

2 **SSB 5127 - H COMM AMD ADOPTED 4/13/95**
3 By Committee on Government Operations

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 36.100.010 and 1989 1st ex.s. c 8 s 1 are each
8 amended to read as follows:

9 (1) A public facilities district may be created in any county
10 (~~((with three hundred thousand or more population that is located more~~
11 ~~than one hundred miles from any county in which the state has~~
12 ~~constructed and owns a convention center. A public facilities~~
13 ~~district))~~ and shall be coextensive with the boundaries of the county.

14 (2) A public facilities district shall be created upon adoption of
15 a resolution providing for the creation of such a district by the
16 county legislative authority in which the proposed district is located
17 (~~((and the city council of the largest city within such county))~~).

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

22 (4) No taxes authorized under this chapter may be assessed or
23 levied unless a majority of the voters of the public facilities
24 district has validated the creation of the public facilities district
25 at a general or special election. A single ballot proposition may both
26 authorize the creation of a public facilities district and the
27 imposition of the sales and use tax under RCW 82.14.048 or both the
28 creation of a public facilities district and the imposition of the
29 excise tax under RCW 36.100.040.

30 (5) A public facilities district shall constitute a body corporate
31 and shall possess all the usual powers of a corporation for public
32 purposes as well as all other powers that may now or hereafter be
33 specifically conferred by statute, including, but not limited to, the
34 authority to hire employees, staff, and services, to enter into
35 contracts, and to sue and be sued.

1 **Sec. 2.** RCW 36.100.020 and 1989 1st ex.s. c 8 s 2 are each amended
2 to read as follows:

3 A public facilities district shall be governed by a board of
4 directors consisting of five or seven members as provided in this
5 section. If the largest city in the county has a population that is at
6 least forty percent of the total county population, the board of
7 directors of the public facilities district shall consist of five
8 members selected as follows: (1) Two members appointed by the county
9 legislative authority to serve for four-year staggered terms; (2) two
10 members appointed by the city council of the largest city in the county
11 to serve for four-year staggered terms; and (3) one person to serve for
12 a four-year term who is selected by the other directors. If the
13 largest city in the county has a population of less than forty percent
14 of the total county population, the county legislative authority shall
15 establish in the resolution creating the public facilities district
16 whether the board of directors of the public facilities district have
17 either five or seven members, and the county legislative authority
18 shall appoint the members of the board of directors to reflect the
19 interests of cities and towns in the county, as well as the
20 unincorporated area of the county.

21 At least one member on the board of directors shall be
22 representative of the lodging industry in the public facilities
23 district before the public facilities district imposes the excise tax
24 under RCW 36.100.040.

25 ~~((One of the initial members appointed by the county legislative~~
26 ~~authority shall have a term of office of two years and the other~~
27 ~~initial member appointed by the county legislative authority shall have~~
28 ~~a term of four years. One of the initial members appointed by the city~~
29 ~~council shall have a term of two years and the other initial member~~
30 ~~appointed by the city council shall have a term of four years.))~~
31 Members of the board of directors shall serve four-year terms of
32 office, except that two of the initial five board members or three of
33 the initial seven board members shall serve two-year terms of office.

34 **Sec. 3.** RCW 36.100.030 and 1989 1st ex.s. c 8 s 3 are each amended
35 to read as follows:

36 A public facilities district is authorized to acquire, construct,
37 own, remodel, maintain, equip, reequip, repair, and operate sports
38 ((and)) facilities, entertainment facilities, or convention facilities,

1 or any combination of such facilities, together with contiguous parking
2 facilities. The taxes that are provided for in this chapter may only
3 be imposed for these purposes.

4 A public facilities district may enter into agreements under
5 chapter 39.34 RCW for the joint provision and operation of such
6 facilities and may enter into contracts under chapter 39.34 RCW where
7 any party to the contract provides and operates such facilities for the
8 other party or parties to the contract.

9 A public facilities district may impose charges and fees for the
10 use of its facilities, and may accept and expend or use gifts, grants,
11 and donations. ~~((The taxes that are provided for in this chapter may
12 only be imposed for such purposes.))~~

13 **Sec. 4.** RCW 36.100.040 and 1989 1st ex.s. c 8 s 4 are each amended
14 to read as follows:

15 A public facilities district may impose an excise tax on the sale
16 of or charge made for the furnishing of lodging by a hotel, rooming
17 house, tourist court, motel, or trailer camp, and the granting of any
18 similar license to use real property, as distinguished from the renting
19 or leasing of real property, except that no such tax may be levied on
20 any premises having fewer than forty lodging units. However, if a
21 public facilities district has not imposed such an excise tax prior to
22 December 31, 1995, the public facilities district may only impose the
23 excise tax if a ballot proposition authorizing the imposition of the
24 tax has been approved by a simple majority vote of voters of the public
25 facilities district voting on the proposition.

26 The rate of the tax shall not exceed two percent and the proceeds
27 of the tax shall only be used for the acquisition, design, ~~((and))~~
28 construction, remodeling, maintenance, equipping, reequipping,
29 repairing, and operation of ~~((sports and entertainment))~~ its public
30 facilities. This excise tax shall not be imposed until the district
31 has approved the proposal to acquire, design, and construct the public
32 facilities.

33 A public facilities district may not impose the tax authorized in
34 this section if, after the tax authorized in this section was imposed,
35 the effective combined rate of state and local excise taxes, including
36 sales and use taxes and excise taxes on lodging, imposed on the sale of
37 or charge made for furnishing of lodging in any jurisdiction in the
38 public facilities district exceeds eleven and one-half percent.

1 **Sec. 5.** RCW 36.100.060 and 1989 1st ex.s. c 8 s 5 are each amended
2 to read as follows:

3 (1) To carry out the purpose of this chapter, a public facilities
4 district may issue general obligation bonds, not to exceed an amount,
5 together with any outstanding nonvoter approved general obligation
6 indebtedness, equal to three-eighths of one percent of the value of
7 taxable property within the district, as the term "value of taxable
8 property" is defined in RCW 39.36.015. A facilities district
9 additionally may issue general obligation bonds for capital purposes
10 only, together with any outstanding general obligation indebtedness,
11 not to exceed an amount equal to one and one-fourth percent of the
12 value of the taxable property within the district, as the term "value
13 of taxable property" is defined in RCW 39.36.015, when authorized by
14 the voters of the public facilities district pursuant to Article VIII,
15 section 6 of the state Constitution, and to provide for the retirement
16 thereof by excess property tax levies as provided in this chapter.

17 (2) General obligation bonds may be issued with a maturity of up to
18 thirty years, and shall be issued and sold in accordance with the
19 provisions of chapter 39.46 RCW.

20 (3) The general obligation bonds may be payable from the operating
21 revenues of the public facilities district in addition to the tax
22 receipts of the district.

23 (4) The excise tax imposed pursuant to RCW 36.100.040 shall
24 terminate upon final payment of all bonded indebtedness for (~~the~~
25 ~~sports and entertainment facility~~) its public facilities.

26 **Sec. 6.** RCW 82.14.048 and 1991 c 207 s 1 are each amended to read
27 as follows:

28 The governing board of a public facilities district under chapter
29 36.100 RCW may submit an authorizing proposition to the voters of the
30 district, and if the proposition is approved by a majority of persons
31 voting, fix and impose a sales and use tax in accordance with the terms
32 of this chapter.

33 The tax authorized in this section shall be in addition to any
34 other taxes authorized by law and shall be collected from those persons
35 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
36 the occurrence of any taxable event within the public facilities
37 district. The rate of tax shall equal one-tenth of one percent of the
38 selling price in the case of a sales tax, or value of the article used,

1 in the case of a use tax.

2 Moneys received from any tax imposed under this section shall be
3 used for the purpose of providing funds for the costs associated with
4 the financing, design, acquisition, construction, equipping, operating,
5 maintaining, remodeling, repairing, and reequipping of (~~sports or~~
6 ~~entertainment~~) its public facilities (~~and contiguous parking~~)).

7 NEW SECTION. **Sec. 7.** The treasurer of the county in which a
8 public facilities district is located shall be the ex officio treasurer
9 of the district.

10 NEW SECTION. **Sec. 8.** The board of directors of the public
11 facilities district shall adopt a resolution that may be amended from
12 time to time that shall establish the basic requirements governing
13 methods and amounts of reimbursement payable to such district officials
14 and employees for travel and other business expenses incurred on behalf
15 of the district. The resolution shall, among other things, establish
16 procedures for approving such expenses; the form of the travel and
17 expense voucher; and requirements governing the use of credit cards
18 issued in the name of the district. The resolution may also establish
19 procedures for payment of per diem to board members. The state auditor
20 shall, as provided by general law, cooperate with the public facilities
21 district in establishing adequate procedures for regulating and
22 auditing the reimbursement of all such expenses.

23 NEW SECTION. **Sec. 9.** The board of directors of the public
24 facilities district may authorize payment of actual and necessary
25 expenses of officers and employees for lodging, meals, and travel-
26 related costs incurred in attending meetings or conferences on behalf
27 of the public facilities district and strictly in the public interest
28 and for public purposes. Officers and employees may be advanced
29 sufficient sums to cover their anticipated expenses in accordance with
30 rules adopted by the state auditor, which shall substantially conform
31 to the procedures provided in RCW 43.03.150 through 43.03.210.

32 NEW SECTION. **Sec. 10.** Each member of the board of directors of
33 the public facilities district may receive compensation of fifty
34 dollars per day for attending meetings or conferences on behalf of the
35 district, not to exceed three thousand dollars per year. A director

1 may waive all or a portion of his or her compensation under this
2 section as to a month or months during his or her term of office, by a
3 written waiver filed with the public facilities district. The
4 compensation provided in this section is in addition to reimbursement
5 for expenses paid to the directors by the public facilities district.

6 NEW SECTION. **Sec. 11.** The board of directors of the public
7 facilities district may purchase liability insurance with such limits
8 as the directors may deem reasonable for the purpose of protecting and
9 holding personally harmless district officers and employees against
10 liability for personal or bodily injuries and property damage arising
11 from their acts or omissions while performing or in good faith
12 purporting to perform their official duties.

13 NEW SECTION. **Sec. 12.** Whenever an action, claim, or proceeding is
14 instituted against a person who is or was an officer or employee of the
15 public facilities district arising out of the performance of duties for
16 or employment with the district, the public facilities district may
17 grant a request by the person that the attorney of the district's
18 choosing be authorized to defend the claim, suit, or proceeding, and
19 the costs of defense, attorneys' fees, and obligation for payments
20 arising from the action may be paid from the district's funds. Costs
21 of defense or judgment or settlement against the person shall not be
22 paid in a case where the court has found that the person was not acting
23 in good faith or within the scope of employment with or duties for the
24 public facilities district.

25 NEW SECTION. **Sec. 13.** The board of directors of the public
26 facilities district shall have authority to authorize the expenditure
27 of funds for the public purposes of preparing and distributing
28 information to the general public and promoting, advertising,
29 improving, developing, operating, and maintaining facilities of the
30 district. Nothing contained in this section may be construed to
31 authorize preparation and distribution of information to the general
32 public for the purpose of influencing the outcome of a district
33 election.

34 NEW SECTION. **Sec. 14.** The public facilities district shall have
35 authority to create and fill positions, fix wages, salaries, and bonds

1 therefor, pay costs involved in securing or arranging to secure
2 employees, and establish benefits for employees, including holiday pay,
3 vacations or vacation pay, retirement benefits, medical, life,
4 accident, or health disability insurance, as approved by the board.
5 Public facilities district board members, at their own expense, shall
6 be entitled to medical, life, accident, or health disability insurance.
7 Insurance for employees and board members shall not be considered
8 compensation. District coverage for the board is not to exceed that
9 provided public facilities district employees.

10 NEW SECTION. **Sec. 15.** The public facilities district may secure
11 services by means of an agreement with a service provider. The public
12 facilities district shall publish notice, establish criteria, receive
13 and evaluate proposals, and negotiate with respondents under
14 requirements set forth by district resolution.

15 NEW SECTION. **Sec. 16.** In addition to provisions contained in
16 chapter 39.04 RCW, the public facilities district is authorized to
17 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all
18 purchases, contracts for purchase, and sales.

19 NEW SECTION. **Sec. 17.** (1) A public facilities district may issue
20 revenue bonds to fund revenue generating facilities, or portions of
21 facilities, which it is authorized to provide or operate. Whenever
22 revenue bonds are to be issued, the board of directors of the district
23 shall create or have created a special fund or funds from which, along
24 with any reserves created pursuant to RCW 39.44.140, the principal and
25 interest on such revenue bonds shall exclusively be payable. The board
26 may obligate the district to set aside and pay into the special fund or
27 funds a fixed proportion or a fixed amount of the revenues from the
28 public improvements, projects, or facilities, and all related
29 additions, that are funded by the revenue bonds. This amount or
30 proportion shall be a lien and charge against these revenues, subject
31 only to operating and maintenance expenses. The board shall have due
32 regard for the cost of operation and maintenance of the public
33 improvements, projects, or facilities, or additions, that are funded by
34 the revenue bonds, and shall not set aside into the special fund or
35 funds a greater amount or proportion of the revenues that in its
36 judgment will be available over and above the cost of maintenance and

1 operation and the amount or proportion, if any, of the revenue so
2 previously pledged. The board may also provide that revenue bonds
3 payable out of the same source or sources of revenue may later be
4 issued on a parity with any revenue bonds being issued and sold.

5 (2) Revenue bonds issued pursuant to this section shall not be an
6 indebtedness of the district issuing the bonds, and the interest and
7 principal on the bonds shall only be payable from the revenues lawfully
8 pledged to meet the principal and interest requirements and any
9 reserves created pursuant to RCW 39.44.140. The owner or bearer of a
10 revenue bond or any interest coupon issued pursuant to this section
11 shall not have any claim against the district arising from the bond or
12 coupon except for payment from the revenues lawfully pledged to meet
13 the principal and interest requirements and any reserves created
14 pursuant to RCW 39.44.140. The substance of the limitations included
15 in this subsection shall be plainly printed, written, or engraved on
16 each bond issued pursuant to this section.

17 (3) Revenue bonds with a maturity in excess of thirty years shall
18 not be issued. The board of directors of the district shall by
19 resolution determine for each revenue bond issue the amount, date,
20 form, terms, conditions, denominations, maximum fixed or variable
21 interest rate or rates, maturity or maturities, redemption rights,
22 registration privileges, manner of execution, manner of sale, callable
23 provisions, if any, and covenants including the refunding of existing
24 revenue bonds. Facsimile signatures may be used on the bonds and any
25 coupons. Refunding revenue bonds may be issued in the same manner as
26 revenue bonds are issued.

27 NEW SECTION. **Sec. 18.** Sections 7 through 17 of this act are each
28 added to chapter 36.100 RCW.

29 NEW SECTION. **Sec. 19.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected."

--- END ---