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**SUBSTITUTE HOUSE BILL 1659**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Local Government (originally sponsored by Representatives Corry, Riccelli, Dufault, Dent, Mosbrucker, Chandler, Ybarra, and Ormsby)

AN ACT Relating to modifying dates related to the application due date for health sciences and services authorities and their sales and use tax authority; and amending RCW 82.14.480, 35.104.040, and 35.104.050.

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

**Sec.**  RCW 82.14.480 and 2010 1st sp.s. c 33 s 3 are each amended to read as follows:

(1) The legislative authority of a local jurisdiction that has created a health sciences and services authority under RCW 35.104.030, prior to January 1, ((~~2010~~)) 2019, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the local jurisdiction. The rate of the tax may not exceed 0.020 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

(2) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department under chapter 82.08 or 82.12 RCW. The department of revenue must perform the collection of the tax on behalf of the authority at no cost to the authority.

(3) The amounts received under this section may only be used in accordance with RCW 35.104.060 or to finance and retire the indebtedness incurred pursuant to RCW 35.104.070, in whole or in part.

(4) Prior to levying the tax authorized by subsection (1) of this section, local jurisdictions that have created a health sciences and services authority after January 1, 2010, are required to submit an expenditure plan for such tax revenue to the appropriate committees of the legislature at least three months prior to the first day of the next scheduled regular session of the legislature. The tax may not be collected prior to ninety days following the end of the legislative session for which the report is submitted. The report must include the authority's funding distribution plan including, but not limited to, how the activities supported by any tax authorized by this section will address health disparities resulting in lower disability adjusted life years experienced by populations within the jurisdiction, including migrant populations and members of a federally recognized Indian tribe.

(5) This section expires January 1, 2023.

**Sec.**  RCW 35.104.040 and 2012 c 229 s 581 are each amended to read as follows:

(1) The student achievement council may approve applications submitted by local governments for an area's designation as a health sciences and services authority under this chapter. The director must determine the division to review applications submitted by local governments under this chapter. The application for designation must be in the form and manner and contain such information as the student achievement council may prescribe, provided the application:

(a) Contains sufficient information to enable the director to determine the viability of the proposal;

(b) Demonstrates that an ordinance or resolution has been passed by the legislative authority of a local government that delineates the boundaries of an area that may be designated an authority;

(c) Is submitted on behalf of the local government, or, if that office does not exist, by the legislative body of the local government;

(d) Demonstrates that the public funds directed to programs or facilities in the authority will leverage private sector resources and contributions to activities to be performed;

(e) Provides a plan or plans for the development of the authority as an entity to advance as a cluster for health sciences education, health sciences research, biotechnology development, biotechnology product commercialization, and/or health care services; and

(f) Demonstrates that the state has previously provided funds to health sciences and services programs or facilities in the applicant city, town, or county.

(2) The director must determine the division to develop criteria to evaluate the application. The criteria must include:

(a) The presence of infrastructure capable of spurring development of the area as a center of health sciences and services;

(b) The presence of higher education facilities where undergraduate or graduate coursework or research is conducted; and

(c) The presence of facilities in which health services are provided.

(3) There may be no more than two authorities statewide.

(4) An authority may only be created in a county with a population of less than one million persons and located east of the crest of the Cascade mountains.

(5) The director may reject or approve an application. When denying an application, the director must specify the application's deficiencies. The decision regarding such designation as it relates to a specific local government is final; however, a rejected application may be resubmitted.

(6) Applications are due by December 31, ((~~2010~~)) 2019, and must be processed within sixty days of submission.

(7) The director may, at his or her discretion, amend the boundaries of an authority upon the request of the local government.

(8) The student achievement council may adopt any rules necessary to implement this chapter.

(9) The student achievement council must develop evaluation criteria that enables the local governments to measure the effectiveness of the program.

**Sec.**  RCW 35.104.050 and 2007 c 251 s 5 are each amended to read as follows:

(1) An authority shall be overseen by a board with not more than fourteen members. The authority board shall select the chair. Board members must have some experience with the mission of the authority. The board members shall be appointed as follows:

(a) The governor shall appoint three members;

(b) The county legislative authority in which the authority resides shall appoint three members;

(c) The mayor of the city in which the authority is created, or the mayor of the largest city within the authority if created by a county, shall appoint three members; and

(d) Up to five additional members may be appointed by the board. The board of a health sciences and services authority created after January 1, 2010, must include at least one representative from an Indian tribe that has a reservation that is located next to or within the boundaries of an area that may be designated an authority.

(2) A simple majority of the board members shall constitute a quorum.

(3) The board shall annually elect a secretary and any other officers it deems necessary.

(4) The local government shall designate an individual with financial experience to serve as treasurer. The individual may be a city or county treasurer, city or county auditor, or a private party. If the treasurer is a private party, the local government shall require a bond in an amount and under such terms and conditions as the local government deems necessary to protect the authority. The treasurer shall have the power to create and maintain funds, issue warrants, and invest funds in its possession.

(5) The board may adopt bylaws or rules for their own governance.

(6) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the board so requests. Meetings of the board may be held at any location and board members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

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