

SSB 5463 - H COMM AMD

By Committee on Community Development, Housing & Tribal Affairs

1 Strike everything after the enacting clause and insert the
2 following:

3 **"PART I**
4 **INTENT**

5 NEW SECTION. **Sec. 101.** INTENT. (1) The legislature finds that:

6 (a) The cultural organizations of the state provide numerous
7 public benefits. Providing support for the state's cultural
8 organizations is in the public interest and will serve multiple
9 public purposes including, among others, enhancing and extending the
10 educational reach and offerings of cultural organizations; ensuring
11 continued and expanded access to the facilities and programs of
12 cultural organizations by economically and geographically underserved
13 populations; and providing financial stability to the organizations
14 to enable them to focus on core missions as well as to continue and
15 extend the numerous public benefits they provide.

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

20 (2) The purpose of this chapter is to authorize the cultural
21 access program, under which counties authorize funding for public
22 school cultural access programs and support cultural organizations.

23 **PART II**
24 **DEFINITIONS**

25 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this
26 section apply throughout this chapter unless the context clearly
27 requires otherwise.

28 (1) "Administrative costs" means all operating, administrative,
29 and maintenance expenses for a program, a designated public agency,
30 or a designated entity.

1 (2) "Attendance" means the total number of visits by persons in
2 physical attendance during a year at cultural organization facilities
3 located or cultural organization programs provided within the county
4 creating a program, including attendance for which admission was
5 paid, discounted, or free, consistent with and verifiable under
6 guidelines adopted by the appropriate program.

7 (3) "Cultural organization" means a nonprofit corporation
8 incorporated under the laws of the state of Washington and recognized
9 by the internal revenue service as described in section 501(c)(3) of
10 the internal revenue code of 1986, as amended, with its principal
11 location or locations and conducting a majority of its activities
12 within the state, not including: Any agency of the state or any of
13 its political subdivisions; any municipal corporation; any
14 organization that raises funds for redistribution to multiple
15 cultural organizations; or any radio or television broadcasting
16 network or station, cable communications system, internet-based
17 communications venture or service, newspaper, or magazine. The
18 primary purpose of the organization must be the advancement and
19 preservation of science or technology, the visual or performing arts,
20 zoology, botany, anthropology, heritage, or natural history and any
21 organization must directly provide programming or experiences
22 available to the general public. Any organization with the primary
23 purpose of advancing and preserving zoology such as zoos and
24 aquariums must be or support a facility that is accredited by the
25 association of zoos and aquariums or its functional successor. A
26 state-related cultural organization may be a cultural organization.

27 (4) "Designated entity" means the entity designated by the
28 legislative authority of a county creating the program, as required
29 under section 601(1)(d) of this act. The entity may be a public
30 agency, including the state arts commission established under chapter
31 43.46 RCW, or a Washington nonprofit corporation that is not a
32 cultural organization eligible for funding under this chapter.

33 (5) "Designated public agency" means the public agency designated
34 by the legislative authority of a county creating the program, as
35 required under section 601(2)(h) of this act.

36 (6) "Program" means a cultural access program established by a
37 county by ordinance.

38 (7) "Revenues" means revenues from all sources generated by a
39 cultural organization, consistent with generally accepted accounting
40 practices and any program guidelines, excluding: (a) Revenues

1 associated with capital projects other than major maintenance
2 projects including, but not limited to, capital campaign expenses;
3 (b) funds provided under this chapter; (c) revenue that would be
4 considered unrelated business taxable income under the internal
5 revenue code of 1986, as amended; and (d) with respect to a state-
6 related cultural organization, state funding received by it or for
7 the institution it supports. Revenues include transfers from an
8 organization's endowment or reserves and may include the value of in-
9 kind goods and services to the extent permitted under any program
10 guidelines.

11 (8) "State-related cultural organization" means an organization
12 incorporated as a nonprofit corporation under the laws of the state
13 of Washington and recognized by the internal revenue service as
14 described in section 501(c)(3) of the internal revenue code of 1986,
15 as amended, with a primary purpose and directly providing programming
16 or experiences available to the general public consistent with the
17 requirements for recognition as a cultural organization under this
18 chapter operating in a facility owned and supported by the state, a
19 state agency, or state educational institution.

20 **PART III**

21 **CULTURAL ACCESS PROGRAM**

22 NEW SECTION. **Sec. 301.** CREATION. (1) Any county legislative
23 authority may create a cultural access program by ordinance.

24 (2) Any contiguous group of counties may create a program by
25 entering into an interlocal agreement under chapter 39.34 RCW,
26 approved by resolution of the county legislative authorities.

27 (3) A city may create a cultural access program if the county
28 legislative authority in which the city is located adopts a
29 resolution stating that the county forfeits its option to create a
30 program or does not place a proposition before the people to create
31 such a program by June 30, 2017. In the event the exception in this
32 subsection occurs, all references in this chapter to a county must
33 include a city that has exercised its authority under this
34 subsection, unless the context clearly requires otherwise.

35 NEW SECTION. **Sec. 302.** START-UP FUNDING AND CONDITIONAL
36 FORMATION. (1) The county creating a program may advance to the
37 program funding for its administrative costs, including the cost of

1 informing the public about the formation of the program, how it is
2 proposed to be funded, and the public benefits to be realized if it
3 is successful. However, this subsection does not authorize the
4 preparation and distribution of information to the general public for
5 the purpose of influencing the outcome of any election called for
6 voter authorization of a proposed tax to support a program.

7 (2) The county creating a program may provide for repayment of
8 any start-up funding advanced to a program from the proceeds of taxes
9 authorized under sections 401 through 403 of this act and approved by
10 voters after the taxes are first collected. The funds may be repaid
11 to such county with interest at the internal rate of return on the
12 invested funds of such county.

13 NEW SECTION. **Sec. 303.** NONSUPPLANTATION. In creating a program
14 under this chapter, any county creating the program must affirm that
15 any funding such county usually and customarily provides to cultural
16 organizations similar to funding that would be available to those
17 organizations under this chapter may not be replaced or materially
18 diminished as a result of funding becoming available under this
19 chapter. If an organization designated to receive funds under this
20 chapter is a state-related cultural organization, the funds received
21 under this chapter may not replace or materially diminish any funding
22 usually or customarily provided by the state.

23 NEW SECTION. **Sec. 304.** ADVISORY COUNCILS. Each county creating
24 a program under this chapter may establish an advisory council, the
25 membership of which must include citizen representatives of
26 constituencies and organizations with interests relevant to the work
27 of the program including, but not limited to, leaders in the
28 business, educational, and cultural communities. Advisory council
29 members should be residents of the county creating the program.
30 Policies concerning the size and operation of any advisory council
31 must be established by the county that creates the program.

32 NEW SECTION. **Sec. 305.** ALTERNATIVE ADMINISTRATIVE ARRANGEMENTS.
33 A county with a population of less than one million five hundred
34 thousand may contract with the state arts commission formed under
35 chapter 43.46 RCW for the provision of consulting, management, or
36 other administrative services to be provided to its program created
37 under this chapter. Any county creating a program may elect to

1 consolidate administration of such a program with that of the entity
2 or public agency designated by the county creating such a program to
3 perform the functions required under section 601 of this act.

4 **PART IV**
5 **FUNDING**

6 NEW SECTION. **Sec. 401.** PROGRAM TO IMPOSE TAX. (1)(a) Except as
7 provided in (b) of this subsection, a county creating a program under
8 this chapter may impose sales and use taxes under section 402 of this
9 act or additional regular property tax levies under section 403 of
10 this act for the purposes authorized under this chapter.

11 (b) A county with a population of one million five hundred
12 thousand or more may not impose additional regular property tax
13 levies under section 403 of this act.

14 (2) If a county imposes sales and use taxes under section 402 of
15 this act, the county may not impose an additional regular property
16 tax levy under section 403 of this act so long as such sales and use
17 taxes are in effect.

18 (3) If a county imposes an additional regular property tax levy
19 under section 403 of this act, the county may not impose sales and
20 use taxes under section 402 of this act so long as such property tax
21 levy is in effect.

22 (4) All revenue from taxes imposed under this chapter must be
23 credited to a special fund in the treasury of the county imposing
24 such tax and used solely for the purpose of paying all or any part of
25 the cost of cultural access programs as provided in this chapter.

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

28 SALES AND USE TAXES. (1) The legislative authority of a county or
29 a city may impose a sales and use tax of up to one-tenth of one
30 percent of the selling price in the case of a sales tax, or value of
31 the article used, in the case of a use tax, for the purposes
32 authorized under chapter 36.--- RCW (the new chapter created in
33 section 702 of this act). The legislative authority of the county or
34 city may impose the sales and use tax by ordinance and must condition
35 its imposition on the specific authorization of a majority of the
36 voters voting on a proposition submitted at a special or general
37 election held after June 30, 2016. The ordinance and ballot

1 proposition may provide for the tax to apply for a period of up to
2 seven consecutive years.

3 (2) The tax authorized in this section is in addition to any
4 other taxes authorized by law and must be collected from those
5 persons who are taxable by the state under chapters 82.08 and 82.12
6 RCW upon the occurrence of any taxable event.

7 (3) The legislative authority of a county or city may reimpose a
8 tax imposed under this section for one or more additional periods of
9 up to seven consecutive years. The legislative authority of the
10 county or city may only reimpose the sales and use tax by ordinance
11 and on the prior specific authorization of a majority of the voters
12 voting on a proposition submitted at a special or general election.

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

15 (5) The department must perform the collection of taxes under
16 this section on behalf of a county or city at no cost to the county
17 or city, and the state treasurer must distribute those taxes as
18 available on a monthly basis to the county or city or, upon the
19 direction of the county or city, to its treasurer or a fiscal agent,
20 paying agent, or trustee for obligations issued or incurred by the
21 program.

22 (6) The definitions in section 201 of this act apply to this
23 section.

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

26 **PROPERTY TAX.** (1) The legislative authority of a county or city
27 may impose an additional regular property tax levy for the purposes
28 authorized under chapter 36.--- RCW (the new chapter created in
29 section 702 of this act). The legislative authority of the county or
30 city may impose the additional levy by ordinance and must condition
31 its imposition of the levy upon prior specific authorization of a
32 majority of the voters voting on a proposition submitted at a special
33 or general election held after June 30, 2016. The ordinance and the
34 ballot proposition must set forth the total dollar amount to be
35 collected in the first year of the levy and the estimated levy rate
36 for the first year and may provide for a levy for a period of up to
37 seven consecutive years. The total dollar amount to be set forth in
38 the ordinance and the ballot proposition may not exceed an amount
39 equal to: The total taxable retail sales and taxable uses in the

1 county or the city levying the property tax for the most recent
2 calendar year as reported by the department multiplied by one-tenth
3 of one percent. Any county or city levying the property tax in this
4 section must calculate the total dollar amount to be collected using
5 the most recent calendar year publicly available data of taxable
6 retail sales published on the department's web site.

7 (2) The legislative authority of a county or city may reimpose an
8 additional regular property tax levy imposed under subsection (1) of
9 this section for one or more additional periods of up to seven
10 consecutive years. The legislative authority of the county or city
11 may only reimpose the regular property tax levy by ordinance and on
12 the prior specific authorization of a majority of the voters voting
13 on a proposition submitted at a special or general election. The
14 ordinance and the ballot proposition must set forth the total dollar
15 amount to be collected in the first year and the estimated levy rate
16 for the first year of the reimposed levy. The total dollar amount to
17 be set forth in the ordinance and the ballot proposition may not
18 exceed an amount equal to: The total taxable retail sales and taxable
19 uses in the county or the city levying the property tax for the most
20 recent calendar year as reported by the department multiplied by one-
21 tenth of one percent. Any county or city levying the property tax in
22 this section must calculate the total dollar amount to be collected
23 using the most recent calendar year publicly available data of
24 taxable retail sales published on the department's web site.

25 (3) In the event a county or city is levying property taxes under
26 this section that, in combination with property taxes levied by other
27 taxing districts, exceed the limitation in RCW 84.52.050 or
28 84.52.043(2), the county's or city's property tax levy under this
29 section must be reduced or eliminated consistent with RCW 84.52.010.

30 (4) The limitation in RCW 84.55.010 does not apply to the first
31 levy imposed under subsection (1) of this section or to the first
32 levy reimposed under subsection (2) of this section.

33 (5) The limitations in RCW 84.52.043(1) do not apply to the tax
34 levy authorized in this section.

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

37 (7) The definitions in section 201 of this act apply to this
38 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
19 either 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,
22 county road district, and city or town purposes must be extended on
23 the tax rolls in amounts not exceeding the limitations established by
24 law; however any state levy takes precedence over all other levies
25 and may not be reduced for any purpose other than that required by
26 RCW 84.55.010. If, as a result of the levies imposed under RCW
27 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy
28 by a metropolitan park district that was protected under RCW
29 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion
30 of the levy under RCW 86.15.160 by flood control zone districts in a
31 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
38 located in a county with a population of one million five hundred
39 thousand or more that is protected under RCW 84.52.120 must be

1 reduced until the combined rate no longer exceeds one percent of the
2 true and fair value of any property or must be eliminated;

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

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

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

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

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

35 (vii) If the combined rate of regular property tax levies that
36 are subject to the one percent limitation still exceeds one percent
37 of the true and fair value of any property, the portion of the levy
38 by a metropolitan park district with a population of one hundred
39 fifty thousand or more that is protected under RCW 84.52.120 must be

1 reduced until the combined rate no longer exceeds one percent of the
2 true and fair value of any property or must be eliminated;

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

11 (ix) If the combined rate of regular property tax levies that are
12 subject to the one percent limitation still exceeds one percent of
13 the true and fair value of any property, then the thirty cents per
14 thousand dollars of assessed value of tax levy imposed under RCW
15 84.52.069 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 (b) The certified rates of tax levy subject to these limitations
19 by all junior taxing districts imposing taxes on such property must
20 be reduced or eliminated as follows to bring the consolidated levy of
21 taxes on such property within the provisions of these limitations:

22 (i) First, the certified property tax levy authorized under
23 section 403 of this act must be reduced on a pro rata basis or
24 eliminated;

25 (ii) Second, if the consolidated tax levy rate still exceeds
26 these limitations, the certified property tax levy rates of those
27 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
28 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
29 eliminated;

30 (~~(ii) Second~~) (iii) Third, if the consolidated tax levy rate
31 still exceeds these limitations, the certified property tax levy
32 rates of flood control zone districts other than the portion of a
33 levy protected under RCW 84.52.815 must be reduced on a pro rata
34 basis or eliminated;

35 (~~(iii) Third~~) (iv) Fourth, if the consolidated tax levy rate
36 still exceeds these limitations, the certified property tax levy
37 rates of all other junior taxing districts, other than fire
38 protection districts, regional fire protection service authorities,
39 library districts, the first fifty cent per thousand dollars of
40 assessed valuation levies for metropolitan park districts, and the

1 first fifty cent per thousand dollars of assessed valuation levies
2 for public hospital districts, must be reduced on a pro rata basis or
3 eliminated;

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

9 ~~((v) Fifth))~~ (vi) Sixth, if the consolidated tax levy rate still
10 exceeds these limitations, the certified property tax levy rates
11 authorized to fire protection districts under RCW 52.16.140 and
12 52.16.160 and regional fire protection service authorities under RCW
13 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or
14 eliminated; and

15 ~~((vi) Sixth))~~ (vii) Seventh, if the consolidated tax levy rate
16 still exceeds these limitations, the certified property tax levy
17 rates authorized for fire protection districts under RCW 52.16.130,
18 regional fire protection service authorities under RCW
19 52.26.140(1)(a), library districts, metropolitan park districts
20 created before January 1, 2002, under their first fifty cent per
21 thousand dollars of assessed valuation levy, and public hospital
22 districts under their first fifty cent per thousand dollars of
23 assessed valuation levy, must be reduced on a pro rata basis or
24 eliminated.

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

27 (1) Except as is permitted under RCW 84.55.050, all taxes
28 ~~((shall))~~ must be levied or voted in specific amounts.

29 (2) The rate percent of all taxes for state and county purposes,
30 and purposes of taxing districts coextensive with the county,
31 ~~((shall))~~ must be determined, calculated and fixed by the county
32 assessors of the respective counties, within the limitations provided
33 by law, upon the assessed valuation of the property of the county, as
34 shown by the completed tax rolls of the county, and the rate percent
35 of all taxes levied for purposes of taxing districts within any
36 county ~~((shall))~~ must be determined, calculated and fixed by the
37 county assessors of the respective counties, within the limitations
38 provided by law, upon the assessed valuation of the property of the
39 taxing districts respectively.

1 (3) When a county assessor finds that the aggregate rate of tax
2 levy on any property, that is subject to the limitations set forth in
3 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
4 either of these sections, the assessor (~~shall~~) must recompute and
5 establish a consolidated levy in the following manner:

6 (~~(1)~~) (a) The full certified rates of tax levy for state,
7 county, county road district, and city or town purposes (~~shall~~)
8 must be extended on the tax rolls in amounts not exceeding the
9 limitations established by law; however any state levy (~~shall~~)
10 takes precedence over all other levies and (~~shall~~) may not be
11 reduced for any purpose other than that required by RCW 84.55.010.
12 If, as a result of the levies imposed under RCW 36.54.130, 84.34.230,
13 84.52.069, 84.52.105, the portion of the levy by a metropolitan park
14 district that was protected under RCW 84.52.120, 84.52.125,
15 84.52.135, and 84.52.140, the combined rate of regular property tax
16 levies that are subject to the one percent limitation exceeds one
17 percent of the true and fair value of any property, then these levies
18 (~~shall~~) must be reduced as follows:

19 (~~(a)~~) (i) The levy imposed by a county under RCW 84.52.140
20 (~~shall~~) must be reduced until the combined rate no longer exceeds
21 one percent of the true and fair value of any property or (~~shall~~)
22 must be eliminated;

23 (~~(b)~~) (ii) If the combined rate of regular property tax levies
24 that are subject to the one percent limitation still exceeds one
25 percent of the true and fair value of any property, the portion of
26 the levy by a fire protection district that is protected under RCW
27 84.52.125 (~~shall~~) must be reduced until the combined rate no longer
28 exceeds one percent of the true and fair value of any property or
29 (~~shall~~) must be eliminated;

30 (~~(c)~~) (iii) If the combined rate of regular property tax levies
31 that are subject to the one percent limitation still exceeds one
32 percent of the true and fair value of any property, the levy imposed
33 by a county under RCW 84.52.135 must be reduced until the combined
34 rate no longer exceeds one percent of the true and fair value of any
35 property or must be eliminated;

36 (~~(d)~~) (iv) If the combined rate of regular property tax levies
37 that are subject to the one percent limitation still exceeds one
38 percent of the true and fair value of any property, the levy imposed
39 by a ferry district under RCW 36.54.130 must be reduced until the

1 combined rate no longer exceeds one percent of the true and fair
2 value of any property or must be eliminated;

3 ~~((e))~~ (v) If the combined rate of regular property tax levies
4 that are subject to the one percent limitation still exceeds one
5 percent of the true and fair value of any property, the portion of
6 the levy by a metropolitan park district that is protected under RCW
7 84.52.120 ~~((shall))~~ must be reduced until the combined rate no longer
8 exceeds one percent of the true and fair value of any property or
9 ~~((shall))~~ must be eliminated;

10 ~~((f))~~ (vi) If the combined rate of regular property tax levies
11 that are subject to the one percent limitation still exceeds one
12 percent of the true and fair value of any property, then the levies
13 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
14 imposed under RCW 84.52.069 that is in excess of thirty cents per
15 thousand dollars of assessed value, ~~((shall))~~ must be reduced on a
16 pro rata basis until the combined rate no longer exceeds one percent
17 of the true and fair value of any property or ~~((shall))~~ must be
18 eliminated; and

19 ~~((g))~~ (vii) If the combined rate of regular property tax levies
20 that are subject to the one percent limitation still exceeds one
21 percent of the true and fair value of any property, then the thirty
22 cents per thousand dollars of assessed value of tax levy imposed
23 under RCW 84.52.069 ~~((shall))~~ must be reduced until the combined rate
24 no longer exceeds one percent of the true and fair value of any
25 property or eliminated.

26 ~~((2))~~ (b) The certified rates of tax levy subject to these
27 limitations by all junior taxing districts imposing taxes on such
28 property ~~((shall))~~ must be reduced or eliminated as follows to bring
29 the consolidated levy of taxes on such property within the provisions
30 of these limitations:

31 ~~((a—First,))~~ (i) First, the certified property tax levy
32 authorized under section 403 of this act must be reduced on a pro
33 rata basis or eliminated;

34 (ii) Second, if the consolidated tax levy rate still exceeds
35 these limitations, the certified property tax levy rates of those
36 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
37 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata
38 basis or eliminated;

39 ~~((b—Second))~~ (iii) Third, if the consolidated tax levy rate
40 still exceeds these limitations, the certified property tax levy

1 rates of flood control zone districts (~~shall~~) must be reduced on a
2 pro rata basis or eliminated;

3 (~~(c) Third~~) (iv) Fourth, if the consolidated tax levy rate
4 still exceeds these limitations, the certified property tax levy
5 rates of all other junior taxing districts, other than fire
6 protection districts, regional fire protection service authorities,
7 library districts, the first fifty cent per thousand dollars of
8 assessed valuation levies for metropolitan park districts, and the
9 first fifty cent per thousand dollars of assessed valuation levies
10 for public hospital districts, (~~shall~~) must be reduced on a pro
11 rata basis or eliminated;

12 (~~(d) Fourth~~) (v) Fifth, if the consolidated tax levy rate still
13 exceeds these limitations, the first fifty cent per thousand dollars
14 of assessed valuation levies for metropolitan park districts created
15 on or after January 1, 2002, (~~shall~~) must be reduced on a pro rata
16 basis or eliminated;

17 (~~(e) Fifth~~) (vi) Sixth, if the consolidated tax levy rate still
18 exceeds these limitations, the certified property tax levy rates
19 authorized to fire protection districts under RCW 52.16.140 and
20 52.16.160 and regional fire protection service authorities under RCW
21 52.26.140(1) (b) and (c) (~~shall~~) must be reduced on a pro rata
22 basis or eliminated; and

23 (~~(f) Sixth~~) (vii) Seventh, if the consolidated tax levy rate
24 still exceeds these limitations, the certified property tax levy
25 rates authorized for fire protection districts under RCW 52.16.130,
26 regional fire protection service authorities under RCW
27 52.26.140(1)(a), library districts, metropolitan park districts
28 created before January 1, 2002, under their first fifty cent per
29 thousand dollars of assessed valuation levy, and public hospital
30 districts under their first fifty cent per thousand dollars of
31 assessed valuation levy, (~~shall~~) must be reduced on a pro rata
32 basis or eliminated.

33 PART V

34 PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM

35 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) A program created
36 under this chapter must provide or continue to provide funding
37 authorized under this chapter only to cultural organizations that
38 provide discernible public benefits. Each program created under this

1 chapter must identify a range of public benefits that cultural
2 organizations may provide or continue to provide in satisfaction of
3 this requirement for eligibility to receive funding authorized under
4 this chapter. The public benefits include, without limitation:
5 Reasonable opportunities for access to facilities, programs, and
6 services on a reduced or no admission fee basis, particularly for
7 diverse and underserved populations and communities; providing,
8 through technological and other means, services or programs in
9 locations other than an organization's own facilities; providing
10 educational programs and experiences both at an organization's own
11 facilities and in schools and other venues; broadening cultural
12 programs, performances, and exhibitions for the enlightenment and
13 entertainment of the public; supporting collaborative relationships
14 with other cultural organizations in order to extend the reach and
15 impact of the collaborating organizations for the benefit of the
16 public; and, in the case of community-based cultural organizations,
17 organizational capacity-building projects or activities that an
18 organization can demonstrate, to the reasonable satisfaction of the
19 designated entity, will enhance the ability of the organization to
20 provide or continue to provide meaningful public benefits not
21 otherwise achievable.

22 (2) Each program created under this chapter must adopt guidelines
23 establishing a baseline standard of continuous performance with
24 respect to the provision of public benefits required under this
25 chapter and for evaluating the eligibility of any cultural
26 organization to receive funds under this chapter based on the
27 continuous performance of the organization in the provision of the
28 public benefits. The guidelines must include: (a) Procedures for
29 notifying any organization at risk of losing its eligibility to
30 receive funds under this chapter for failure to achieve the program's
31 baseline standard of performance with respect to the continuous
32 provision of public benefits; and (b) measures or procedures
33 available to the organization for either retaining or recovering
34 eligibility, as appropriate.

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

36 (1) A program created under this chapter must develop and provide a
37 public school cultural access program, as provided in section 601 of
38 this act.

1 (2) To the extent practicable consistent with available
2 resources, the public school cultural access element of a program of
3 a county described in section 601(2) of this act must include the
4 following attributes:

5 (a) Provide benefits designed to increase public school student
6 access to the programming offered and facilities operated by regional
7 and community-based cultural organizations receiving funding under
8 this chapter, giving priority to the activities in the order
9 described in (c) of this subsection;

10 (b) Offer benefits to every public school in the county while
11 scaling the range of benefits available to and the frequency of
12 opportunities to participate by any particular school to coincide
13 with the relative percentage of students attending the school who
14 participate in the national free or reduced-price school meals
15 program;

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

18 (i) Providing directly or otherwise funding and arranging for
19 transportation for all public school students at participating
20 schools to attend and participate annually in the age appropriate
21 programs and activities offered by such organizations;

22 (ii) Should funding available under this program for student
23 transportation be inadequate in any one year due to more demand for
24 student transportation than can be funded, the subsequent annual
25 percentage allocation to the public school cultural access program
26 must be increased up to two percent so as to provide sufficient funds
27 to ensure adequate funding of student transportation;

28 (iii) Establishing and operating, within funding provided to
29 support the public school cultural access program under this
30 subsection, of a centralized service available to regional and
31 community-based cultural organizations receiving funding under this
32 chapter and public schools in the county to coordinate opportunities
33 for public school student access to the programs and activities
34 offered by the organizations both at the facilities and venues
35 operated by the organizations and through programs and experiences
36 provided by the organizations at schools and elsewhere;

37 (iv) In consultation with cultural organizations located within
38 the county, preparing and maintaining a readily accessible and
39 current guide cataloging access opportunities and facilitating
40 scheduling;

1 (v) Coordinating closely with cultural organizations to maximize
2 student utilization of available opportunities in a cost-efficient
3 manner including possible scheduling on a single day opportunities
4 for different grade levels at any one school and participation in
5 multiple programs or activities in the same general area for which
6 program-funded transportation is provided;

7 (vi) Supporting the development of tools, materials, and media by
8 cultural organizations to ensure that school access programs and
9 activities correlate with school curricula and extend the reach of
10 access programs and activities for classroom use with or without
11 direct on-site participation, to the extent practicable;

12 (vii) Building meaningful partnerships with public schools and
13 cultural organizations in order to maximize participation in school
14 access programs and activities and ensure their relevance and
15 effectiveness;

16 (d) When a program determines that its program element required
17 under (c)(i) through (vii) of this subsection has achieved sufficient
18 scale and participation among public schools located within its
19 boundaries and that it has resources remaining to devote to
20 additional public school cultural access programs without diminishing
21 such participation, the county may develop and financially support
22 other public school cultural access activities in conjunction with
23 cultural organizations receiving funds under this chapter; public
24 school districts; and other public or nonprofit organizations that
25 support cultural access. Any funding for development and support of
26 such activities provided to cultural organizations receiving funds
27 under this subsection must only be used to supplement the public
28 benefits provided by such organizations as required under this
29 chapter and may not be used by such organizations to replace or
30 diminish funding for such required public benefits;

31 (e) Preparation of an annual public school cultural access plan
32 for review and adoption prior to implementation; and

33 (f) Compilation of an annual report documenting the reach and
34 evaluating the effectiveness of program-funded public school cultural
35 access efforts, including information about the numbers and types of
36 students who participated in the program and recommendations to the
37 county for improvements.

38 **PART VI**

39 **USE OF FUNDS**

1 NEW SECTION. **Sec. 601.** ALLOCATION. (1) A program in a county
2 with a population of less than one million five hundred thousand must
3 allocate the proceeds of taxes authorized under sections 402 and 403
4 of this act as follows:

5 (a) If any start-up funding has been provided to the program
6 under section 302 of this act with the expectation that the funding
7 will be repaid, the program must annually reserve from total funds
8 available funding sufficient to provide for repayment of such start-
9 up funding until any such start-up funding has been fully repaid;

10 (b) The funding determined by the county forming such a program
11 to be reserved for program costs, including direct administrative
12 costs, and repaying any start-up funding provided under section 303
13 of this act. Information disclosing the amount of funding to be
14 reserved for program administrative costs must be included in any
15 proposition submitted to voters under section 402 or 403 of this act;

16 (c) The county must determine the percentage of total funds
17 available annually to be reserved for a public school cultural access
18 program established and managed by the county to increase access to
19 cultural activities and programming for public school students
20 resident in the county. The activities and programming need not be
21 located or provided within the county. In developing its program, the
22 county may consider the attributes prescribed for a public school
23 cultural access program required to be undertaken under section
24 502(2) of this act and may also consider providing funding for music
25 and arts education in public schools that is in addition to that
26 provided for in the program of basic education funding;

27 (d) Remaining funds available annually, including all funds not
28 initially reserved under (a), (b), and (c) of this subsection as well
29 as funds not distributed by the county from the reserved funds must
30 be distributed by the county to the entity designated by the
31 legislative authority of the county creating the program. The county
32 must determine:

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

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

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

1 (iv) Criteria for the identification by the county or, if so
2 directed by the county, by the designated entity of any cultural
3 organization or organizations that would receive annual distributions
4 of funds in such amounts determined by the county or, if so directed
5 by the county, the designated entity; and

6 (v) Procedures to be used by the designated entity in awarding
7 funding to other cultural organizations that may, but are not
8 required to include a periodic competitive process for awarding funds
9 for particular purposes or projects proposed by eligible cultural
10 organizations;

11 (e) In evaluating requests for funding authorized under this
12 chapter, the designated entity responsible for the distribution of
13 the funds must consider the public benefits that any cultural
14 organizations represented will be derived from proposed projects. At
15 the conclusion of a project approved for funding, such organization
16 is required to report to the designated entity on the public benefits
17 realized;

18 (f) Funds distributed to cultural organizations may be used to
19 support cultural and educational activities, programs, and
20 initiatives; public benefits and communications; and basic
21 operations. Funds may also be used for: (i) Capital expenditures or
22 acquisitions including, but not limited to, the acquisition of or
23 construction of improvements to real property; and (ii) technology,
24 equipment, and supplies reasonably related to or necessary for a
25 project otherwise eligible for funding under this chapter. Program
26 guidelines may also determine the circumstances under which funds may
27 be used to fund start-up expenses of new community-based cultural
28 organizations;

29 (g) If the county or designated entity determine the eligibility
30 of a cultural organization to receive funding or the relative
31 magnitude of the funding it receives on the basis of its budget,
32 revenues, or expenses, any determination with respect to a qualifying
33 state-related cultural organization must exclude any state funding
34 received by the organization or for the institution it supports.

35 (2) A county with a population of more than one million five
36 hundred thousand must allocate the proceeds of the taxes authorized
37 under section 402 of this act as follows:

38 (a) If any start-up funding has been provided to the program
39 under section 302 of this act with the expectation that the funding
40 will be repaid, the program must annually reserve from total funds

1 available annually funding sufficient to provide for repayment of
2 such start-up funding until any such start-up funding has been fully
3 repaid;

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

7 (c) After allocating funds as required in (a) and (b) of this
8 subsection, ten percent of remaining funds available annually must be
9 used to fund a public school cultural access program to be
10 administered by the program, subject to section 502(2) of this act;

11 (d) Seventy-five percent of total remaining funds available
12 annually excluding funds initially reserved under (a), (b), and (c)
13 of this subsection must be reserved for distribution by the program
14 to regional cultural organizations that are cultural organizations
15 that own, operate, or support cultural facilities or provide
16 performances, exhibits, educational programs, experiences, or
17 entertainment that widely benefit and are broadly attended by the
18 public, subject to further definition under guidelines adopted by the
19 program. A regional cultural organization may also generally be
20 characterized under program guidelines as a financially stable,
21 substantial organization with full-time support and program staff,
22 maintaining a broad-based membership, having year-round or enduring
23 seasonal operations, being a substantial financial contributor to the
24 development, operation, and maintenance of the organization's
25 principal venue or venues, and providing substantial public benefits.
26 The funding must be provided only to those regional cultural
27 organizations that the program determines, on an annual basis, to
28 have met the following guidelines:

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

32 (ii) The organization has its principal location or locations and
33 conducts the majority of its activities within the county area
34 primarily for the benefit of county residents;

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

38 (iv) The organization provided to the program audited annual
39 financial statements for at least its two most recent fiscal years;

1 (v) Over the three preceding years, the organization has minimum
2 average annual revenues of at least one million two hundred fifty
3 thousand dollars. The program must annually and cumulatively adjust
4 the minimum revenues by the annual percentage change in the consumer
5 price index for the prior year for the Seattle-Tacoma-Bellevue,
6 Washington metropolitan statistical area for all urban consumer, all
7 goods, as published by the United States department of labor, bureau
8 of labor statistics. The minimum revenues requirement, adjusted for
9 inflation as provided in this section, remains effective through the
10 date on which the initial tax authorized by the voters under section
11 402 or 403 of this act expires. Thereafter, the program must, at the
12 beginning of each subsequent period of funding as approved by the
13 voters, establish initial minimum average annual revenues of not less
14 than the amount of the minimum revenues required during the final
15 year of the immediately preceding period of funding;

16 (vi) For purposes of determining the eligibility of a regional
17 organization to receive funding or the relative magnitude of the
18 funding it receives on the basis of its revenues, any determination
19 with respect to a qualifying state-related cultural organization must
20 exclude any state funding received by the organization or for the
21 institution it supports; and

22 (vii) Any additional guidelines, consistent with section 201 of
23 this act and this section, as the program deems necessary or
24 appropriate for determining the eligibility of prospective regional
25 cultural organizations to receive funding under this section and for
26 establishing the amount of funding any organization may receive;

27 (e) Funds available under (d) of this subsection must be
28 distributed among eligible regional cultural organizations based on
29 an annual ranking of eligible organizations by the combined size of
30 their average annual revenues and their average annual attendance,
31 both over the three preceding years. However, an organization's
32 attendance must have twice the weight of the organization's revenues
33 in determining its relative ranking. Available funds must be
34 distributed proportionally among eligible organizations, consistent
35 with the ranking, such that the organization with the largest
36 combined revenues and weighted attendance would receive the most
37 funding and the organization with the smallest combined revenues and
38 weighted attendance would receive the least funding. However, no
39 organization may receive funds in excess of fifteen percent of its
40 average annual revenues over the three preceding years. Any funds

1 available under (d) of this subsection not distributed to regional
2 cultural organizations as a result of application of the formula
3 provided under this subsection (2)(e) must be allocated by the
4 program for distribution under (g) of this subsection;

5 (f) Funds distributed to regional cultural organizations under
6 (d) of this subsection must be used to support cultural and
7 educational activities, programs and initiatives, public benefits and
8 communications, and basic operations. No funds distributed to
9 regional cultural organizations under (d) of this subsection may be
10 used for capital expenditures or acquisitions including, but not
11 limited to, the acquisition of or the construction of improvements to
12 real property;

13 (g) In addition to providing or continuing to provide public
14 benefits identified by the program under this section, regional
15 cultural organizations receiving funding under this subsection (2)
16 must participate in good faith in the program's public school
17 cultural access program required under section 502 of this act. The
18 regional cultural organizations must provide or continue to provide
19 public benefits under this section in addition to participating in
20 the public school cultural access program. Each regional cultural
21 organization receiving funds authorized under this chapter pursuant
22 to a program allocation formula must annually, prior to year end,
23 preview for the program public benefits the organization's plans to
24 provide or continue to provide in the following year and report on
25 public benefits it provided or continued to provide during the
26 current year;

27 (h) Remaining funds available annually, including funds not
28 initially reserved under (a) through (d) of this subsection as well
29 as funds not distributed by the program from the reserved funds must
30 be distributed by the program to the public agency designated by the
31 legislative authority of the county creating such a program;

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

34 (i) Not more than eight percent of such funds must be used for
35 administrative costs of the public agency designated by a county
36 creating the program; and

37 (ii) The balance must be used to fund community-based cultural
38 organizations that are cultural organizations or a community
39 preservation and development authority formed under chapter 43.167
40 RCW prior to January 1, 2011, that primarily function, focus their

1 activities, and are supported or patronized within a local community
2 and are not a regional cultural organization, subject to further
3 definition under guidelines adopted by the designated public agency.
4 Designated public agencies must adopt:

5 (A) Guidelines, consistent with the requirements of this chapter,
6 it deems necessary or appropriate for determining the eligibility of
7 community-based cultural organizations to receive funding under this
8 chapter and for establishing the amount of funding any organization
9 may receive;

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

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

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

26 **PART VII**

27 **MISCELLANEOUS**

28 NEW SECTION. **Sec. 701.** No direct or collateral attack on any
29 program purported to be authorized or created in conformance with
30 this chapter may be commenced more than thirty days after creation.

31 NEW SECTION. **Sec. 702.** Sections 101 through 305, 401, 501, 502,
32 and 601 of this act constitute a new chapter in Title 36 RCW.

33 NEW SECTION. **Sec. 703.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 704.** The provisions of this act must be
2 liberally construed to effectuate the policies and purposes of this
3 act.

4 NEW SECTION. **Sec. 705.** Section 404 of this act expires January
5 1, 2018.

6 NEW SECTION. **Sec. 706.** Section 405 of this act takes effect
7 January 1, 2018."

8 Correct the title.

EFFECT: (1) Prohibits a county over 1.5 million people from imposing any additional property tax authorized under this act;

(2) Requires initial voter approval for authorizations of the sales and use tax at a general election, in addition to a special election;

(3) Requires the authorizing ordinance and ballot proposition to include the estimated levy rate for the first year the tax will be imposed;

(4) Specifies that the property tax must be calculated using the publicly available data published on the Department of Revenue's web site;

(5) Makes the property tax levied under this act the first junior taxing district subject to reduction in order to meet the constitutional tax limits;

(6) Prioritizes funding for student transportation in a school cultural access program (school program) in a county over 1.5 million people;

(7) Increases the percentage of funding dedicated to a school program up to two percent if existing funding is inadequate to provide student transportation; and

(8) Requires the annual report on school programs to include information on student participation.

--- END ---