

E2SSB 5001 - H COMM AMD
By Committee on Local Government

ADOPTED AND ENGROSSED 04/12/2023

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

3 **"Sec. 1.** RCW 35.57.010 and 2010 c 192 s 1 are each amended to
4 read as follows:

5 (1)(a) The legislative authority of any town or city located in a
6 county with a population of less than one million may create a public
7 facilities district.

8 (b) The legislative authorities of any contiguous group of towns
9 or cities located in a county or counties each with a population of
10 less than one million may enter an agreement under chapter 39.34 RCW
11 for the creation and joint operation of a public facilities district.

12 (c) The legislative authority of any town or city, or any
13 contiguous group of towns or cities, located in a county with a
14 population of less than one million and the legislative authority of
15 a contiguous county, or the legislative authority of the county or
16 counties in which the towns or cities are located, may enter into an
17 agreement under chapter 39.34 RCW for the creation and joint
18 operation of a public facilities district.

19 (d) The legislative authority of a city located in a county with
20 a population greater than one million may create a public facilities
21 district, when the city has a total population of less than one
22 hundred fifteen thousand but greater than eighty thousand and
23 commences construction of a regional center prior to July 1, 2008.

24 (e) At least three contiguous towns or cities with a combined
25 population of at least one hundred sixty thousand, each of which
26 previously created a public facilities district under (a) of this
27 subsection, may create an additional public facilities district. The
28 previously created districts may continue their full corporate
29 existence and activities notwithstanding the creation and existence
30 of the additional district within the same geographic area.

31 (f) The legislative authority of two or more contiguous towns or
32 cities or the legislative authority of two or more contiguous towns

1 or cities and the legislative authority of the county or counties in
2 which the towns or cities are located, each of which participated in
3 the creation of a public facilities district under (c) of this
4 subsection, may create an additional public facilities district. Any
5 previously created district may continue its full corporate existence
6 and activities notwithstanding the creation and existence of an
7 additional district within the same geographic area. A public
8 facilities district formed under this subsection (1)(f) must be
9 created prior to July 1, 2026. The creation of a public facilities
10 district under this subsection does not require all of the original
11 participating towns, cities, or counties that created a public
12 facilities district under (c) of this subsection to participate in
13 the formation of the additional public facilities district under this
14 subsection.

15 (2)(a) A public facilities district is coextensive with the
16 boundaries of the city or town or contiguous group of cities or towns
17 that created the district.

18 (b) A public facilities district created by an agreement between
19 a town or city, or a contiguous group of towns or cities, and a
20 contiguous county or the county in which they are located, is
21 coextensive with the boundaries of the towns or cities, and the
22 boundaries of the county or counties as to the unincorporated areas
23 of the county or counties. The boundaries do not include incorporated
24 towns or cities that are not parties to the agreement for the
25 creation and joint operation of the district.

26 (3)(a) A public facilities district created by a single city or
27 town shall be governed by a board of directors consisting of five
28 members selected as follows: (i) Two members appointed by the
29 legislative authority of the city or town; and (ii) three members
30 appointed by legislative authority based on recommendations from
31 local organizations. The members appointed under (a)(i) of this
32 subsection, shall not be members of the legislative authority of the
33 city or town. The members appointed under (a)(ii) of this subsection,
34 must be based on recommendations received from local organizations
35 that may include, but are not limited to, the local chamber of
36 commerce, local economic development council, and local labor
37 council. The members shall serve four-year terms. Of the initial
38 members, one must be appointed for a one-year term, one must be
39 appointed for a two-year term, one must be appointed for a three-year
40 term, and the remainder must be appointed for four-year terms.

1 (b) A public facilities district created by a contiguous group of
2 cities and towns must be governed by a board of directors consisting
3 of seven members selected as follows: (i) Three members appointed by
4 the legislative authorities of the cities and towns; and (ii) four
5 members appointed by the legislative authorities of the cities and
6 towns based on recommendations from local organizations. The members
7 appointed under (b) (i) of this subsection shall not be members of the
8 legislative authorities of the cities and towns. The members
9 appointed under (b) (ii) of this subsection, must be based on
10 recommendations received from local organizations that include, but
11 are not limited to, the local chamber of commerce, local economic
12 development council, local labor council, and a neighborhood
13 organization that is directly affected by the location of the
14 regional center in their area. The members of the board of directors
15 must be appointed in accordance with the terms of the agreement under
16 chapter 39.34 RCW for the joint operation of the district and shall
17 serve four-year terms. Of the initial members, one must be appointed
18 for a one-year term, one must be appointed for a two-year term, one
19 must be appointed for a three-year term, and the remainder must be
20 appointed for four-year terms.

21 (c) A public facilities district created by a town or city, or a
22 contiguous group of towns or cities, and a contiguous county or the
23 county or counties in which they are located, must be governed by a
24 board of directors consisting of seven members selected as follows:
25 (i) Three members appointed by the legislative authorities of the
26 cities, towns, and county; and (ii) four members appointed by the
27 legislative authorities of the cities, towns, and county based on
28 recommendations from local organizations. The members appointed under
29 (c) (i) of this subsection shall not be members of the legislative
30 authorities of the cities, towns, or county. The members appointed
31 under (c) (ii) of this subsection must be based on recommendations
32 received from local organizations that include, but are not limited
33 to, the local chamber of commerce, the local economic development
34 council, the local labor council, and a neighborhood organization
35 that is directly affected by the location of the regional center in
36 their area. The members of the board of directors must be appointed
37 in accordance with the terms of the agreement under chapter 39.34 RCW
38 for the joint operation of the district and shall serve four-year
39 terms. Of the initial members, one must be appointed for a one-year
40 term, one must be appointed for a two-year term, one must be

1 appointed for a three-year term, and the remainder must be appointed
2 for four-year terms.

3 (d) (i) A public facilities district created under subsection
4 (1) (e) of this section must provide, in the agreement providing for
5 its creation and operation, that the district must be governed by an
6 odd-numbered board of directors of not more than nine members who are
7 also members of the legislative authorities that created the public
8 facilities district or of the governing boards of the public
9 facilities districts previously created by those legislative
10 authorities, or both.

11 (ii) A board of directors formed under this subsection must have
12 an equal number of members representing each city or town
13 participating in the public facilities district. If there are
14 unfilled board member positions after each city or town has appointed
15 an equal number of board members, the members so appointed must
16 appoint a number of additional board members necessary to fill any
17 remaining positions. For a board formed under this subsection to
18 submit a proposition to the voters under RCW 82.14.048, a majority of
19 the members representing or appointed by each legislative authority
20 participating in the public facilities district must agree to submit
21 the proposition to the voters (~~(; however, the board may not submit a~~
22 ~~proposition to the voters prior to January 1, 2011)~~).

23 (4) A public facilities district is a municipal corporation, an
24 independent taxing "authority" within the meaning of Article VII,
25 section 1 of the state Constitution, and a "taxing district" within
26 the meaning of Article VII, section 2 of the state Constitution.

27 (5) A public facilities district constitutes a body corporate and
28 possesses all the usual powers of a corporation for public purposes
29 as well as all other powers that may now or hereafter be specifically
30 conferred by statute (~~(7)~~) including, but not limited to, the
31 authority to hire employees, staff, and services, to enter into
32 contracts, and to sue and be sued.

33 (6) A public facilities district may acquire and transfer real
34 and personal property by lease, sublease, purchase, or sale. No
35 direct or collateral attack on any public facilities district
36 purported to be authorized or created in conformance with this
37 chapter may be commenced more than thirty days after creation by the
38 city and/or county legislative authority.

1 **Sec. 2.** RCW 35.57.020 and 2019 c 341 s 1 are each amended to
2 read as follows:

3 (1)(a) A public facilities district is authorized to acquire,
4 construct, own, remodel, maintain, equip, reequip, repair, finance,
5 and operate one or more regional centers. For purposes of this
6 chapter, "regional center" means a convention, conference, or special
7 events center, or any combination of facilities, and related parking
8 facilities, serving a regional population constructed, improved, or
9 rehabilitated after July 25, 1999, at a cost of at least ten million
10 dollars, including debt service. "Regional center" also includes an
11 existing convention, conference, or special events center, and
12 related parking facilities, serving a regional population, that is
13 improved or rehabilitated after July 25, 1999, where the costs of
14 improvement or rehabilitation are at least ten million dollars,
15 including debt service. A "special events center" is a facility,
16 available to the public, used for community events, sporting events,
17 trade shows, and artistic, musical, theatrical, or other cultural
18 exhibitions, presentations, or performances. A regional center is
19 conclusively presumed to serve a regional population if state and
20 local government investment in the construction, improvement, or
21 rehabilitation of the regional center is equal to or greater than ten
22 million dollars.

23 (b) A public facilities district created under RCW
24 35.57.010(1)(e):

25 (i) Is authorized, in addition to the authority granted under (a)
26 of this subsection, to acquire, construct, own, remodel, maintain,
27 equip, reequip, repair, finance, and operate one or more recreational
28 facilities other than a ski area;

29 (ii) If exercising its authority under (a) or (b)(i) of this
30 subsection, must obtain voter approval to fund each recreational
31 facility or regional center pursuant to RCW 82.14.048(4)(a); and

32 (iii) Possesses all of the powers with respect to recreational
33 facilities other than a ski area that all public facilities districts
34 possess with respect to regional centers under subsections (3), (4),
35 and (7) of this section.

36 (c) A public facilities district created under
37 RCW 35.57.010(1)(a) by a city or town that participated in the
38 creation of an additional public facilities district under
39 RCW 35.57.010(1)(e):

1 (i) Is authorized, in addition to the authority granted under (a)
2 of this subsection, to acquire, construct, own, remodel, maintain,
3 equip, reequip, repair, finance, and operate one or more recreational
4 facilities other than a ski area;

5 (ii) If exercising its authority under (c)(i) of this subsection,
6 must obtain voter approval to fund each recreational facility
7 pursuant to RCW 82.14.048(4)(a); and

8 (iii) Possesses all of the powers with respect to recreational
9 facilities other than a ski area that all public facilities districts
10 possess with respect to regional centers.

11 (d) A public facilities district created under RCW
12 35.57.010(1)(f) is authorized, in lieu of the authority granted under
13 (a) of this subsection, to acquire, construct, own, remodel,
14 maintain, equip, reequip, repair, finance, and operate regional
15 aquatics and sports facilities, including the purchase, acquisition,
16 construction, repairing, remodeling, and operation of community pools
17 within the district. Additionally, a public facilities district
18 created under RCW 35.57.010(1)(f) may provide funding for
19 transportation improvements directly associated with facilitating
20 motor vehicle and pedestrian access to regional aquatics and sports
21 facilities, which includes funding for new construction,
22 reconstruction, expansion, and maintenance of pedestrian trails, city
23 streets, county roads, and state highways. However, the
24 transportation improvements must be aligned with applicable state,
25 regional, or local transportation plans.

26 (2) A public facilities district may enter into contracts with
27 any city or town for the purpose of exercising any powers of a
28 community renewal agency under chapter 35.81 RCW.

29 (3) A public facilities district may impose charges and fees for
30 the use of its facilities, and may accept and expend or use gifts,
31 grants, and donations for the purpose of a regional center.

32 (4) A public facilities district may impose charges, fees, and
33 taxes authorized in RCW 35.57.040, and use revenues derived therefrom
34 for the purpose of paying principal and interest payments on bonds
35 issued by the public facilities district to construct a regional
36 center.

37 (5) Notwithstanding the establishment of a career, civil, or
38 merit service system, a public facilities district may contract with
39 a public or private entity for the operation or management of its
40 public facilities.

1 (6) A public facilities district is authorized to use the
2 supplemental alternative public works contracting procedures set
3 forth in chapter 39.10 RCW in connection with the design,
4 construction, reconstruction, remodel, or alteration of any regional
5 center.

6 (7) A city or town in conjunction with any special agency,
7 authority, or other district established by a county or any other
8 governmental agency is authorized to use the supplemental alternative
9 public works contracting procedures set forth in chapter 39.10 RCW in
10 connection with the design, construction, reconstruction, remodel, or
11 alteration of any regional center funded in whole or in part by a
12 public facilities district.

13 (8) Any provision required to be submitted for voter approval
14 under this section((7)) may not be submitted for voter approval prior
15 to January 1, 2011.

16 **Sec. 3.** RCW 82.14.048 and 2012 c 4 s 6 are each amended to read
17 as follows:

18 (1) The following definitions apply throughout this section
19 unless the context clearly requires otherwise.

20 (a) "Distressed public facilities district" means a public
21 facilities district that has defaulted on bond anticipation notes or
22 bonds in excess of forty million dollars on or before April 1, 2012;
23 and

24 (b) "Anchor jurisdiction" means a city that has entered into an
25 agreement to form a public facilities district under RCW
26 35.57.010(1)(c) that constitutes a distressed public facilities
27 district under this chapter and in which the largest asset of such
28 public facilities district is located.

29 (2)(a) The governing board of a public facilities district under
30 chapter 36.100 or 35.57 RCW may submit an authorizing proposition to
31 the voters of the district, and if the proposition is approved by a
32 majority of persons voting, impose a sales and use tax in accordance
33 with the terms of this chapter.

34 (b) In addition to the tax authorized pursuant to (a) of this
35 subsection and in addition to any other authority conferred by law,
36 the legislative authority of an anchor jurisdiction may impose a
37 sales and use tax within the geographical boundaries of the anchor
38 jurisdiction in accordance with the terms of this chapter without

1 submitting an authorizing proposition to the voters of the anchor
2 jurisdiction or the distressed public facilities district.

3 (3) 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 within the public
7 facilities district. The rate of tax may not exceed two-tenths of one
8 percent of the selling price in the case of a sales tax, or value of
9 the article used, in the case of a use tax. A public facilities
10 district formed under RCW 35.57.010(1)(e) may not impose the tax
11 authorized under this section at a rate that exceeds two-tenths of
12 one percent minus the rate of the highest tax authorized by this
13 section that is imposed by any other public facilities district
14 within its boundaries. A public facilities district formed under RCW
15 35.57.010(1)(f) may impose the tax authorized under this section at a
16 rate of not more than two-tenths of one percent regardless of the tax
17 imposed under this section by any other public facilities district
18 within its boundaries. An anchor jurisdiction may impose the tax
19 authorized by subsection (2)(b) of this section at a rate not to
20 exceed two-tenths of one percent, regardless of whether any other
21 public facilities district (including a distressed public facilities
22 district) within its boundaries imposes the tax authorized by this
23 section or the rate of such tax imposed by the public facilities
24 district. If a public facilities district formed under RCW
25 35.57.010(1)(e) has imposed a tax under this section and issued or
26 incurred obligations pledging that tax, so long as those obligations
27 are outstanding no other public facilities district within its
28 boundaries may thereafter impose a tax under this section at a rate
29 that would reduce the rate of the tax that was pledged to the
30 repayment of those obligations. A public facilities district that
31 imposes a tax under this section is responsible for the payment of
32 any costs incurred for the purpose of administering the provisions of
33 this section, RCW 35.57.010(1)(e), and 35.57.020(1)(b), including any
34 administrative costs associated with the imposition of the tax under
35 this section incurred by either the department of revenue or local
36 government, or both.

37 (4)(a) Moneys received by a public facilities district from any
38 tax imposed by the public facilities district under the authority of
39 this section must be used for the purpose of providing funds for the
40 costs associated with the financing, refinancing, design,

1 acquisition, construction, equipping, operating, maintaining,
2 remodeling, repairing, and reequipping of its public facilities, and
3 for transportation improvements directly associated with facilitating
4 motor vehicle and pedestrian access to its public facilities to the
5 extent allowed in RCW 35.57.020(1)(d).

6 (b) Moneys received by an anchor jurisdiction from any tax
7 imposed by the anchor jurisdiction under the authority of this
8 section must be used for the purpose of providing funds for the costs
9 associated with the financing, refinancing, design, acquisition,
10 construction, equipping, operating, maintaining, remodeling,
11 repairing, and reequipping of the public facilities of the distressed
12 public facilities district, and for all litigation, investigation,
13 and related costs and expenses incurred by the anchor jurisdiction
14 toward resolving matters related to the defaults of the distressed
15 public facilities district. To the extent the distressed public
16 facilities district owes money to an anchor jurisdiction, the anchor
17 jurisdiction may apply money from the sales tax imposed under this
18 section to any such obligations. Any sales tax imposed by an anchor
19 jurisdiction under this section must terminate no later than thirty
20 years after it is first imposed.

21 **Sec. 4.** RCW 35.57.030 and 1999 c 165 s 3 are each amended to
22 read as follows:

23 (1) To carry out the purpose of this chapter, a public facilities
24 district may issue general obligation bonds, not to exceed an amount,
25 together with any outstanding nonvoter-approved general obligation
26 indebtedness, equal to one-half of one percent of the value of the
27 taxable property within the district, as the term "value of the
28 taxable property" is defined in RCW 39.36.015. A facilities district
29 additionally may issue general obligation bonds for capital purposes
30 only, together with any outstanding general obligation indebtedness,
31 not to exceed an amount equal to one and one-fourth percent of the
32 value of the taxable property within the district, as the term "value
33 of the taxable property" is defined in RCW 39.36.015, when authorized
34 by the voters of the public facilities district pursuant to Article
35 VIII, section 6 of the state Constitution, and to provide for the
36 retirement thereof by taxes authorized in chapter 165, Laws of 1999.

37 (2) General obligation bonds may be issued with a maturity of up
38 to thirty years, and shall be issued and sold in accordance with the
39 provisions of chapter 39.46 RCW.

1 (3) The general obligation bonds may be payable from the
2 operating revenues of the public facilities district in addition to
3 the tax receipts of the district.

4 (4) A public facilities district formed under RCW 35.57.010(1)(f)
5 may not issue bonds under this section after July 1, 2023, if doing
6 so would cause the scheduled annual principal and interest payments
7 on the aggregate debt issued by the district under this section in
8 any fiscal year to equal or exceed 80 percent of the annual tax
9 revenue that the district projects, on or prior to the date of
10 issuance of the bonds, to collect in such fiscal year under the sales
11 and use tax authorized in RCW 82.14.048. Nothing in this section
12 limits the amount of revenue that a public facilities district may
13 use to make principal and interest payments on the aggregate debt
14 issued by the district under this section."

15 Correct the title.

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