority
25 service area, including attendance for which admission was paid,
26 discounted, or free, consistent with and verifiable under guidelines
27 adopted by the appropriate authority.

28 (3) "Authority" means a cultural access authority.

29 (4) "Authority board" means the board of directors of an authority.

30 (5) "Community-based organization" means a cultural organization
31 that primarily functions, focuses its activities, and is supported or
32 patronized within a local community and is not a regional organization,
33 subject to further definition under guidelines adopted by the
34 appropriate designated public agency.

35 (6) "Cultural organization" means a nonprofit corporation
36 incorporated under the laws of the state of Washington and recognized

1 by the internal revenue service as described in section 501(c)(3) of
2 the internal revenue code of 1986, as amended, with its principal
3 location or locations and conducting a majority of its activities
4 within the state, not including: Any agency of the state or any of its
5 political subdivisions; any municipal corporation; any educational
6 institution; any organization that raises funds for redistribution to
7 cultural organizations; or any radio or television broadcasting network
8 or station, cable communications system, internet-based communications
9 venture or service, newspaper, or magazine. The primary purpose of the
10 organization must be the advancement and preservation of science or
11 technology, the visual or performing arts, zoology, botany,
12 anthropology, or cultural or natural history and any organization shall
13 directly provide programming or experiences available to the general
14 public. Any organization with the primary purpose of advancing and
15 preserving zoology such as zoos and aquariums must be or support a
16 facility that is accredited by the association of zoos and aquariums or
17 its functional successor. A state-related cultural organization may be
18 a cultural organization.

19 (7) "Designated entity" means the entity designated by the
20 legislative authority of a participating county. The entity may be a
21 public agency, including the state arts commission established under
22 chapter 43.46 RCW, or a Washington nonprofit corporation that is not a
23 cultural organization eligible for funding under this chapter.

24 (8) "Designated public agency" means the agency designated by the
25 legislative authority of a participating county within an authority
26 service area.

27 (9) "Participating county" means a county that participated in the
28 formation of an authority under this chapter.

29 (10) "Regional organization" means a cultural organization that
30 owns, operates, or supports cultural facilities or provides
31 performances, exhibits, educational programs, experiences, or
32 entertainment that widely benefit and are broadly attended by the
33 public within the authority service area, subject to further definition
34 under guidelines adopted by the appropriate authority. A regional
35 organization may also generally be characterized under authority
36 guidelines as a financially stable, substantial organization with
37 full-time support and program staff, maintaining a broad-based
38 membership within the authority service area, having year-round or

1 enduring seasonal operations, being a substantial financial contributor
2 to the development, operation, and maintenance of the organization's
3 principal venue or venues, and providing substantial public benefits
4 within the authority service area.

5 (11) "Revenues" means revenues generated by a cultural
6 organization, consistent with generally accepted accounting practices
7 and any authority guidelines, excluding: (a) Revenues associated with
8 capital projects other than major maintenance projects including, but
9 not limited to, capital campaign expenses; (b) funds provided under
10 this chapter; (c) revenue that would be considered unrelated business
11 taxable income under the internal revenue code of 1986, as amended; and
12 (d) with respect to a state-related cultural organization, state
13 funding received by it or for the institution it supports. Revenues
14 include transfers from an organization's endowment or reserves and may
15 include the value of in-kind goods and services to the extent permitted
16 under any authority guidelines.

17 (12) "Service area" means the area in which an authority functions
18 that is coterminous with the boundaries of one county or two or more
19 contiguous participating counties.

20 (13) "State-related cultural organization" means an organization
21 incorporated as a nonprofit corporation under the laws of the state of
22 Washington and recognized by the internal revenue service as described
23 in section 501(c)(3) of the internal revenue code of 1986, as amended,
24 with a primary purpose and directly providing programming or
25 experiences available to the general public consistent with the
26 requirements for recognition as a cultural organization under this
27 chapter operating in a facility owned and supported by the state, a
28 state agency, or state educational institution.

29 PART III

30 CULTURAL ACCESS AUTHORITIES

31 NEW SECTION. **Sec. 301.** CREATION. (1)(a) Any county may create an
32 authority by resolution of the county legislative authority.

33 (b) Any contiguous group of counties may create an authority by
34 entering into an interlocal agreement under chapter 39.34 RCW, approved
35 by resolution of the county legislative authorities.

1 (2) An authority service area must be coextensive with the
2 boundaries of the participating county or counties that created the
3 authority, including incorporated areas.

4 (3)(a) An authority created by a single participating county with
5 a population less than one million five hundred thousand must be
6 governed by a five-member authority board consisting of five members
7 appointed by the county legislative authority. An authority created by
8 a single participating county with a population of more than one
9 million five hundred thousand must be governed by a five-member
10 authority board consisting of three members appointed by the
11 legislative authority of the county; and one member appointed by the
12 legislative authority of each of the two largest cities by population
13 as of formation of the authority. The members of the authority board
14 shall serve four-year terms. Of the initial members, one must be
15 appointed for a one-year initial term, one must be appointed for a two-
16 year initial term, one must be appointed for a three-year initial term,
17 and the remainder must be appointed for four-year terms.

18 (b) Except as provided in (c) of this subsection, an authority
19 created by two or more participating counties under subsection (1)(b)
20 of this section must be governed by an authority board as provided in
21 the interlocal agreement creating the authority. The interlocal
22 agreement must specify the number of members of the authority board,
23 the total number of which must be an odd number. The board of an
24 authority created by four or fewer participating counties may not have
25 more than nine members, and not more than two of whom may be appointed
26 by the legislative authority of any one participating county. The
27 board of an authority created by more than four participating counties
28 may not have more than eleven members. The interlocal agreement
29 creating the authority must allocate responsibility for the appointment
30 of the members of the authority board among the legislative authorities
31 of the participating counties. If the total number of participating
32 counties or the allocation of appointment responsibility provided in
33 the interlocal agreement precludes each participating county from
34 appointing at least one member of the initial board of the authority,
35 the interlocal agreement may provide for rotation of responsibility for
36 some board member appointments among the legislative authorities of the
37 participating counties as board member vacancies occur. The members of
38 the authority board shall serve four-year terms. The interlocal

1 agreement creating the authority must divide the board into three
2 classes of relatively equal size. Of the initial members of the board,
3 one class of members must be appointed for a two-year initial term; one
4 class of members must be appointed for a three-year initial term, and
5 the remainder must be appointed for a four-year initial term.

6 (c) An authority created by up to four participating counties with
7 an aggregate population of more than two million five hundred thousand
8 must be governed by a seven to nine-member authority board as follows:

9 (i) With respect to a two-county authority formed under this
10 subsection, two members appointed by the legislative authority of each
11 participating county; one member appointed by the legislative authority
12 of each of the two largest cities by population as of formation of the
13 authority in the larger participating county by population as of
14 formation of the authority; and one member appointed by the legislative
15 authority of the largest city by population as of formation of the
16 authority in the smaller participating county by population as of
17 formation of the authority; and (ii) with respect to a three or four-
18 county authority formed under this subsection, one member appointed by
19 the legislative authority of each participating county; one member
20 appointed by the legislative authority of each of the two largest
21 cities by population as of formation of the authority in the largest
22 participating county by population as of formation of the authority;
23 and one member appointed by the legislative authority of the largest
24 city by population as of formation of the authority in each of the
25 other participating counties. A county legislative authority
26 appointing members under this subsection shall solicit recommendations
27 from the county cultural commission, if any, and the county's
28 designated public agency prior to final approval of any appointment or
29 appointments. The members of the authority board shall serve four-year
30 terms. The interlocal agreement creating the authority must divide the
31 board into three classes of relatively equal size. Of the initial
32 members of the board, one class of members must be appointed for a two-
33 year initial term; one class of members must be appointed for a
34 three-year initial term; and the remainder must be appointed for a
35 four-year initial term.

36 (d)(i) Authority board members may not be members of the
37 legislative authorities of a participating county or of any city or
38 town located in a participating county.

1 (ii) In any participating county with an elected county executive,
2 authority board members appointed by the county legislative authority
3 must be nominated by the county executive, subject to confirmation by
4 the county legislative authority.

5 (iii) A vacancy on an authority board must be filled in the same
6 manner as the original appointment was made, and the person appointed
7 to fill a vacancy shall serve for the remainder of the unexpired term
8 of the office for the position to which he or she was appointed.

9 (iv) Any board member may be removed from office by action of at
10 least two-thirds of the members of the legislative authority that made
11 the appointment.

12 (v) Authority board members may serve up to two full consecutive
13 terms, in addition to serving one shorter initial term upon the
14 formation of an authority or one shorter unexpired term filling a board
15 vacancy.

16 (4) An authority is a municipal corporation, a political
17 subdivision, an independent taxing authority, and a taxing district.

18 (5) An authority constitutes a body corporate and possesses all the
19 usual powers of a corporation for public purposes as well as all other
20 powers that may now or hereafter be specifically conferred by statute.

21 (6) An authority board must adopt ethics policies consistent with
22 applicable law and generally recognized best practices for comparable
23 entities addressing disclosure and management of potential conflicts of
24 interest, among other matters. The policies must apply to authority
25 board members, officers, and employees.

26 NEW SECTION. **Sec. 302.** START-UP FUNDING AND CONDITIONAL
27 FORMATION. (1)(a) The county or counties creating an authority may
28 provide for the participating county or counties to advance to the
29 authority up to one million dollars per year for up to three years for
30 its administrative costs, including the cost of informing the public
31 about the formation of the authority, how it is proposed to be funded,
32 and the public benefits to be realized if it is successful. However,
33 this subsection does not authorize the preparation and distribution of
34 information to the general public for the purpose of influencing the
35 outcome of an authority election.

36 (b) In the case of a multicounty authority, funds advanced must be

1 provided pro rata by each participating county based on the relative
2 size of the population of each county.

3 (2) The county or counties creating an authority must require
4 repayment of start-up funding advanced to an authority from the
5 proceeds of taxes authorized under sections 401 through 403 of this act
6 and approved by voters after the taxes are first collected. The funds
7 must be repaid to the participating county or counties with interest at
8 the internal rate of return on the invested funds of each participating
9 county.

10 (3)(a) An authority must be dissolved three years after its
11 formation unless it has secured voter approval of one of the taxes
12 authorized herein. Upon dissolution of an authority after three years
13 without securing voter approval of a proposed tax, an authority may not
14 again be formed under this chapter by the same county or combination of
15 counties for three years following the dissolution of a predecessor.

16 (b) One or more of the counties participating in the formation of
17 a dissolved authority may form another authority under this chapter
18 without delay if the participant or combination of participants in the
19 formation of another authority differs from the participant or
20 combination of participants in the formation of the dissolved
21 authority.

22 (c) Any expended funds of the participating county or counties
23 advanced to an authority that is dissolved as provided under this
24 section need not be repaid to the participating county or counties.
25 Any remaining funds on hand upon dissolution must be returned to the
26 participating counties.

27 NEW SECTION. **Sec. 303.** NONSUPPLANTATION. In creating an
28 authority under this chapter or appointing members of the board of the
29 authority, any participating county or city appointing board members
30 shall affirm that any funding such county or city usually and
31 customarily provides to cultural organizations similar to funding that
32 would be available to those organizations under this chapter may not be
33 replaced or materially diminished as a result of funding becoming
34 available under this chapter.

35 NEW SECTION. **Sec. 304.** ADVISORY COUNCILS. Each authority
36 established under this chapter may establish an advisory council, the

1 membership of which must include citizen representatives of
2 constituencies and organizations with interests relevant to the work of
3 the authority including, but not limited to, leaders in the business,
4 educational, and cultural communities. Advisory council members should
5 be residents of the service area of the authority. Policies concerning
6 the size and operation of any advisory council must be established by
7 the authority that forms the council.

8 NEW SECTION. **Sec. 305.** POWERS AND PURPOSES. In addition to
9 accomplishing the cultural organization support activities specifically
10 authorized under this chapter, an authority may:

11 (1) Maintain an office or offices;

12 (2) Sue and be sued in its own name, and plead and be impleaded;

13 (3) Engage consultants, agents, attorneys, and advisers, contract
14 with state and local governmental entities for services, and hire as
15 provided in sections 309 and 310 of this act such employees, agents,
16 and other personnel as the authority deems necessary, useful, or
17 convenient to accomplish its purposes;

18 (4) Establish procurement policies by resolution, including
19 procedures for competitive procurement of services when required under
20 its established policies;

21 (5) Make and execute all manner of contracts, agreements, and
22 documents with public and private parties as the authority deems
23 necessary, useful, or convenient to accomplish its purposes;

24 (6) Acquire and hold real or personal property, or any interest
25 therein, in the name of the authority, and sell, assign, lease,
26 encumber, mortgage, or otherwise dispose of the same in the manner as
27 the authority deems necessary, useful, or convenient to accomplish its
28 purposes. Any county legislative authority may transfer property, with
29 or without consideration, to an authority created under this chapter;

30 (7) Open and maintain accounts in qualified public depositories and
31 otherwise provide for the investment of any funds not required for
32 immediate disbursement, and provide for the selection of investments;

33 (8) Appear in its own behalf before boards, commissions,
34 departments, or agencies of federal, state, or local government;

35 (9) Procure insurance in amounts and from insurers as the authority
36 deems desirable including, but not limited to, insurance against any
37 loss or damage to its property or other assets, public liability

1 insurance for injuries to persons or property, and liability insurance
2 with limits an authority board deems reasonable for the purpose of
3 protecting and holding personally harmless board members, officers, and
4 employees of the authority against liability arising from their acts or
5 omissions while performing or in good faith purporting to perform their
6 official duties;

7 (10) Apply for and accept grants, loans, advances, and
8 contributions from any source of money, property, labor, or other
9 things of value, to be held, used, and applied as the authority deems
10 necessary, useful, or convenient to accomplish its purposes, without
11 competing with cultural organizations as defined under this chapter or
12 private organizations that raise funds for distribution to cultural
13 organizations;

14 (11) Make expenditures as are appropriate for paying the
15 administrative costs and expenses of the authority in carrying out the
16 provisions of this chapter;

17 (12) Establish reserves and special funds, and controls on deposits
18 to and disbursements from them, as the authority deems necessary,
19 useful, or convenient to accomplish its purposes;

20 (13) Prepare, publish, and distribute, with or without charge,
21 studies, reports, bulletins, and other material as the authority deems
22 necessary, useful, or convenient to accomplish its purposes;

23 (14) Conduct meetings at which members participating through the
24 use of any means of communication by which all members participating
25 can hear each other during the meeting are deemed to be present in
26 person at the meeting for all purposes;

27 (15) Delegate any of its powers and duties if consistent with the
28 purposes of this chapter;

29 (16) Adopt rules and guidelines as may be necessary to implement
30 this chapter; and

31 (17) Exercise any other power the authority deems necessary,
32 useful, or convenient to accomplish its purposes and exercise the
33 powers expressly granted in this chapter.

34 NEW SECTION. **Sec. 306.** EXPENSE REIMBURSEMENT PROCEDURES. The
35 authority board shall adopt a resolution that may be amended from time
36 to time governing methods and amounts of reimbursement payable to board
37 members, officers, and employees for travel and other business expenses

1 incurred on behalf of the authority. The resolution must, among other
2 things, establish procedures for approving expenses, the form of travel
3 and expense vouchers, and requirements governing the use of credit
4 cards issued in the name of the authority. Board members, officers,
5 and employees may be advanced sufficient sums to cover their
6 anticipated expenses in accordance with rules adopted by the state
7 auditor.

8 NEW SECTION. **Sec. 307.** PER DIEM COMPENSATION. Each member of the
9 authority board may receive compensation of fifty dollars per day for
10 attending meetings or conferences on behalf of the authority, not to
11 exceed three thousand dollars per year. A board member may waive all
12 or a portion of his or her compensation under this section during his
13 or her term of office, by a written waiver filed with the authority.
14 The compensation provided in this section is in addition to
15 reimbursement for expenses paid to board members by the authority.

16 NEW SECTION. **Sec. 308.** DEFENSE AND INDEMNITY. Whenever an
17 action, claim, or proceeding is instituted against a person who is or
18 was a board member, officer, or employee of an authority arising out of
19 the performance of duties for or employment with the authority, the
20 authority may grant a request by the person that the attorney of the
21 authority's choosing be authorized to defend the claim, suit, or
22 proceeding, and the costs of defense, attorneys' fees, and obligation
23 for payments arising from the action may be paid from the authority's
24 funds. Costs of defense, judgment, or settlement against the person
25 may not be paid in a case where the court has found that the person was
26 not acting in good faith within the scope of employment with or duties
27 for the authority. No board member or officer of the authority may be
28 personally liable for acts done or omitted in good faith while
29 performing duties as a board member or officer on behalf of the
30 authority.

31 NEW SECTION. **Sec. 309.** EMPLOYEES, SALARIES, AND BENEFITS. An
32 authority may create and fill positions; fix reasonable wages and
33 salaries; pay costs involved in hiring employees; and establish
34 reasonable benefits for employees, including holiday pay, vacations or
35 vacation pay, retirement benefits, and medical, life, accident, or

1 health disability insurance, as approved by the board. Authority board
2 members, at their own expense, may be included under any authority
3 policy for medical, life, accident, or health disability insurance.
4 Insurance for employees and board members may not be considered
5 compensation. Coverage for the board under any authority policy is not
6 to exceed that provided authority employees. An authority is a
7 political subdivision for purposes of participation in the state public
8 employees' retirement system under RCW 41.40.062 and for other
9 purposes.

10 NEW SECTION. **Sec. 310.** STATE ARTS COMMISSION. An authority,
11 other than an authority with a service area population of more than one
12 million five hundred thousand established as provided in section
13 301(1)(a) of this act or an authority with an aggregate service area
14 population of more than two million five hundred thousand established
15 as provided in section 301(1)(b) of this act, may contract with the
16 state arts commission formed under chapter 43.46 RCW for consulting,
17 management, or administrative services. A participating county may
18 contract with the state arts commission to function for consulting,
19 management, or administrative services, including functioning as its
20 designated public agency.

21 NEW SECTION. **Sec. 311.** TREASURER. At the request of the
22 authority, the treasurer of any participating county may serve as the
23 ex officio treasurer of the authority.

24 **PART IV**
25 **FUNDING**

26 NEW SECTION. **Sec. 401.** AUTHORITY TO IMPOSE TAX. (1) An authority
27 may impose sales and use taxes under section 402 of this act or regular
28 property tax levies under section 403 of this act for the purposes
29 authorized under section 601 of this act.

30 (2) If an authority imposes sales and use taxes under section 402
31 of this act, the authority may not impose a regular property tax levy
32 under section 403 of this act.

33 (3) If an authority imposes a regular property tax levy under

1 section 403 of this act, the authority may not impose sales and use
2 taxes under section 402 of this act.

3 NEW SECTION. **Sec. 402.** A new section is added to chapter 82.14
4 RCW to read as follows:

5 VOTED SALES AND USE TAXES. (1) The authority board may impose a
6 sales and use tax of up to one-tenth of one percent of the selling
7 price in the case of a sales tax, or value of the article used, in the
8 case of a use tax, when specifically authorized to do so by a majority
9 of the voters voting on a proposition submitted at a special election.
10 The ballot proposition may provide for the tax to apply for a period of
11 up to seven years.

12 (2) The tax authorized in this section is in addition to any other
13 taxes authorized by law and must be collected from those persons who
14 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
15 occurrence of any taxable event within the authority.

16 (3) The authority board may extend a tax imposed under this section
17 for one or more additional periods of up to seven years, in each case
18 when specifically authorized to extend the tax by a majority of the
19 voters voting on a proposition submitted at a special election.

20 (4) Moneys collected under this section may only be used for the
21 purposes set forth in section 601 of this act.

22 (5) The definitions in section 201 of this act apply to this
23 section.

24 NEW SECTION. **Sec. 403.** A new section is added to chapter 84.52
25 RCW to read as follows:

26 VOTED PROPERTY TAX. (1) The authority board may impose annual
27 regular property tax levies in the authority service area when
28 specifically authorized to do so by a majority of the voters voting on
29 a proposition submitted at a special election. The ballot proposition
30 must set forth the total dollar amount to be collected in the first
31 year of the levy and may provide for a levy for a period of up to seven
32 years. The total dollar amount to be set forth in the ballot
33 proposition may not exceed an amount equal to: (a) The total number of
34 taxable retail sales and taxable uses in the participating counties
35 within the authority service area for the most recent calendar year as

1 reported by the department of revenue; multiplied by (b) one-tenth of
2 one percent.

3 (2) The authority board may extend a tax imposed under subsection
4 (1) of this section for one or more additional periods of up to seven
5 years, in each case when specifically authorized to extend the tax by
6 a majority of the voters voting on a proposition submitted at a special
7 election. The ballot proposition must set forth the total dollar
8 amount to be collected in the first year of the extended levy, which
9 dollar amount may not exceed an amount equal to: (a) The total number
10 of taxable retail sales and taxable uses in the participating counties
11 within the authority service area for the most recent calendar year as
12 reported by the department of revenue; multiplied by (b) one-tenth of
13 one percent.

14 (3) In the event an authority is levying property taxes that, in
15 combination with property taxes levied by other taxing districts exceed
16 the limitations in RCW 84.52.043 and 84.52.050, the authority's
17 property tax levy must be reduced or eliminated consistent with RCW
18 84.52.010.

19 (4) The limitation in RCW 84.55.010 does not apply to the first
20 levy imposed under this section following the approval of the levy by
21 the voters under subsection (1) of this section or to the first levy
22 imposed under this section following the approval of an extension of
23 the tax by the voters under subsection (2) of this section.

24 (5) Moneys collected under this section may only be used for the
25 purposes set forth in section 601 of this act.

26 (6) The definitions in section 201 of this act apply to this
27 section.

28 **Sec. 404.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to
29 read as follows:

30 Except as is permitted under RCW 84.55.050, all taxes shall be
31 levied or voted in specific amounts.

32 The rate percent of all taxes for state and county purposes, and
33 purposes of taxing districts coextensive with the county, shall be
34 determined, calculated and fixed by the county assessors of the
35 respective counties, within the limitations provided by law, upon the
36 assessed valuation of the property of the county, as shown by the
37 completed tax rolls of the county, and the rate percent of all taxes

1 levied for purposes of taxing districts within any county shall be
2 determined, calculated and fixed by the county assessors of the
3 respective counties, within the limitations provided by law, upon the
4 assessed valuation of the property of the taxing districts
5 respectively.

6 When a county assessor finds that the aggregate rate of tax levy on
7 any property, that is subject to the limitations set forth in RCW
8 84.52.043 or 84.52.050, exceeds the limitations provided in either of
9 these sections, the assessor shall recompute and establish a
10 consolidated levy in the following manner:

11 (1) The full certified rates of tax levy for state, county, county
12 road district, and city or town purposes shall be extended on the tax
13 rolls in amounts not exceeding the limitations established by law;
14 however any state levy shall take precedence over all other levies and
15 shall not be reduced for any purpose other than that required by RCW
16 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
17 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
18 metropolitan park district that was protected under RCW 84.52.120,
19 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular
20 property tax levies that are subject to the one percent limitation
21 exceeds one percent of the true and fair value of any property, then
22 these levies shall be reduced as follows:

23 (a) The levy imposed by a county under RCW 84.52.140 shall be
24 reduced until the combined rate no longer exceeds one percent of the
25 true and fair value of any property or shall be eliminated;

26 (b) If the combined rate of regular property tax levies that are
27 subject to the one percent limitation still exceeds one percent of the
28 true and fair value of any property, the portion of the levy by a fire
29 protection district that is protected under RCW 84.52.125 shall be
30 reduced until the combined rate no longer exceeds one percent of the
31 true and fair value of any property or shall be eliminated;

32 (c) If the combined rate of regular property tax levies that are
33 subject to the one percent limitation still exceeds one percent of the
34 true and fair value of any property, the levy imposed by a county under
35 RCW 84.52.135 must be reduced until the combined rate no longer exceeds
36 one percent of the true and fair value of any property or must be
37 eliminated;

1 (d) If the combined rate of regular property tax levies that are
2 subject to the one percent limitation still exceeds one percent of the
3 true and fair value of any property, the levy imposed by a ferry
4 district under RCW 36.54.130 must be reduced until the combined rate no
5 longer exceeds one percent of the true and fair value of any property
6 or must be eliminated;

7 (e) If the combined rate of regular property tax levies that are
8 subject to the one percent limitation still exceeds one percent of the
9 true and fair value of any property, the portion of the levy by a
10 metropolitan park district that is protected under RCW 84.52.120 shall
11 be reduced until the combined rate no longer exceeds one percent of the
12 true and fair value of any property or shall be eliminated;

13 (f) If the combined rate of regular property tax levies that are
14 subject to the one percent limitation still exceeds one percent of the
15 true and fair value of any property, then the levies imposed under RCW
16 84.34.230, 84.52.105, and any portion of the levy imposed under RCW
17 84.52.069 that is in excess of thirty cents per thousand dollars of
18 assessed value, shall be reduced on a pro rata basis until the combined
19 rate no longer exceeds one percent of the true and fair value of any
20 property or shall be eliminated; and

21 (g) If the combined rate of regular property tax levies that are
22 subject to the one percent limitation still exceeds one percent of the
23 true and fair value of any property, then the thirty cents per thousand
24 dollars of assessed value of tax levy imposed under RCW 84.52.069 shall
25 be reduced until the combined rate no longer exceeds one percent of the
26 true and fair value of any property or eliminated.

27 (2) The certified rates of tax levy subject to these limitations by
28 all junior taxing districts imposing taxes on such property shall be
29 reduced or eliminated as follows to bring the consolidated levy of
30 taxes on such property within the provisions of these limitations:

31 (a) First, the certified property tax levy rates of those junior
32 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,
33 (~~and~~) 67.38.130, and section 403 of this act shall be reduced on a
34 pro rata basis or eliminated;

35 (b) Second, if the consolidated tax levy rate still exceeds these
36 limitations, the certified property tax levy rates of flood control
37 zone districts shall be reduced on a pro rata basis or eliminated;

1 (c) Third, if the consolidated tax levy rate still exceeds these
2 limitations, the certified property tax levy rates of all other junior
3 taxing districts, other than fire protection districts, regional fire
4 protection service authorities, library districts, the first fifty cent
5 per thousand dollars of assessed valuation levies for metropolitan park
6 districts, and the first fifty cent per thousand dollars of assessed
7 valuation levies for public hospital districts, shall be reduced on a
8 pro rata basis or eliminated;

9 (d) Fourth, if the consolidated tax levy rate still exceeds these
10 limitations, the first fifty cent per thousand dollars of assessed
11 valuation levies for metropolitan park districts created on or after
12 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

13 (e) Fifth, if the consolidated tax levy rate still exceeds these
14 limitations, the certified property tax levy rates authorized to fire
15 protection districts under RCW 52.16.140 and 52.16.160 and regional
16 fire protection service authorities under RCW 52.26.140(1) (b) and (c)
17 shall be reduced on a pro rata basis or eliminated; and

18 (f) Sixth, if the consolidated tax levy rate still exceeds these
19 limitations, the certified property tax levy rates authorized for fire
20 protection districts under RCW 52.16.130, regional fire protection
21 service authorities under RCW 52.26.140(1)(a), library districts,
22 metropolitan park districts created before January 1, 2002, under their
23 first fifty cent per thousand dollars of assessed valuation levy, and
24 public hospital districts under their first fifty cent per thousand
25 dollars of assessed valuation levy, shall be reduced on a pro rata
26 basis or eliminated.

27 NEW SECTION. **Sec. 405.** TAX COLLECTION. The department of revenue
28 must perform the collection of such taxes on behalf of an authority at
29 no cost to the authority, and the state treasurer must distribute those
30 taxes as available on a monthly basis to the authority or, upon the
31 direction of the authority, to its treasurer or a fiscal agent, paying
32 agent, or trustee for obligations issued or incurred by the authority.

33 **PART V**

34 **PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS**

1 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) An authority
2 established under this chapter shall provide or continue to provide
3 funding authorized under this chapter only to cultural organizations
4 that provide discernible public benefits. Each authority established
5 under this chapter shall identify a range of public benefits that
6 cultural organizations within its service area may provide or continue
7 to provide in satisfaction of this requirement for eligibility to
8 receive funding authorized under this chapter. The public benefits
9 include, without limitation: Reasonable opportunities for access to
10 facilities, programs, and services on a reduced or no admission fee
11 basis, particularly for diverse and underserved populations and
12 communities; providing, through technological and other means, services
13 or programs in locations other than an organization's own facilities;
14 providing educational programs and experiences both at an
15 organization's own facilities and in schools and other venues;
16 broadening cultural programs, performances, and exhibitions for the
17 enlightenment and entertainment of the public; supporting collaborative
18 relationships with other cultural organizations in order to extend the
19 reach and impact of the collaborating organizations for the benefit of
20 the public; and, in the case of community-based organizations,
21 organizational capacity-building projects or activities that an
22 organization can demonstrate, to the reasonable satisfaction of the
23 county-designated public agency, will enhance the ability of the
24 organization to provide or continue to provide meaningful public
25 benefits not otherwise achievable. In addition to providing or
26 continuing to provide public benefits identified by the appropriate
27 authorities under this section, regional organizations receiving
28 funding under section 601(2) of this act shall participate in good
29 faith in the authority's public school cultural access program required
30 under section 502 of this act. The regional organizations shall
31 provide or continue to provide public benefits under this section in
32 addition to participating in the public school cultural access program.

33 (2) Each authority established under this chapter shall adopt
34 guidelines establishing a baseline standard of continuous performance
35 with respect to the provision of public benefits required under this
36 chapter and for evaluating the continuing eligibility of any regional
37 or community-based organization to receive funds under this chapter
38 based on the continuous performance of the organization in the

1 provision of the public benefits. The guidelines must include: (a)
2 Procedures for notifying any organization at risk of losing its
3 continuing eligibility to receive funds under this chapter for failure
4 to achieve the authority's baseline standard of performance with
5 respect to the continuous provision of public benefits; and (b)
6 measures or procedures available to the organization for either
7 retaining or recovering eligibility, as appropriate.

8 (3) In evaluating requests for funding authorized under this
9 chapter for projects of regional benefit under section 601 of this act
10 or this subsection, the authority board shall consider the public
11 benefits to be derived from proposed projects. At the conclusion of a
12 project of regional benefit, the recipient of funding authorized under
13 this chapter is required to report to the authority on the public
14 benefits realized. Each regional organization receiving funds
15 authorized under this chapter pursuant to an authority allocation
16 formula shall annually, prior to year end, preview for the authority
17 public benefits the organization's plans to provide or continue to
18 provide in the following year and report on public benefits it provided
19 or continued to provide during the current year. In evaluating
20 requests for funding authorized under this chapter, a county-designated
21 public agency responsible for the distribution of the funds shall
22 consider the public benefits applicant community-based organizations
23 represent will be derived from proposed projects. At the conclusion of
24 a project approved for funding, the sponsoring community-based
25 organization is required to report to the county-designated public
26 agency on the public benefits realized.

27 NEW SECTION. **Sec. 502.** PUBLIC SCHOOL CULTURAL ACCESS PROGRAM.

28 (1) An authority established under this chapter shall develop and
29 provide a public school cultural access program within its service
30 area, as provided in section 601 of this act.

31 (2) As determined by the authority board and to the extent
32 practicable consistent with available resources, the public school
33 cultural access program of an authority described in section 601(2) of
34 this act must include the following attributes:

35 (a) Provide benefits designed to increase public school student
36 access to the programming offered and facilities operated by regional
37 and community-based organizations receiving funding under this chapter;

1 (b) Offer benefits to every public school in the authority's
2 service area while scaling the range of benefits available to and the
3 frequency of opportunities to participate by any particular school to
4 coincide with the relative percentage of students attending the school
5 who participate in the national free or reduced-price school meals
6 program; and

7 (c) Benefits provided under the public school cultural access
8 program must include, without limitation:

9 (i) Establishment and operation, within funding provided to support
10 the public school cultural access program under this subsection, of a
11 centralized service available to regional and community-based
12 organizations receiving funding under this chapter and public schools
13 in the authority's service area to coordinate opportunities for public
14 school student access to the programs and activities offered by the
15 organizations both at the facilities and venues operated by the
16 organizations and through programs and experiences provided by the
17 organizations at schools and elsewhere;

18 (ii) Providing directly or otherwise funding and arranging for
19 transportation for public school students to attend and participate in
20 the programs and activities offered by such organizations;

21 (iii) In consultation with regional and community-based
22 organizations, preparing and maintaining a readily accessible and
23 current guide cataloging access opportunities and facilitating
24 scheduling;

25 (iv) Coordinating closely with regional and community-based
26 organizations to maximize student utilization of available
27 opportunities in a cost-efficient manner including possible scheduling
28 on a single day opportunities for different grade levels at any one
29 school and participation in multiple programs or activities in the same
30 general area for which authority-funded transportation is provided;

31 (v) Supporting the development of tools, materials, and media by
32 cultural organizations to ensure that school access programs and
33 activities correlate with school curricula and extend the reach of
34 access programs and activities for classroom use with or without direct
35 on-site participation, to the extent practicable;

36 (vi) Building meaningful partnerships with public schools and
37 cultural organizations in order to maximize participation in school

1 access programs and activities and ensure their relevance and
2 effectiveness;

3 (vii) Preparing an annual public school access plan for authority
4 board review and adoption prior to implementation; and

5 (viii) Compiling an annual report documenting the reach and
6 evaluating the effectiveness of authority-funded public school access
7 efforts, including recommendations to the authority board for
8 improvements.

9 **PART VI**
10 **USE OF FUNDS**

11 NEW SECTION. **Sec. 601.** ALLOCATION. (1) An authority, other than
12 an authority described in subsection (2) of this section, must allocate
13 the proceeds of taxes authorized under sections 402 and 403 of this act
14 as follows:

15 (a) Until any start-up funding provided to the authority under
16 section 302 of this act has been fully repaid, the authority must
17 annually reserve from total funds available funding sufficient to
18 provide for repayment of such start-up funding;

19 (b) Not more than five percent of total funds available annually
20 may be reserved for authority administrative costs, including repaying
21 its start-up funding provided under section 302 of this act and to
22 support projects of regional benefit to be undertaken within the
23 authority's service area, as determined by the authority board. Not
24 more than two and one-half percent of total funds available annually
25 may be used for authority administrative costs. The authority board
26 shall establish eligibility guidelines, criteria for the award of
27 funding to support projects of regional benefit, including
28 identification and evaluation of the public benefits to be derived from
29 the projects, and a competitive allocation process to be undertaken at
30 least annually. The projects may include, without limitation, regional
31 cultural public information and promotional activities, support for new
32 cultural organizations, and support for specific projects or
33 organizations working to expand access to cultural activities by
34 underserved populations. Regional organizations receiving funding
35 under this chapter are not eligible applicants for funding under this
36 section. However, regional organizations may participate in broad-

1 based, collaborative projects funded under this section and may partner
2 with a community-based organization in a project for which the
3 community-based organization is the applicant for funding and plays the
4 lead role in the project;

5 (c) The authority board must determine the percentage of total
6 funds available annually to be reserved for a public school cultural
7 access program established and managed by the authority to increase
8 access to cultural activities and programming for public school
9 students resident in the authority's service area. The activities and
10 programming need not be located or provided within the authority's
11 service area. In developing its program, the authority may consider
12 the attributes prescribed for a public school cultural access program
13 required to be undertaken under subsection (1)(d) of this section.

14 (d) The authority board must determine the percentage of total
15 funds available annually to be reserved for distribution by the
16 authority board to regional organizations under a formula to be
17 determined by the authority board. The authority board may adopt
18 guidelines, consistent with the requirements of this chapter, it deems
19 necessary or appropriate for determining the eligibility of regional
20 organizations to receive funding under this chapter. Total funds
21 reserved for distribution to regional organizations may not exceed
22 seventy-five percent of total funds available annually excluding funds
23 initially reserved under (a), (b), and (c) of this subsection;

24 (e) Remaining funds available annually, including all funds not
25 initially reserved under (a), (b), (c), and (d) of this subsection as
26 well as funds not distributed by the authority from the reserved funds
27 must be distributed by the authority board to an entity in each
28 participating county designated by the legislative authorities of the
29 participating counties under a formula to be determined by the
30 authority board. In determining its formula for the distribution of
31 remaining funds among the designated entities, the authority board
32 shall consider factors such as the relative size of the economies of
33 the participating counties, the number of regional organizations
34 receiving funds under (d) of this subsection in each participating
35 county, and the extent to which citizens or groups of citizens within
36 each county may be underserved by cultural organizations. The
37 authority shall determine the amount of funding to be allocated to
38 support designated agency administrative costs. Funds distributed to

1 the designated entity under this section must be awarded to community-
2 based cultural organizations. Subject to the approval of the
3 authority, designated entities shall adopt:

4 (i) Guidelines, consistent with the requirements of this chapter,
5 it deems necessary or appropriate for determining the eligibility of
6 community-based organizations to receive funding under this chapter;

7 (ii) Criteria for the award of funds to eligible community-based
8 organizations, including the public benefits to be derived from
9 projects submitted for funding; and

10 (iii) Procedures for conducting, at least annually, a competitive
11 process for the award of available funding;

12 (f) Funds distributed to community-based organizations may be used
13 to support cultural and educational activities, programs, and
14 initiatives; public benefits and communications; and basic operations.
15 Funds may also be used for: (i) Capital expenditures or acquisitions
16 including, but not limited to, the acquisition of or construction of
17 improvements to real property; and (ii) technology, equipment, and
18 supplies reasonably related to or necessary for a project otherwise
19 eligible for funding under this chapter. Authority guidelines may also
20 determine the circumstances under which funds may be used to fund
21 start-up expenses of new community-based organizations;

22 (g) If the authority board or designated agency determine the
23 eligibility of a cultural organization to receive funding or the
24 relative magnitude of the funding it receives on the basis of its
25 budget, revenues, or expenses, any determination with respect to a
26 qualifying state-related cultural organization must exclude any state
27 funding received by the organization or for the institution it
28 supports.

29 (2) An authority with a service area population of more than one
30 million five hundred thousand established as provided in section
31 301(1)(a) of this act or an authority with an aggregate service area
32 population of more than two million five hundred thousand established
33 as provided in section 301(1)(b) of this act must allocate the proceeds
34 of the taxes authorized under section 403 of this act as follows:

35 (a) Until any start-up funding provided to the authority under
36 section 302 of this act has been fully repaid, the authority must
37 annually reserve from total funds available annually funding sufficient
38 to provide for repayment of such start-up funding;

1 (b)(i) After allocating any funds as required in (a) of this
2 subsection, up to one and one-fourth percent of total funds available
3 annually may be used for authority administrative costs and up to two
4 and three-fourths percent of total funds available annually may be used
5 for other projects of regional benefit to be undertaken within the
6 authority's service area;

7 (ii) The authority board shall establish eligibility guidelines,
8 criteria for the award of funding to support projects of regional
9 benefit, including identification and evaluation of the public benefits
10 to be derived from the projects, and a competitive allocation process
11 to be undertaken at least annually. The projects may include, without
12 limitation: Regional cultural public information and promotional
13 activities; support for new cultural organizations; and support for
14 specific projects or organizations working to expand access to cultural
15 activities by underserved populations. Regional organizations
16 receiving funding under this chapter are not eligible applicants for
17 funding under this section. However, regional organizations may
18 participate in broad-based, collaborative projects funded under this
19 section and may partner with a community-based organization in a
20 project for which the community-based organization is the applicant for
21 funding and plays the lead role in the project;

22 (c) After allocating funds as required in (a) and (b) of this
23 subsection, ten percent of remaining funds available annually must be
24 used to fund a public school cultural access program to be administered
25 by the authority.

26 (d) Seventy-five percent of total remaining funds available
27 annually excluding funds initially reserved under (a), (b), and (c) of
28 this subsection must be reserved for distribution by the authority
29 board to each regional organization that the authority board
30 determines, on an annual basis, to have met the following guidelines:

31 (i) For at least the preceding three years, the organization has
32 been continuously in good standing as a nonprofit corporation under the
33 laws of the state of Washington;

34 (ii) Has its principal location or locations and conducts the
35 majority of its activities within the authority service area primarily
36 for the benefit of authority residents;

37 (iii) Has not declared bankruptcy or suspended or substantially

1 curtailed operations for a period longer than six months during the
2 preceding three years;

3 (iv) Has provided to the authority audited annual financial
4 statements for at least its two most recent fiscal years;

5 (v) Over the three preceding years, has minimum average annual
6 revenues of at least one million two hundred fifty thousand dollars.
7 The authority board shall annually and cumulatively adjust the minimum
8 revenues by the annual percentage change in the consumer price index
9 for the prior year for the Seattle-Tacoma-Bellevue, Washington
10 metropolitan statistical area for all urban consumer, all goods, as
11 published by the United States department of labor, bureau of labor
12 statistics. The minimum revenues requirement, adjusted for inflation
13 as provided in this section, remains effective through the date on
14 which the initial tax authorized by the voters under section 402 or 403
15 of this act expires. Thereafter, the authority board must, at the
16 beginning of each subsequent period of funding as approved by the
17 voters, establish initial minimum average annual revenues of not less
18 than the amount of the minimum revenues required during the final year
19 of the immediately preceding period of funding;

20 (vi) For purposes of determining the eligibility of a cultural
21 organization to receive funding or the relative magnitude of the
22 funding it receives on the basis of its revenues, any determination
23 with respect to a qualifying state-related cultural organization must
24 exclude any state funding received by the organization or for the
25 institution it supports; and

26 (vii) Any additional guidelines, consistent with section 201 of
27 this act and this section, as it deems necessary or appropriate for
28 determining the eligibility of prospective regional organizations to
29 receive funding under this section and for establishing the amount of
30 funding any organization may receive;

31 (e) Funds available under (d) of this subsection must be
32 distributed among eligible regional organizations based on an annual
33 ranking of eligible organizations by the combined size of their average
34 annual revenues and their average annual attendance, both over the
35 three preceding years. However, an organization's attendance must have
36 twice the weight of the organization's revenues in determining its
37 relative ranking. Available funds must be distributed proportionally
38 among eligible organizations, consistent with the ranking, such that

1 the organization with the largest combined revenues and weighted
2 attendance would receive the most funding and the organization with the
3 smallest combined revenues and weighted attendance would receive the
4 least funding. However, no organization may receive funds in excess of
5 fifteen percent of its average annual revenues over the three preceding
6 years. Any funds available under (d) of this subsection not
7 distributed to regional organizations as a result of application of the
8 formula provided under this subsection (1)(e) must be allocated by the
9 authority board for distribution under (g) of this subsection;

10 (f) Funds distributed to regional organizations under (d) of this
11 subsection must be used to support cultural and educational activities,
12 programs and initiatives, public benefits and communications, and basic
13 operations. No funds distributed to regional organizations under (d)
14 of this subsection may be used for capital expenditures or acquisitions
15 including, but not limited to, the acquisition of or the construction
16 of improvements to real property;

17 (g) Remaining funds available annually, including funds not
18 initially reserved under (a) through (d) of this subsection as well as
19 funds not distributed by the authority from the reserved funds must be
20 distributed by the authority board to public agencies designated by the
21 legislative authorities of the participating counties, subject to the
22 following guidelines:

23 (i) With respect to an authority created by four contiguous
24 counties with an aggregate service area population of more than three
25 million, the agency designated by the legislative authority of the
26 largest of the participating counties by size of population shall
27 receive fifty percent of funds available under this subsection (1)(g);
28 the agencies designated by the legislative authorities of the next two
29 largest of the participating counties by size of population must each
30 receive twenty percent of funds available under this subsection (1)(g);
31 and the agency designated by the legislative authority of the smallest
32 of the participating counties by size of population must receive the
33 remaining ten percent of funds available;

34 (ii) With respect to an authority created by fewer than four
35 contiguous counties with an aggregate service area population of more
36 than two million five hundred thousand, funds must be distributed by
37 the authority board to public agencies designated by the legislative
38 authorities of the participating counties under a formula to be

1 determined by the authority board. In determining its formula for the
2 distribution of remaining funds among the designated public agencies,
3 the authority board shall consider factors such as the relative size of
4 the populations and the economies of the participating counties; the
5 number of regional organizations receiving funds under (d) of this
6 subsection in each participating county; and the extent to which
7 citizens or groups of citizens within each county may be underserved by
8 cultural organizations such that:

9 (A) The distribution formula for an authority comprised of three
10 contiguous counties including one county with a population in excess of
11 one million five hundred thousand, another county with a population in
12 excess of six hundred thousand, and one with a population of less than
13 three hundred thousand must provide that the agency designated by the
14 legislative authority of the largest county by population receives not
15 less than sixty percent of funds available; the next largest county by
16 population receives not less than twenty-five percent of funds
17 available; and the smallest county by population receives not less than
18 twelve percent of funds available;

19 (B) The distribution formula for an authority comprised of three
20 continuous counties including one county with a population in excess of
21 one million five hundred thousand and two other counties each with a
22 population in excess of six hundred thousand must provide that the
23 agency designated by the legislative authority of the largest county by
24 population receives not less than fifty-five percent of funds available
25 and each of the other two counties receive not less than twenty percent
26 of funds available; and

27 (C) The distribution formula for an authority comprised of two
28 contiguous counties including one county with a population in excess of
29 one million five hundred thousand and one county with a population in
30 excess of six hundred thousand shall provide that the agency designated
31 by the legislative authority of the larger county by population
32 receives not less than seventy-five percent of the funds available; and

33 (iii) The distribution formula for an authority comprised of two
34 contiguous counties including one county with a population in excess of
35 one million five hundred thousand and one county with a population of
36 less than three hundred thousand shall provide that the agency
37 designated by the legislative authority of the larger county by

1 population receives not less than eighty-five percent of funds
2 available;

3 (h) Funds distributed by the designated public agencies under (g)
4 of this subsection must be applied as follows:

5 (i) Not more than eight percent of such funds must be used for
6 administrative costs of the public agency designated by a participating
7 county; and

8 (ii) The balance must be used to fund community-based
9 organizations. Designated public agencies shall adopt:

10 (A) Guidelines, consistent with the requirements of this chapter,
11 it deems necessary or appropriate for determining the eligibility of
12 community-based organizations to receive funding under this chapter and
13 for establishing the amount of funding any organization may receive;

14 (B) Criteria for the award of funds to eligible community-based
15 organizations, including the public benefits to be derived from
16 projects submitted for funding; and

17 (C) Procedures for conducting, at least annually, a competitive
18 process for the award of available funding;

19 (i) Funds distributed to community-based organizations may be used
20 to support cultural and educational activities, programs, and
21 initiatives; public benefits and communications; and basic operations.
22 Funds may also be used for: (i) Capital expenditures or acquisitions
23 including, but not limited to, the acquisition of or construction of
24 improvements to real property; and (ii) technology, equipment, and
25 supplies reasonably related to or necessary for a project otherwise
26 eligible for funding under this chapter. Authority guidelines may also
27 determine the circumstances under which funds may be used to fund
28 start-up expenses of new community-based organizations.

29 **PART VII**

30 **MISCELLANEOUS**

31 **Sec. 701.** RCW 36.96.010 and 1999 c 153 s 50 are each amended to
32 read as follows:

33 ~~((As used in))~~ The definitions in this section apply throughout
34 this chapter~~((7))~~ unless the context requires otherwise~~((÷))~~.

35 (1) "Special purpose district" means every municipal and quasi-
36 municipal corporation other than counties, cities, and towns. Such

1 special purpose districts shall include, but are not limited to, water-
2 sewer districts, fire protection districts, port districts, public
3 utility districts, county park and recreation service areas, flood
4 control zone districts, diking districts, drainage improvement
5 districts, cultural access authorities, and solid waste collection
6 districts, but shall not include industrial development districts
7 created by port districts, and shall not include local improvement
8 districts, utility local improvement districts, and road improvement
9 districts;

10 (2) "Governing authority" means the commission, council, or other
11 body which directs the affairs of a special purpose district;

12 (3) "Inactive" means that a special purpose district, other than a
13 public utility district, is characterized by either of the following
14 criteria:

15 (a) Has not carried out any of the special purposes or functions
16 for which it was formed within the preceding consecutive five-year
17 period; or

18 (b) No election has been held for the purpose of electing a member
19 of the governing body within the preceding consecutive seven-year
20 period or, in those instances where members of the governing body are
21 appointed and not elected, where no member of the governing body has
22 been appointed within the preceding seven-year period.

23 A public utility district is inactive when it is characterized by
24 both criteria (a) and (b) of this subsection.

25 NEW SECTION. **Sec. 702.** APPLICABILITY OF PUBLIC LAWS. The
26 authority, its officers, and the board of directors, created under this
27 chapter, are subject to the general laws regulating local governments
28 and local governmental officials including, but not limited to, the
29 requirement to be audited by the state auditor and various accounting
30 requirements under chapter 43.09 RCW, the public records act
31 requirements under chapter 42.56 RCW, the prohibition against using its
32 facilities for campaign purposes under RCW 42.17.130, the open public
33 meetings law under chapter 42.30 RCW, the code of ethics for municipal
34 officers under chapter 42.23 RCW, and the local government
35 whistleblower law under chapter 42.41 RCW.

1 NEW SECTION. **Sec. 703.** No direct or collateral attack on any
2 authority purported to be authorized or created in conformance with
3 this chapter may be commenced more than thirty days after creation.

4 NEW SECTION. **Sec. 704.** Sections 101 through 311, 401, 405, 501,
5 502, 601, 702, and 703 of this act constitute a new chapter in Title 36
6 RCW.

7 NEW SECTION. **Sec. 705.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 706.** The provisions of this act shall be
12 liberally construed to effect the policies and purposes of this act.

--- END ---