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**SUBSTITUTE HOUSE BILL 2458**

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**State of Washington                      62nd Legislature                      2012 Regular Session**

**By** House Ways & Means (originally sponsored by Representatives Armstrong, Ross, and Johnson)

READ FIRST TIME 02/07/12.

1            AN ACT Relating to the existing authority to impose a sales and use  
2 tax for public facilities districts by providing flexibility in the  
3 submittal of the sales and use tax to voters by distressed public  
4 facilities districts; amending RCW 82.14.048; and declaring an  
5 emergency.

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

7            **Sec. 1.** RCW 82.14.048 and 2009 c 533 s 3 are each amended to read  
8 as follows:

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

14            (b) The legislative authority of any city entering into an  
15 interlocal agreement under chapter 39.34 RCW to form a public  
16 facilities district under chapter 35.57 RCW that qualifies as a  
17 distressed public facilities district may submit an authorizing  
18 proposition to the voters of the city and, if the proposition is  
19 approved by a majority of the persons voting, impose a sales and use

1 tax in accordance with the requirements of this section. To impose the  
2 tax authorized under this subsection (1)(b), the legislative body of  
3 the city must submit the authorizing proposition to the voters by July  
4 1, 2013. The tax authorized under this subsection (1)(b) expires on  
5 December 31st of the year in which all outstanding indebtedness of the  
6 distressed public facilities district has been paid or legally  
7 defeased.

8 (2) The ~~((tax))~~ taxes authorized in this section ~~((shall be))~~ are  
9 in addition to any other taxes authorized by law and shall be collected  
10 from those persons who are taxable by the state under chapters 82.08  
11 and 82.12 RCW upon the occurrence of any taxable event within the  
12 public facilities district. The rate of tax shall not exceed two-  
13 tenths of one percent of the selling price in the case of a sales tax,  
14 or value of the article used, in the case of a use tax. A public  
15 facilities district formed under RCW 35.57.010(1)(e) may not impose the  
16 tax authorized under this subsection at a rate that exceeds two-tenths  
17 of one percent minus the rate of the highest tax authorized by this  
18 subsection that is imposed by any other public facilities district  
19 within its boundaries. If a public facilities district formed under  
20 RCW 35.57.010(1)(e) has imposed a tax under this subsection and issued  
21 or incurred obligations pledging that tax, so long as those obligations  
22 are outstanding no other public facilities district within its  
23 boundaries may thereafter impose a tax under this subsection at a rate  
24 that would reduce the rate of the tax that was pledged to the repayment  
25 of those obligations. A public facilities district that imposes a tax  
26 under this subsection is responsible for the payment of any costs  
27 incurred for the purpose of administering the provisions of this  
28 subsection, RCW 35.57.010(1)(e), and 35.57.020(1)(b), including any  
29 administrative costs associated with the imposition of a tax under this  
30 subsection incurred by either the department of revenue or local  
31 government, or both.

32 (3)(a) Moneys received from ~~((any))~~ a tax imposed under ~~((the~~  
33 ~~authority))~~ subsection (1)(a) of this section ~~((shall))~~ must be used  
34 for the purpose of providing funds for the costs associated with the  
35 financing, design, acquisition, construction, equipping, operating,  
36 maintaining, remodeling, repairing, and reequipping of its public  
37 facilities.

1       (b) A tax imposed under subsection (1)(b) of this section must be  
2 used only for the purpose of providing financial support to a  
3 distressed public facilities district.

4       (4) The definitions in this subsection apply to this section.

5       (a) "Distressed public facilities district" means a public  
6 facilities district under chapter 35.57 RCW that has defaulted due to  
7 an inability to pay indebtedness on or before June 30, 2012.

8       (b) "Outstanding indebtedness" means indebtedness issued on or  
9 before January 1, 2014.

10       NEW SECTION. Sec. 2. This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 immediately.

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