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**SUBSTITUTE HOUSE BILL 1574**

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**State of Washington                      62nd Legislature                      2011 Regular Session**

**By** House Ways & Means (originally sponsored by Representatives Ormsby, Crouse, Billig, Parker, Roberts, Liias, and Sullivan)

READ FIRST TIME 02/25/11.

1            AN ACT Relating to extending the public facility district sales and  
2 use tax for certain regional centers; and amending RCW 82.14.390.

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

4            **Sec. 1.** RCW 82.14.390 and 2008 c 48 s 1 are each amended to read  
5 as follows:

6            (1) Except as provided in subsection (7) of this section, the  
7 governing body of a public facilities district (a) created before July  
8 31, 2002, under chapter 35.57 or 36.100 RCW (~~that commences~~  
9 ~~construction of a new regional center, or improvement or rehabilitation~~  
10 ~~of an existing new regional center, before January 1, 2004)); (b)~~  
11 created before July 1, 2006, under chapter 35.57 RCW in a county or  
12 counties in which there are no other public facilities districts on  
13 June 7, 2006, and in which the total population in the public  
14 facilities district is greater than ninety thousand (~~that commences~~  
15 ~~construction of a new regional center before February 1, 2007)); (c)~~  
16 created under the authority of RCW 35.57.010(1)(d); or (d) created  
17 before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a  
18 county or counties in which there are no other public facilities  
19 districts on July 22, 2007, and in which the total population in the

1 public facilities district is greater than seventy thousand(~~(, that~~  
2 ~~commences construction of a new regional center before January 1, 2009,~~  
3 ~~or before January 1, 2011))~~), in the case of a new regional center in a  
4 county designated by the president as a disaster area in December 2007,  
5 may impose a sales and use tax in accordance with the terms of this  
6 chapter. The tax is in addition to other taxes authorized by law and  
7 shall be collected from those persons who are taxable by the state  
8 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
9 event within the public facilities district. Except as provided in  
10 subsection (4) of this section, the rate of tax (~~(shall)~~) may not  
11 exceed 0.033 percent of the selling price in the case of a sales tax or  
12 value of the article used in the case of a use tax.

13 (2)(a) The governing body of a public facilities district imposing  
14 a sales and use tax under the authority of this section may increase  
15 the rate of tax up to 0.037 percent, except as provided in subsection  
16 (4) of this section, if, within three fiscal years of July 1, 2008, the  
17 department determines that, as a result of RCW 82.14.490 and the  
18 chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public  
19 facilities district's sales and use tax collections for fiscal years  
20 after July 1, 2008, have been reduced by a net loss of at least 0.50  
21 percent from the fiscal year before July 1, 2008. The fiscal year in  
22 which this section becomes effective is the first fiscal year after  
23 July 1, 2008.

24 (b) The department (~~(shall)~~) must determine sales and use tax  
25 collection net losses under this section as provided in RCW 82.14.500  
26 (2) and (3). The department shall provide written notice of its  
27 determinations to public facilities districts. Determinations by the  
28 department of a public facilities district's sales and use tax  
29 collection net losses as a result of RCW 82.14.490 and the chapter 6,  
30 Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

31 (c) A public facilities district may increase its rate of tax after  
32 it has received written notice from the department as provided in (b)  
33 of this subsection. The increase in the rate of tax must be made in  
34 0.001 percent increments and must be the least amount necessary to  
35 mitigate the net loss in sales and use tax collections as a result of  
36 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
37 82.14.020. The increase in the rate of tax is subject to RCW  
38 82.14.055.

1 (3) The tax imposed under subsection (1) of this section (~~shall~~)  
2 must be deducted from the amount of tax otherwise required to be  
3 collected or paid over to the department of revenue under chapter 82.08  
4 or 82.12 RCW. The department of revenue (~~shall~~) must perform the  
5 collection of such taxes on behalf of the county at no cost to the  
6 public facilities district.

7 (4) No tax may be collected under this section before August 1,  
8 2000. The tax imposed in this section (~~shall~~) expires when the bonds  
9 issued for the construction, improvement, rehabilitation, or expansion  
10 of the regional center and related parking facilities are retired, but  
11 not more than (~~twenty~~) thirty-five years after the tax is first  
12 collected. If a public facilities district imposes a tax beyond twenty  
13 years, the rate of tax may not exceed 0.0165 percent, or 0.0185 percent  
14 in the case of the rate authorized under subsection (2)(a) of this  
15 section.

16 (5) Moneys collected under this section (~~shall~~) may only be used  
17 for the purposes set forth in RCW 35.57.020 and must be matched with an  
18 amount from other public or private sources equal to thirty-three  
19 percent of the amount collected under this section, provided that  
20 amounts generated from nonvoter approved taxes authorized under chapter  
21 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100  
22 RCW shall not constitute a public or private source. For the purpose  
23 of this section, public or private sources includes, but is not limited  
24 to, cash or in-kind contributions used in all phases of the development  
25 or improvement of the regional center, land that is donated and used  
26 for the siting of the regional center, cash or in-kind contributions  
27 from public or private foundations, or amounts attributed to private  
28 sector partners as part of a public and private partnership agreement  
29 negotiated by the public facilities district.

30 (6) The combined total tax levied under this section (~~shall~~) may  
31 not be greater than 0.037 percent. If both a public facilities  
32 district created under chapter 35.57 RCW and a public facilities  
33 district created under chapter 36.100 RCW impose a tax under this  
34 section, the tax imposed by a public facilities district created under  
35 chapter 35.57 RCW (~~shall~~) must be credited against the tax imposed by  
36 a public facilities district created under chapter 36.100 RCW.

37 (7) A public facilities district created under chapter 36.100 RCW

1 is not eligible to impose the tax under this section if the legislative  
2 authority of the county where the public facilities district is located  
3 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

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