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**SUBSTITUTE SENATE BILL 5296**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** Senate Government Operations & Elections (originally sponsored by Senators Delvin and Hewitt)

READ FIRST TIME 02/19/09.

1       AN ACT Relating to the authority of towns, cities, and counties to  
2 form public facilities districts for recreational facilities when one  
3 or more of the towns, cities, or counties have previously formed public  
4 facility districts; amending RCW 35.57.010 and 82.14.048; and  
5 reenacting and amending RCW 35.57.020.

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

7       **Sec. 1.** RCW 35.57.010 and 2007 c 486 s 1 are each amended to read  
8 as follows:

9       (1)(a) The legislative authority of any town or city located in a  
10 county with a population of less than one million may create a public  
11 facilities district.

12       (b) The legislative authorities of any contiguous group of towns or  
13 cities located in a county or counties each with a population of less  
14 than one million may enter an agreement under chapter 39.34 RCW for the  
15 creation and joint operation of a public facilities district.

16       (c) The legislative authority of any town or city, or any  
17 contiguous group of towns or cities, located in a county with a  
18 population of less than one million and the legislative authority of a  
19 contiguous county, or the legislative authority of the county or

1 counties in which the towns or cities are located, may enter into an  
2 agreement under chapter 39.34 RCW for the creation and joint operation  
3 of a public facilities district.

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

9 (e) The legislative authorities of any contiguous group of towns or  
10 cities all with a population of at least forty thousand and bordering  
11 the Columbia river, may enter into an agreement under chapter 39.34 RCW  
12 for the creation and operation of a public facilities district  
13 notwithstanding the fact that one or more of those towns or cities  
14 previously have formed one or more public facilities districts within  
15 the geographic boundaries of the additional public facilities district.  
16 Those existing districts may continue their full corporate existence  
17 and activities notwithstanding the creation and existence of the  
18 additional district within all or part of the same geographic area.

19 (2)(a) A public facilities district shall be coextensive with the  
20 boundaries of the city or town or contiguous group of cities or towns  
21 that created the district.

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

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

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

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

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

1 not limited to, the local chamber of commerce, the local economic  
2 development council, the local labor council, and a neighborhood  
3 organization that is directly affected by the location of the regional  
4 center in their area. The members of the board of directors shall be  
5 appointed in accordance with the terms of the agreement under chapter  
6 39.34 RCW for the joint operation of the district and shall serve four-  
7 year terms. Of the initial members, one must be appointed for a one-  
8 year term, one must be appointed for a two-year term, one must be  
9 appointed for a three-year term, and the remainder must be appointed  
10 for four-year terms.

11 (d) A public facilities district created under subsection (1)(e) of  
12 this section may provide in the agreement providing for its creation  
13 and operation, that the district must be governed by a board of  
14 directors appointed under (b) or (c) of this subsection, or by a board  
15 of directors of not more than nine members who are also members of the  
16 legislative authorities or governing boards of the governmental  
17 entities creating that public facilities district or the public  
18 facilities districts, or both, previously formed by those governmental  
19 entities.

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

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

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

36 **Sec. 2.** RCW 35.57.020 and 2002 c 363 s 2 and 2002 c 218 s 25 are  
37 each reenacted and amended to read as follows:

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

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

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

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

32 (5) Notwithstanding the establishment of a career, civil, or merit  
33 service system, a public facilities district may contract with a public  
34 or private entity for the operation or management of its public  
35 facilities.

36 (6) A public facilities district is authorized to use the  
37 supplemental alternative public works contracting procedures set forth

1 in chapter 39.10 RCW in connection with the design, construction,  
2 reconstruction, remodel, or alteration of any regional center.

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

10 **Sec. 3.** RCW 82.14.048 and 2008 c 86 s 103 are each amended to read  
11 as follows:

12 (1) The governing board of a public facilities district under  
13 chapter 36.100 or 35.57 RCW may submit an authorizing proposition to  
14 the voters of the district, and if the proposition is approved by a  
15 majority of persons voting, impose a sales and use tax in accordance  
16 with the terms of this chapter.

17 (2) The tax authorized in this section shall be in addition to any  
18 other taxes authorized by law and shall be collected from those persons  
19 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
20 the occurrence of any taxable event within the public facilities  
21 district. The rate of tax shall not exceed two-tenths of one percent  
22 of the selling price in the case of a sales tax, or value of the  
23 article used, in the case of a use tax. A public facilities district  
24 formed under RCW 35.57.010(1)(e) may not impose the tax authorized  
25 under this subsection at a rate that exceeds two-tenths of one percent  
26 minus the rate of the highest tax authorized by this subsection that is  
27 imposed by any other public facilities district within its boundaries.  
28 If a public facilities district formed under RCW 35.57.010(1)(e) has  
29 imposed a tax under this subsection and issued or incurred obligations  
30 pledging that tax, so long as those obligations are outstanding no  
31 other public facilities district within its boundaries may thereafter  
32 impose a tax under this subsection at a rate that would reduce the rate  
33 of the tax that was pledged to the repayment of those obligations.

34 (3) Moneys received from any tax imposed under the authority of  
35 this section shall be used for the purpose of providing funds for the  
36 costs associated with the financing, design, acquisition, construction,

1 equipping, operating, maintaining, remodeling, repairing, and  
2 reequipping of its public facilities.

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