

---

SENATE BILL 6151

---

State of Washington                      63rd Legislature                      2014 Regular Session

By Senators Hill, Fraser, Litzow, Kohl-Welles, Angel, Nelson, Chase, Pedersen, and Frockt

Read first time 01/16/14. Referred to Committee on Ways & Means.

1            AN ACT Relating to access to and economic development of cultural  
2 and heritage programs and facilities and authorizing the creation of  
3 cultural access authorities; amending RCW 84.52.010, 84.52.010, and  
4 36.96.010; adding a new section to chapter 82.14 RCW; adding a new  
5 section to chapter 84.52 RCW; adding a new chapter to Title 36 RCW;  
6 creating a new section; providing an effective date; and providing an  
7 expiration date.

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

9    **PART I**

10     **INTENT**

11            NEW SECTION.   **Sec. 101.** INTENT. (1) The legislature finds that:  
12            (a) The cultural organizations of the state provide numerous public  
13 benefits. Providing support for the state's cultural organizations is  
14 in the public interest and will serve multiple public purposes  
15 including, among others, enhancing and extending the educational reach  
16 and offerings of cultural organizations; ensuring continued and  
17 expanded access to the facilities and programs of cultural  
18 organizations by economically and geographically underserved

1 populations; and providing financial stability to the organizations to  
2 enable them to focus on core missions as well as to continue and extend  
3 the numerous public benefits they provide.

4 (b) Economic impact studies consistently confirm that cultural  
5 institutions represent a multibillion dollar segment of the state's  
6 overall economy and are directly responsible for tens of thousands of  
7 jobs.

8 (2) The purpose of this chapter is to authorize the cultural access  
9 program, under which cultural access authorities authorize funding for  
10 public school cultural access programs and support cultural  
11 organizations, subject to voter approval.

12 **PART II**  
13 **DEFINITIONS**

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

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

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

26 (3) "Authority" means a cultural access authority under the  
27 cultural access program.

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

29 (5) "Cultural organization" means a nonprofit corporation  
30 incorporated under the laws of the state of Washington and recognized  
31 by the internal revenue service as described in section 501(c)(3) of  
32 the internal revenue code of 1986, as amended, with its principal  
33 location or locations and conducting a majority of its activities  
34 within the state, not including: Any agency of the state or any of its  
35 political subdivisions; any municipal corporation; any organization  
36 that raises funds for redistribution to multiple cultural

1 organizations; or any radio or television broadcasting network or  
2 station, cable communications system, internet-based communications  
3 venture or service, newspaper, or magazine. The primary purpose of the  
4 organization must be the advancement and preservation of science or  
5 technology, the visual or performing arts, zoology, botany,  
6 anthropology, heritage, or natural history and any organization shall  
7 directly provide programming or experiences available to the general  
8 public. Any organization with the primary purpose of advancing and  
9 preserving zoology such as zoos and aquariums must be or support a  
10 facility that is accredited by the association of zoos and aquariums or  
11 its functional successor. A state-related cultural organization may be  
12 a cultural organization.

13 (6) "Designated entity" means the entity designated by the  
14 legislative authority of a county creating the authority, as required  
15 under section 601(1)(d) of this act. The entity may be a public  
16 agency, including the state arts commission established under chapter  
17 43.46 RCW, or a Washington nonprofit corporation that is not a cultural  
18 organization eligible for funding under this chapter.

19 (7) "Designated public agency" means the public agency designated  
20 by the legislative authority of a county creating the authority, as  
21 required under section 601(2)(h) of this act.

22 (8) "Revenues" means revenues from all sources generated by a  
23 cultural organization, consistent with generally accepted accounting  
24 practices and any authority guidelines, excluding: (a) Revenues  
25 associated with capital projects other than major maintenance projects  
26 including, but not limited to, capital campaign expenses; (b) funds  
27 provided under this chapter; (c) revenue that would be considered  
28 unrelated business taxable income under the internal revenue code of  
29 1986, as amended; and (d) with respect to a state-related cultural  
30 organization, state funding received by it or for the institution it  
31 supports. Revenues include transfers from an organization's endowment  
32 or reserves and may include the value of in-kind goods and services to  
33 the extent permitted under any authority guidelines.

34 (9) "Service area" means the area included within the boundaries of  
35 a cultural access authority.

36 (10) "State-related cultural organization" means an organization  
37 incorporated as a nonprofit corporation under the laws of the state of  
38 Washington and recognized by the internal revenue service as described

1 in section 501(c)(3) of the internal revenue code of 1986, as amended,  
2 with a primary purpose and directly providing programming or  
3 experiences available to the general public consistent with the  
4 requirements for recognition as a cultural organization under this  
5 chapter operating in a facility owned and supported by the state, a  
6 state agency, or state educational institution.

7 **PART III**  
8 **CULTURAL ACCESS PROGRAM**

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

11 (2) The boundaries of an authority service area may be coextensive  
12 with the boundaries of the county that created the authority, including  
13 incorporated areas, or, in the discretion of the county that created  
14 the authority, encompass only portions of such county, as determined by  
15 such county.

16 (3) A cultural access authority is not a special purpose district  
17 for purposes of chapter 36.93 RCW. Neither the creation of a cultural  
18 access authority by a county nor the establishment of or change in the  
19 boundaries of a cultural access authority is subject to review by a  
20 boundary review board.

21 (4)(a) An authority created by a county with a population less than  
22 one million five hundred thousand must be governed by either a three-  
23 member or a five-member authority board appointed by the county  
24 legislative authority.

25 (b) An authority created by a county with a population of more than  
26 one million five hundred thousand must be governed by a five-member  
27 authority board consisting of three members appointed by the  
28 legislative authority of the county; and one member appointed by the  
29 legislative authority of each of the two largest cities by population  
30 as of formation of the authority. The members of the authority board  
31 shall serve four-year terms. Of the initial members, one must be  
32 appointed for a one-year initial term, one must be appointed for a two-  
33 year initial term, one must be appointed for a three-year initial term,  
34 and the remainder must be appointed for four-year terms.

35 (c)(i) Authority board members may not be members of the

1 legislative authority of a county creating the authority or of any city  
2 or town located in such county.

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

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

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

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

18 (5) Any contiguous group of counties may create an authority by  
19 entering into an interlocal agreement under chapter 39.34 RCW, approved  
20 by resolution of the county legislative authorities. Such interlocal  
21 agreement shall provide for the composition of such an authority's  
22 board, the manner in which authority board members are appointed, and  
23 such other governance matters as the counties forming such an authority  
24 may determine. In all other respects, an authority formed by a  
25 contiguous group of counties under such an interlocal agreement  
26 constitutes an authority established or created under this chapter.

27 (6) An authority is a municipal corporation, a political  
28 subdivision, an independent taxing authority, and a taxing district.

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

32 (8) An authority board must adopt ethics policies consistent with  
33 applicable law and generally recognized best practices for comparable  
34 entities addressing disclosure and management of potential conflicts of  
35 interest, among other matters. The policies must apply to authority  
36 board members, officers, and employees.

1           NEW SECTION.       **Sec. 302.**       START-UP FUNDING AND CONDITIONAL  
2 FORMATION. (1) The county creating an authority may provide for such  
3 county to advance to the authority funding for up to four years for its  
4 administrative costs, including the cost of informing the public about  
5 the formation of the authority, how it is proposed to be funded, and  
6 the public benefits to be realized if it is successful. However, this  
7 subsection does not authorize the preparation and distribution of  
8 information to the general public for the purpose of influencing the  
9 outcome of an authority election.

10           (2) The county creating an authority must require repayment of any  
11 start-up funding advanced to an authority from the proceeds of taxes  
12 authorized under sections 401 through 403 of this act and approved by  
13 voters after the taxes are first collected. The funds must be repaid  
14 to such county with interest at the internal rate of return on the  
15 invested funds of such county.

16           (3)(a) An authority must be dissolved four years after its  
17 formation unless it has secured voter approval of one of the taxes  
18 authorized under sections 401 through 403 of this act. Upon  
19 dissolution of an authority after three years without securing voter  
20 approval of a proposed tax, an authority may not again be formed under  
21 this chapter by the same county for three years following the  
22 dissolution of a predecessor.

23           (b) A county that created a dissolved authority may form another  
24 authority under this chapter without delay if the boundaries of the  
25 service area of the new authority differ from the boundaries of the  
26 service area of the dissolved authority.

27           (c) Any expended funds of the county creating the authority  
28 advanced to an authority that is dissolved as provided under this  
29 section need not be repaid to such county. Any remaining funds on hand  
30 upon dissolution must be returned to such county.

31           NEW SECTION.       **Sec. 303.**       NONSUPPLANTATION.       In creating an  
32 authority under this chapter or appointing members of the board of the  
33 authority, any county creating the authority or city appointing board  
34 members shall affirm that any funding such county or city usually and  
35 customarily provides to cultural organizations similar to funding that  
36 would be available to those organizations under this chapter may not be

1 replaced or materially diminished as a result of funding becoming  
2 available under this chapter.

3 NEW SECTION. **Sec. 304.** ADVISORY COUNCILS. Each authority  
4 established under this chapter may establish an advisory council, the  
5 membership of which must include citizen representatives of  
6 constituencies and organizations with interests relevant to the work of  
7 the authority including, but not limited to, leaders in the business,  
8 educational, and cultural communities. Advisory council members should  
9 be residents of the service area of the authority. Policies concerning  
10 the size and operation of any advisory council must be established by  
11 the authority that forms the council.

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

- 15 (1) Maintain an office or offices;
- 16 (2) Sue and be sued in its own name, and plead and be impleaded;
- 17 (3) Engage consultants, agents, attorneys, and advisers, contract  
18 with state and local governmental entities for services, and hire as  
19 provided in sections 309 and 310 of this act such employees, agents,  
20 and other personnel as the authority deems necessary, useful, or  
21 convenient to accomplish its purposes;
- 22 (4) Establish procurement policies by resolution, including  
23 procedures for competitive procurement of services when required under  
24 its established policies;
- 25 (5) Make and execute all manner of contracts, agreements, and  
26 documents with public and private parties as the authority deems  
27 necessary, useful, or convenient to accomplish its purposes;
- 28 (6) Acquire and hold real or personal property, or any interest  
29 therein, in the name of the authority, and sell, assign, lease,  
30 encumber, mortgage, or otherwise dispose of the same in the manner as  
31 the authority deems necessary, useful, or convenient to accomplish its  
32 purposes. Any county legislative authority may transfer property, with  
33 or without consideration, to an authority created under this chapter;
- 34 (7) Open and maintain accounts in qualified public depositories and  
35 otherwise provide for the investment of any funds not required for  
36 immediate disbursement, and provide for the selection of investments;

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

3 (9) Procure insurance in amounts and from insurers as the authority  
4 deems desirable including, but not limited to, insurance against any  
5 loss or damage to its property or other assets, public liability  
6 insurance for injuries to persons or property, and liability insurance  
7 with limits an authority board deems reasonable for the purpose of  
8 protecting and holding personally harmless board members, officers, and  
9 employees of the authority against liability arising from their acts or  
10 omissions while performing or in good faith purporting to perform their  
11 official duties;

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

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

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

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

28 (14) Conduct meetings at which members participating through the  
29 use of any means of communication by which all board members  
30 participating can hear each other during the meeting are deemed to be  
31 present in person at the meeting for all purposes;

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

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

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



1        NEW SECTION.    **Sec. 306.**    EXPENSE REIMBURSEMENT PROCEDURES.    The  
2 authority board shall adopt a resolution that may be amended from time  
3 to time governing methods and amounts of reimbursement payable to board  
4 members, officers, and employees for travel and other business expenses  
5 incurred on behalf of the authority.    The resolution must, among other  
6 things, establish procedures for approving expenses, the form of travel  
7 and expense vouchers, and requirements governing the use of credit  
8 cards issued in the name of the authority.    Board members, officers,  
9 and employees may be advanced sufficient sums to cover their  
10 anticipated expenses in accordance with rules adopted by the state  
11 auditor.

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

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

1           NEW SECTION.   **Sec. 309.**   EMPLOYEES, SALARIES, AND BENEFITS.   An  
2 authority may create and fill positions; fix reasonable wages and  
3 salaries; pay costs involved in hiring employees; and establish  
4 reasonable benefits for employees, including holiday pay, vacations or  
5 vacation pay, retirement benefits, and medical, life, accident, or  
6 health disability insurance, as approved by the board. Authority board  
7 members, at their own expense, may be included under any authority  
8 policy for medical, life, accident, or health disability insurance.  
9 Insurance for employees and board members may not be considered  
10 compensation. Coverage for the board under any authority policy is not  
11 to exceed that provided authority employees. An authority is a  
12 political subdivision for purposes of participation in the state public  
13 employees' retirement system under RCW 41.40.062 and for other  
14 purposes.

15           NEW SECTION.   **Sec. 310.**   ALTERNATIVE ADMINISTRATIVE ARRANGEMENTS.  
16 The board of an authority with a service area population of less than  
17 one million five hundred thousand may contract with the state arts  
18 commission formed under chapter 43.46 RCW for the provision of  
19 consulting, management, or other administrative services. The board of  
20 any authority may, with the consent of the county creating such  
21 authority, elect to consolidate administration of such an authority  
22 with that of the entity or public agency designated by the county  
23 creating such authority.

24           NEW SECTION.   **Sec. 311.**   TREASURER.   At the request of the  
25 authority, the treasurer of any county creating the authority may serve  
26 as the ex officio treasurer of the authority.

27   **PART IV**  
28   **FUNDING**

29           NEW SECTION.   **Sec. 401.**   AUTHORITY TO IMPOSE TAX.   (1) An authority  
30 established under this chapter may impose sales and use taxes under  
31 section 402 of this act or regular property tax levies under section  
32 403 of this act within the authority service area for the purposes  
33 authorized under section 601 of this act.

1 (2) If an authority imposes sales and use taxes under section 402  
2 of this act, the authority may not impose a regular property tax levy  
3 under section 403 of this act so long as such sales and use taxes are  
4 in effect.

5 (3) If an authority imposes a regular property tax levy under  
6 section 403 of this act, the authority may not impose sales and use  
7 taxes under section 402 of this act so long as such property tax levy  
8 is in effect.

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

11 **VOTED SALES AND USE TAXES.** (1) The authority board may impose a  
12 sales and use tax of up to one-tenth of one percent of the selling  
13 price in the case of a sales tax, or value of the article used, in the  
14 case of a use tax, within the authority service area when specifically  
15 authorized to do so by a majority of the voters voting on a proposition  
16 submitted at a special election held after June 30, 2015. The ballot  
17 proposition may provide for the tax to apply for a period of up to  
18 seven consecutive years.

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

23 (3) The authority board may reimpose a tax imposed under this  
24 section for one or more additional periods of up to seven consecutive  
25 years, in each case when specifically authorized to reimpose the tax by  
26 a majority of the voters voting on a proposition submitted at any  
27 special election.

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

30 (5) The department must perform the collection of taxes under this  
31 section on behalf of an authority at no cost to the authority, and the  
32 state treasurer must distribute those taxes as available on a monthly  
33 basis to the authority or, upon the direction of the authority, to its  
34 treasurer or a fiscal agent, paying agent, or trustee for obligations  
35 issued or incurred by the authority.

36 (6) The definitions in section 201 of this act apply to this  
37 section.

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

3        VOTED PROPERTY TAX.    (1) The authority board may impose annual  
4    regular property tax levies within the authority service area when  
5    specifically authorized to do so by a majority of the voters voting on  
6    a proposition submitted at a special election held after June 30, 2015.  
7    The ballot proposition must set forth the total dollar amount to be  
8    collected in the first year of the levy and may provide for a levy for  
9    a period of up to seven consecutive years. The total dollar amount to  
10   be set forth in the ballot proposition may not exceed an amount equal  
11   to: (a) The total taxable retail sales and taxable uses within the  
12   authority service area for the most recent calendar year as reported by  
13   the department; multiplied by (b) one-tenth of one percent.

14        (2) The authority board may reimpose a tax imposed under subsection  
15   (1) of this section for one or more additional periods of up to seven  
16   consecutive years, in each case when specifically authorized to  
17   reimpose the tax by a majority of the voters voting on a proposition  
18   submitted at any special election. The ballot proposition must set  
19   forth the total dollar amount to be collected in the first year of the  
20   extended levy, which dollar amount may not exceed an amount equal to:  
21   (a) The total number of taxable retail sales and taxable uses within  
22   the authority service area for the most recent calendar year as  
23   reported by the department; multiplied by (b) one-tenth of one percent.

24        (3) In the event an authority is levying property taxes that, in  
25   combination with property taxes levied by other taxing districts exceed  
26   the limitations in RCW 84.52.043 and 84.52.050, the authority's  
27   property tax levy must be reduced or eliminated consistent with RCW  
28   84.52.010.

29        (4) The limitation in RCW 84.55.010 does not apply to the first  
30   levy imposed under this section following the approval of the levy by  
31   the voters under subsection (1) of this section or to the first levy  
32   imposed under this section following the approval of an extension of  
33   the tax by the voters under subsection (2) of this section.

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

36        (6) The definitions in section 201 of this act apply to this  
37   section.

1       **Sec. 404.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each  
2 amended to read as follows:

3       (1) Except as is permitted under RCW 84.55.050, all taxes must be  
4 levied or voted in specific amounts.

5       (2) The rate percent of all taxes for state and county purposes,  
6 and purposes of taxing districts coextensive with the county, must be  
7 determined, calculated and fixed by the county assessors of the  
8 respective counties, within the limitations provided by law, upon the  
9 assessed valuation of the property of the county, as shown by the  
10 completed tax rolls of the county, and the rate percent of all taxes  
11 levied for purposes of taxing districts within any county must be  
12 determined, calculated and fixed by the county assessors of the  
13 respective counties, within the limitations provided by law, upon the  
14 assessed valuation of the property of the taxing districts  
15 respectively.

16       (3) When a county assessor finds that the aggregate rate of tax  
17 levy on any property, that is subject to the limitations set forth in  
18 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either  
19 of these sections, the assessor must recompute and establish a  
20 consolidated levy in the following manner:

21       (a) The full certified rates of tax levy for state, county, county  
22 road district, and city or town purposes must be extended on the tax  
23 rolls in amounts not exceeding the limitations established by law;  
24 however any state levy takes precedence over all other levies and may  
25 not be reduced for any purpose other than that required by RCW  
26 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,  
27 84.34.230, 84.52.069, 84.52.105, section 403 of this act, the portion  
28 of the levy by a metropolitan park district that was protected under  
29 RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected  
30 portion of the levy under RCW 86.15.160 by flood control zone districts  
31 in a county with a population of seven hundred seventy-five thousand or  
32 more that are coextensive with a county, the combined rate of regular  
33 property tax levies that are subject to the one percent limitation  
34 exceeds one percent of the true and fair value of any property, then  
35 these levies must be reduced as follows:

36       (i) The portion of the levy by a metropolitan park district that  
37 has a population of less than one hundred fifty thousand and is located  
38 in a county with a population of one million five hundred thousand or

1 more that is protected under RCW 84.52.120 must be reduced until the  
2 combined rate no longer exceeds one percent of the true and fair value  
3 of any property or must be eliminated;

4 (ii) If the combined rate of regular property tax levies that are  
5 subject to the one percent limitation still exceeds one percent of the  
6 true and fair value of any property, the protected portion of the levy  
7 imposed under RCW 86.15.160 by a flood control zone district in a  
8 county with a population of seven hundred seventy-five thousand or more  
9 that is coextensive with a county must be reduced until the combined  
10 rate no longer exceeds one percent of the true and fair value of any  
11 property or must be eliminated;

12 (iii) If the combined rate of regular property tax levies that are  
13 subject to the one percent limitation still exceeds one percent of the  
14 true and fair value of any property, the levy imposed by a county under  
15 RCW 84.52.140 must be reduced until the combined rate no longer exceeds  
16 one percent of the true and fair value of any property or must be  
17 eliminated;

18 (iv) If the combined rate of regular property tax levies that are  
19 subject to the one percent limitation still exceeds one percent of the  
20 true and fair value of any property, the portion of the levy by a fire  
21 protection district that is protected under RCW 84.52.125 must be  
22 reduced until the combined rate no longer exceeds one percent of the  
23 true and fair value of any property or must be eliminated;

24 (v) If the combined rate of regular property tax levies that are  
25 subject to the one percent limitation still exceeds one percent of the  
26 true and fair value of any property, the levy imposed by a county under  
27 RCW 84.52.135 must be reduced until the combined rate no longer exceeds  
28 one percent of the true and fair value of any property or must be  
29 eliminated;

30 (vi) If the combined rate of regular property tax levies that are  
31 subject to the one percent limitation still exceeds one percent of the  
32 true and fair value of any property, the levy imposed by a ferry  
33 district under RCW 36.54.130 must be reduced until the combined rate no  
34 longer exceeds one percent of the true and fair value of any property  
35 or must be eliminated;

36 (vii) If the combined rate of regular property tax levies that are  
37 subject to the one percent limitation still exceeds one percent of the  
38 true and fair value of any property, the portion of the levy by a

1 metropolitan park district with a population of one hundred fifty  
2 thousand or more that is protected under RCW 84.52.120 must be reduced  
3 until the combined rate no longer exceeds one percent of the true and  
4 fair value of any property or must be eliminated;

5 (viii) If the combined rate of regular property tax levies that are  
6 subject to the one percent limitation still exceeds one percent of the  
7 true and fair value of any property, then the levies imposed under RCW  
8 84.34.230, 84.52.105, section 403 of this act, and any portion of the  
9 levy imposed under RCW 84.52.069 that is in excess of thirty cents per  
10 thousand dollars of assessed value, must be reduced on a pro rata basis  
11 until the combined rate no longer exceeds one percent of the true and  
12 fair value of any property or must be eliminated; and

13 (ix) 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 thirty cents per thousand  
16 dollars of assessed value of tax levy imposed under RCW 84.52.069 must  
17 be reduced until the combined rate no longer exceeds one percent of the  
18 true and fair value of any property or must be eliminated.

19 (b) The certified rates of tax levy subject to these limitations by  
20 all junior taxing districts imposing taxes on such property must be  
21 reduced or eliminated as follows to bring the consolidated levy of  
22 taxes on such property within the provisions of these limitations:

23 (i) First, the certified property tax levy rates of those junior  
24 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,  
25 and 67.38.130 must be reduced on a pro rata basis or eliminated;

26 (ii) Second, if the consolidated tax levy rate still exceeds these  
27 limitations, the certified property tax levy rates of flood control  
28 zone districts other than the portion of a levy protected under RCW  
29 84.52.815 must be reduced on a pro rata basis or eliminated;

30 (iii) Third, if the consolidated tax levy rate still exceeds these  
31 limitations, the certified property tax levy rates of all other junior  
32 taxing districts, other than fire protection districts, regional fire  
33 protection service authorities, library districts, the first fifty cent  
34 per thousand dollars of assessed valuation levies for metropolitan park  
35 districts, and the first fifty cent per thousand dollars of assessed  
36 valuation levies for public hospital districts, must be reduced on a  
37 pro rata basis or eliminated;

1 (iv) Fourth, if the consolidated tax levy rate still exceeds these  
2 limitations, the first fifty cent per thousand dollars of assessed  
3 valuation levies for metropolitan park districts created on or after  
4 January 1, 2002, must be reduced on a pro rata basis or eliminated;

5 (v) Fifth, if the consolidated tax levy rate still exceeds these  
6 limitations, the certified property tax levy rates authorized to fire  
7 protection districts under RCW 52.16.140 and 52.16.160 and regional  
8 fire protection service authorities under RCW 52.26.140(1) (b) and (c)  
9 must be reduced on a pro rata basis or eliminated; and

10 (vi) Sixth, if the consolidated tax levy rate still exceeds these  
11 limitations, the certified property tax levy rates authorized for fire  
12 protection districts under RCW 52.16.130, regional fire protection  
13 service authorities under RCW 52.26.140(1)(a), library districts,  
14 metropolitan park districts created before January 1, 2002, under their  
15 first fifty cent per thousand dollars of assessed valuation levy, and  
16 public hospital districts under their first fifty cent per thousand  
17 dollars of assessed valuation levy, must be reduced on a pro rata basis  
18 or eliminated.

19 **Sec. 405.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to  
20 read as follows:

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

23 The rate percent of all taxes for state and county purposes, and  
24 purposes of taxing districts coextensive with the county, shall be  
25 determined, calculated and fixed by the county assessors of the  
26 respective counties, within the limitations provided by law, upon the  
27 assessed valuation of the property of the county, as shown by the  
28 completed tax rolls of the county, and the rate percent of all taxes  
29 levied for purposes of taxing districts within any county shall be  
30 determined, calculated and fixed by the county assessors of the  
31 respective counties, within the limitations provided by law, upon the  
32 assessed valuation of the property of the taxing districts  
33 respectively.

34 When a county assessor finds that the aggregate rate of tax levy on  
35 any property, that is subject to the limitations set forth in RCW  
36 84.52.043 or 84.52.050, exceeds the limitations provided in either of



1 these sections, the assessor shall recompute and establish a  
2 consolidated levy in the following manner:

3 (1) The full certified rates of tax levy for state, county, county  
4 road district, and city or town purposes shall be extended on the tax  
5 rolls in amounts not exceeding the limitations established by law;  
6 however any state levy shall take precedence over all other levies and  
7 shall not be reduced for any purpose other than that required by RCW  
8 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,  
9 84.34.230, 84.52.069, 84.52.105, section 403 of this act, the portion  
10 of the levy by a metropolitan park district that was protected under  
11 RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the combined rate  
12 of regular property tax levies that are subject to the one percent  
13 limitation exceeds one percent of the true and fair value of any  
14 property, then these levies shall be reduced as follows:

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

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

24 (c) If the combined rate of regular property tax levies that are  
25 subject to the one percent limitation still exceeds one percent of the  
26 true and fair value of any property, the levy imposed by a county under  
27 RCW 84.52.135 must be reduced until the combined rate no longer exceeds  
28 one percent of the true and fair value of any property or must be  
29 eliminated;

30 (d) If the combined rate of regular property tax levies that are  
31 subject to the one percent limitation still exceeds one percent of the  
32 true and fair value of any property, the levy imposed by a ferry  
33 district under RCW 36.54.130 must be reduced until the combined rate no  
34 longer exceeds one percent of the true and fair value of any property  
35 or must be eliminated;

36 (e) If the combined rate of regular property tax levies that are  
37 subject to the one percent limitation still exceeds one percent of the  
38 true and fair value of any property, the portion of the levy by a

1 metropolitan park district that is protected under RCW 84.52.120 shall  
2 be reduced until the combined rate no longer exceeds one percent of the  
3 true and fair value of any property or shall be eliminated;

4 (f) If the combined rate of regular property tax levies that are  
5 subject to the one percent limitation still exceeds one percent of the  
6 true and fair value of any property, then the levies imposed under RCW  
7 84.34.230, 84.52.105, section 403 of this act, and any portion of the  
8 levy imposed under RCW 84.52.069 that is in excess of thirty cents per  
9 thousand dollars of assessed value, shall be reduced on a pro rata  
10 basis until the combined rate no longer exceeds one percent of the true  
11 and fair value of any property or shall be eliminated; and

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

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

22 (a) First, the certified property tax levy rates of those junior  
23 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,  
24 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

28 (c) Third, if the consolidated tax levy rate still exceeds these  
29 limitations, the certified property tax levy rates of all other junior  
30 taxing districts, other than fire protection districts, regional fire  
31 protection service authorities, library districts, the first fifty cent  
32 per thousand dollars of assessed valuation levies for metropolitan park  
33 districts, and the first fifty cent per thousand dollars of assessed  
34 valuation levies for public hospital districts, shall be reduced on a  
35 pro rata basis or eliminated;

36 (d) Fourth, if the consolidated tax levy rate still exceeds these  
37 limitations, the first fifty cent per thousand dollars of assessed

1 valuation levies for metropolitan park districts created on or after  
2 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

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

8 (f) Sixth, if the consolidated tax levy rate still exceeds these  
9 limitations, the certified property tax levy rates authorized for fire  
10 protection districts under RCW 52.16.130, regional fire protection  
11 service authorities under RCW 52.26.140(1)(a), library districts,  
12 metropolitan park districts created before January 1, 2002, under their  
13 first fifty cent per thousand dollars of assessed valuation levy, and  
14 public hospital districts under their first fifty cent per thousand  
15 dollars of assessed valuation levy, shall be reduced on a pro rata  
16 basis or eliminated.

17 **PART V**

18 **PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM**

19 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) An authority  
20 established under this chapter shall provide or continue to provide  
21 funding authorized under this chapter only to cultural organizations  
22 that provide discernible public benefits. Each authority established  
23 under this chapter shall identify a range of public benefits that  
24 cultural organizations within its service area may provide or continue  
25 to provide in satisfaction of this requirement for eligibility to  
26 receive funding authorized under this chapter. The public benefits  
27 include, without limitation: Reasonable opportunities for access to  
28 facilities, programs, and services on a reduced or no admission fee  
29 basis, particularly for diverse and underserved populations and  
30 communities; providing, through technological and other means, services  
31 or programs in locations other than an organization's own facilities;  
32 providing educational programs and experiences both at an  
33 organization's own facilities and in schools and other venues;  
34 broadening cultural programs, performances, and exhibitions for the  
35 enlightenment and entertainment of the public; supporting collaborative  
36 relationships with other cultural organizations in order to extend the

1 reach and impact of the collaborating organizations for the benefit of  
2 the public; and, in the case of community-based cultural organizations,  
3 organizational capacity-building projects or activities that an  
4 organization can demonstrate, to the reasonable satisfaction of the  
5 county-designated public agency, will enhance the ability of the  
6 organization to provide or continue to provide meaningful public  
7 benefits not otherwise achievable.

8 (2) Each authority established under this chapter shall adopt  
9 guidelines establishing a baseline standard of continuous performance  
10 with respect to the provision of public benefits required under this  
11 chapter and for evaluating the eligibility of any cultural organization  
12 to receive funds under this chapter based on the continuous performance  
13 of the organization in the provision of the public benefits. The  
14 guidelines must include: (a) Procedures for notifying any organization  
15 at risk of losing its eligibility to receive funds under this chapter  
16 for failure to achieve the authority's baseline standard of performance  
17 with respect to the continuous provision of public benefits; and (b)  
18 measures or procedures available to the organization for either  
19 retaining or recovering eligibility, as appropriate.

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

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

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

28 (a) Provide benefits designed to increase public school student  
29 access to the programming offered and facilities operated by regional  
30 and community-based cultural organizations receiving funding under this  
31 chapter;

32 (b) Offer benefits to every public school in the authority's  
33 service area while scaling the range of benefits available to and the  
34 frequency of opportunities to participate by any particular school to  
35 coincide with the relative percentage of students attending the school  
36 who participate in the national free or reduced-price school meals  
37 program;

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

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

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

15 (iii) In consultation with cultural organizations located within a  
16 service area, preparing and maintaining a readily accessible and  
17 current guide cataloging access opportunities and facilitating  
18 scheduling;

19 (iv) Coordinating closely with cultural organizations to maximize  
20 student utilization of available opportunities in a cost-efficient  
21 manner including possible scheduling on a single day opportunities for  
22 different grade levels at any one school and participation in multiple  
23 programs or activities in the same general area for which authority-  
24 funded transportation is provided;

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

30 (vi) Building meaningful partnerships with public schools and  
31 cultural organizations in order to maximize participation in school  
32 access programs and activities and ensure their relevance and  
33 effectiveness;

34 (d) When an authority board determines that its program established  
35 and operated as required under (c)(i) through (vi) of this subsection  
36 has achieved sufficient scale and participation among public schools  
37 located within its boundaries and that it has resources remaining to  
38 devote to additional public school cultural access programs without

1 diminishing such participation, the authority may develop and  
2 financially support other public school cultural access activities in  
3 conjunction with cultural organizations receiving funds under this  
4 chapter; public school districts; and other public or nonprofit  
5 organizations that support cultural access. Any funding for  
6 development and support of such activities provided to cultural  
7 organizations receiving funds under this subsection must only be used  
8 to supplement the public benefits provided by such organizations as  
9 required under this chapter and may not be used by such organizations  
10 to replace or diminish funding for such required public benefits;

11 (e) Preparing an annual public school cultural access plan for  
12 authority board review and adoption prior to implementation; and

13 (f) Compiling an annual report documenting the reach and evaluating  
14 the effectiveness of authority-funded public school cultural access  
15 efforts, including recommendations to the authority board for  
16 improvements.

17 **PART VI**  
18 **USE OF FUNDS**

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

23 (a) If any start-up funding has been provided to the authority  
24 under section 302 of this act, the authority must annually reserve from  
25 total funds available funding sufficient to provide for repayment of  
26 such start-up funding until any such start-up funding has been fully  
27 repaid;

28 (b) Such funding determined by the county forming such an authority  
29 to be reserved for authority costs, including direct administrative  
30 costs, and repaying any start-up funding provided under section 303 of  
31 this act. Information disclosing the amount of funding to be reserved  
32 for authority administrative costs shall be included in any proposition  
33 submitted to authority service area voters under section 402 or 403 of  
34 this act;

35 (c) The authority board must determine the percentage of total  
36 funds available annually to be reserved for a public school cultural

1 access program established and managed by the authority to increase  
2 access to cultural activities and programming for public school  
3 students resident in the authority's service area. The activities and  
4 programming need not be located or provided within the authority's  
5 service area. In developing its program, the authority may consider  
6 the attributes prescribed for a public school cultural access program  
7 required to be undertaken under section 502(2) of this act;

8 (d) Remaining funds available annually, including all funds not  
9 initially reserved under (a), (b), and (c) of this subsection as well  
10 as funds not distributed by the authority from the reserved funds must  
11 be distributed by the board of an authority to the entity designated by  
12 the legislative authority of the county creating such authority. The  
13 board of such authority shall determine:

14 (i) Guidelines, consistent with the requirements of this chapter,  
15 it deems necessary or appropriate for determining the eligibility of  
16 cultural organizations to receive funding under this chapter;

17 (ii) Criteria for the award of funds to eligible cultural  
18 organizations, including the public benefits to be derived from  
19 projects submitted for funding;

20 (iii) The amount of funding to be allocated to support designated  
21 entity administrative costs;

22 (iv) Criteria for the identification by the authority or, if so  
23 directed by the authority, by the designated entity of any cultural  
24 organization or organizations that would receive annual distributions  
25 of funds in such amounts determined by the authority or, if so directed  
26 by the authority, the designated entity; and

27 (v) Procedures to be used by the designated entity in awarding  
28 funding to other cultural organizations that may, but are not required  
29 to include a periodic competitive process for awarding funds for  
30 particular purposes or projects proposed by eligible cultural  
31 organizations;

32 (e) In evaluating requests for funding authorized under this  
33 chapter, the designated entity responsible for the distribution of the  
34 funds shall consider the public benefits that any cultural  
35 organizations represented will be derived from proposed projects. At  
36 the conclusion of a project approved for funding, such organization is  
37 required to report to the designated entity on the public benefits  
38 realized;

1 (f) Funds distributed to cultural organizations may be used to  
2 support cultural and educational activities, programs, and initiatives;  
3 public benefits and communications; and basic operations. Funds may  
4 also be used for: (i) Capital expenditures or acquisitions including,  
5 but not limited to, the acquisition of or construction of improvements  
6 to real property; and (ii) technology, equipment, and supplies  
7 reasonably related to or necessary for a project otherwise eligible for  
8 funding under this chapter. Authority guidelines may also determine  
9 the circumstances under which funds may be used to fund start-up  
10 expenses of new community-based cultural organizations; and

11 (g) If the authority board or designated entity determine the  
12 eligibility of a cultural organization to receive funding or the  
13 relative magnitude of the funding it receives on the basis of its  
14 budget, revenues, or expenses, any determination with respect to a  
15 qualifying state-related cultural organization must exclude any state  
16 funding received by the organization or for the institution it  
17 supports.

18 (2) An authority with a service area population of more than one  
19 million five hundred thousand must allocate the proceeds of the taxes  
20 authorized under sections 402 and 403 of this act as follows:

21 (a) If any start-up funding has been provided to the authority  
22 under section 302 of this act, the authority must annually reserve from  
23 total funds available annually funding sufficient to provide for  
24 repayment of such start-up funding until any such start-up funding has  
25 been fully repaid;

26 (b) After allocating any funds as required in (a) of this  
27 subsection, up to one and one-fourth percent of total funds available  
28 annually may be used for authority administrative costs;

29 (c) After allocating funds as required in (a) and (b) of this  
30 subsection, ten percent of remaining funds available annually must be  
31 used to fund a public school cultural access program to be administered  
32 by the authority;

33 (d) Seventy-five percent of total remaining funds available  
34 annually excluding funds initially reserved under (a), (b), and (c) of  
35 this subsection must be reserved for distribution by the authority  
36 board to regional cultural organizations that are cultural  
37 organizations that own, operate, or support cultural facilities or  
38 provide performances, exhibits, educational programs, experiences, or



1 entertainment that widely benefit and are broadly attended by the  
2 public within the authority service area, subject to further definition  
3 under guidelines adopted by the authority. A regional cultural  
4 organization may also generally be characterized under authority  
5 guidelines as a financially stable, substantial organization with full-  
6 time support and program staff, maintaining a broad-based membership  
7 within the authority service area, having year-round or enduring  
8 seasonal operations, being a substantial financial contributor to the  
9 development, operation, and maintenance of the organization's principal  
10 venue or venues, and providing substantial public benefits within the  
11 authority service area. Such funding may be provided only to those  
12 regional cultural organizations that the authority board determines, on  
13 an annual basis, to have met the following guidelines:

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

17 (ii) The organization has its principal location or locations and  
18 conducts the majority of its activities within the authority service  
19 area primarily for the benefit of authority residents;

20 (iii) The organization has not declared bankruptcy or suspended or  
21 substantially curtailed operations for a period longer than six months  
22 during the preceding two years;

23 (iv) The organization has provided to the authority audited annual  
24 financial statements for at least its two most recent fiscal years;

25 (v) Over the three preceding years, the organization has minimum  
26 average annual revenues of at least one million two hundred fifty  
27 thousand dollars. The authority board shall annually and cumulatively  
28 adjust the minimum revenues by the annual percentage change in the  
29 consumer price index for the prior year for the Seattle-Tacoma-  
30 Bellevue, Washington metropolitan statistical area for all urban  
31 consumer, all goods, as published by the United States department of  
32 labor, bureau of labor statistics. The minimum revenues requirement,  
33 adjusted for inflation as provided in this section, remains effective  
34 through the date on which the initial tax authorized by the voters  
35 under section 402 or 403 of this act expires. Thereafter, the  
36 authority board must, at the beginning of each subsequent period of  
37 funding as approved by the voters, establish initial minimum average

1 annual revenues of not less than the amount of the minimum revenues  
2 required during the final year of the immediately preceding period of  
3 funding;

4 (vi) For purposes of determining the eligibility of a cultural  
5 organization to receive funding or the relative magnitude of the  
6 funding it receives on the basis of its revenues, any determination  
7 with respect to a qualifying state-related cultural organization must  
8 exclude any state funding received by the organization or for the  
9 institution it supports; and

10 (vii) Any additional guidelines, consistent with section 201 of  
11 this act and this section, as the authority board deems necessary or  
12 appropriate for determining the eligibility of prospective regional  
13 cultural organizations to receive funding under this section and for  
14 establishing the amount of funding any organization may receive;

15 (e) Funds available under (d) of this subsection must be  
16 distributed among eligible regional cultural organizations based on an  
17 annual ranking of eligible organizations by the combined size of their  
18 average annual revenues and their average annual attendance, both over  
19 the three preceding years. However, an organization's attendance must  
20 have twice the weight of the organization's revenues in determining its  
21 relative ranking. Available funds must be distributed proportionally  
22 among eligible organizations, consistent with the ranking, such that  
23 the organization with the largest combined revenues and weighted  
24 attendance would receive the most funding and the organization with the  
25 smallest combined revenues and weighted attendance would receive the  
26 least funding. However, no organization may receive funds in excess of  
27 fifteen percent of its average annual revenues over the three preceding  
28 years. Any funds available under (d) of this subsection not  
29 distributed to regional cultural organizations as a result of  
30 application of the formula provided under this subsection (2)(e) must  
31 be allocated by the authority board for distribution under (h) of this  
32 subsection;

33 (f) Funds distributed to regional cultural organizations under (d)  
34 of this subsection must be used to support cultural and educational  
35 activities, programs and initiatives, public benefits and  
36 communications, and basic operations. No funds distributed to regional  
37 cultural organizations under (d) of this subsection may be used for

1 capital expenditures or acquisitions including, but not limited to, the  
2 acquisition of or the construction of improvements to real property;

3 (g) In addition to providing or continuing to provide public  
4 benefits identified by the authority under this section, regional  
5 cultural organizations receiving funding under this subsection (2)  
6 shall participate in good faith in the authority's public school  
7 cultural access program required under section 502 of this act. The  
8 regional cultural organizations shall provide or continue to provide  
9 public benefits under this section in addition to participating in the  
10 public school cultural access program. Each regional cultural  
11 organization receiving funds authorized under this chapter pursuant to  
12 an authority allocation formula shall annually, prior to year end,  
13 preview for the authority public benefits the organization's plans to  
14 provide or continue to provide in the following year and report on  
15 public benefits it provided or continued to provide during the current  
16 year;

17 (h) 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 the public agency designated by  
21 the legislative authority of the county creating such an authority;

22 (i) Funds distributed by the designated public agencies under (h)  
23 of this subsection must be applied as follows:

24 (i) Not more than eight percent of such funds must be used for  
25 administrative costs of the public agency designated by a county  
26 creating the authority; and

27 (ii) The balance must be used to fund community-based cultural  
28 organizations that are cultural organizations or a community  
29 preservation and development authority formed under chapter 43.167 RCW  
30 prior to January 1, 2011, that primarily function, focus their  
31 activities, and are supported or patronized within a local community  
32 and are not a regional cultural organization, subject to further  
33 definition under guidelines adopted by the designated public agency.  
34 Designated public agencies shall adopt:

35 (A) Guidelines, consistent with the requirements of this chapter,  
36 it deems necessary or appropriate for determining the eligibility of  
37 community-based cultural organizations to receive funding under this

1 chapter and for establishing the amount of funding any organization may  
2 receive;

3 (B) Criteria for the award of funds to eligible community-based  
4 cultural organizations, including the public benefits to be derived  
5 from projects submitted for funding; and

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

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

18  
19

**PART VII**  
**MISCELLANEOUS**

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

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

24 (1) "Special purpose district" means every municipal and quasi-  
25 municipal corporation other than counties, cities, and towns. Such  
26 special purpose districts shall include, but are not limited to, water-  
27 sewer districts, fire protection districts, port districts, public  
28 utility districts, county park and recreation service areas, flood  
29 control zone districts, diking districts, drainage improvement  
30 districts, cultural access authorities, and solid waste collection  
31 districts, but shall not include industrial development districts  
32 created by port districts, and shall not include local improvement  
33 districts, utility local improvement districts, and road improvement  
34 districts;

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

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

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

7 (b) No election has been held for the purpose of electing a member  
8 of the governing body within the preceding consecutive seven-year  
9 period or, in those instances where members of the governing body are  
10 appointed and not elected, where no member of the governing body has  
11 been appointed within the preceding seven-year period.

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

14 NEW SECTION. **Sec. 702.** APPLICABILITY OF PUBLIC LAWS. The  
15 authority, its officers, and the board of directors, created under this  
16 chapter, are subject to the general laws regulating local governments  
17 and local governmental officials including, but not limited to, the  
18 requirement to be audited by the state auditor and various accounting  
19 requirements under chapter 43.09 RCW, the public records act  
20 requirements under chapter 42.56 RCW, the prohibition against using its  
21 facilities for campaign purposes under RCW 42.17A.555, the open public  
22 meetings law under chapter 42.30 RCW, the code of ethics for municipal  
23 officers under chapter 42.23 RCW, and the local government  
24 whistleblower law under chapter 42.41 RCW.

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

28 NEW SECTION. **Sec. 704.** Sections 101 through 311, 401, 501, 502,  
29 601, 702, and 703 of this act constitute a new chapter in Title 36 RCW.

30 NEW SECTION. **Sec. 705.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 706.**    The provisions of this act shall be  
2    liberally construed to effectuate the policies and purposes of this  
3    act.

4        NEW SECTION.    **Sec. 707.**    Section 404 of this act expires January 1,  
5    2018.

6        NEW SECTION.    **Sec. 708.**    Section 405 of this act takes effect  
7    January 1, 2018.

--- END ---