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**HOUSE BILL 2432**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Walsh and McEntire

Read first time 01/19/24. Referred to Committee on Local Government.

1 AN ACT Relating to public facility district taxing authority; and  
2 amending RCW 82.14.390 and 82.14.485.

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

4 **Sec. 1.** RCW 82.14.390 and 2017 c 164 s 1 are each amended to  
5 read as follows:

6 (1) Except as provided in subsection (7) of this section, the  
7 governing body of a public facilities district (a) created before  
8 July 31, 2002, under chapter 35.57 or 36.100 RCW that commenced  
9 construction of at least one new regional center, or improvement or  
10 rehabilitation of an existing new regional center, before January 1,  
11 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a  
12 county or counties in which there are no other public facilities  
13 districts on June 7, 2006, and in which the total population in the  
14 public facilities district is greater than (~~ninety thousand~~) 90,000  
15 that commenced construction of a new regional center before February  
16 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or  
17 (d) created before September 1, 2007, under chapter 35.57 or 36.100  
18 RCW, in a county or counties in which there are no other public  
19 facilities districts on July 22, 2007, and in which the total  
20 population in the public facilities district is greater than  
21 (~~seventy thousand~~) 70,000, that commenced construction of a new

1 regional center before January 1, 2009, or before January 1, 2011, in  
2 the case of a new regional center in a county designated by the  
3 president as a disaster area in December 2007, may impose a sales and  
4 use tax in accordance with the terms of this chapter. The tax is in  
5 addition to other taxes authorized by law and must be collected from  
6 those persons who are taxable by the state under chapters 82.08 and  
7 82.12 RCW upon the occurrence of any taxable event within the public  
8 facilities district. The rate of tax may not exceed 0.033 percent of  
9 the selling price in the case of a sales tax or value of the article  
10 used in the case of a use tax.

11 (2) (a) The governing body of a public facilities district  
12 imposing a sales and use tax under the authority of this section may  
13 increase the rate of tax up to 0.037 percent if, within three fiscal  
14 years of July 1, 2008, the department determines that, as a result of  
15 RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW  
16 82.14.020, a public facilities district's sales and use tax  
17 collections for fiscal years after July 1, 2008, have been reduced by  
18 a net loss of at least 0.50 percent from the fiscal year before July  
19 1, 2008. The fiscal year in which this section becomes effective is  
20 the first fiscal year after July 1, 2008.

21 (b) The department must determine sales and use tax collection  
22 net losses under this section (~~(as provided in RCW 82.14.500 (2) and~~  
23 ~~(3))~~). The department must provide written notice of its  
24 determinations to public facilities districts. Determinations by the  
25 department of a public facilities district's sales and use tax  
26 collection net losses as a result of RCW 82.14.490 and the chapter 6,  
27 Laws of 2007 amendments to RCW 82.14.020 are final and not  
28 appealable.

29 (c) A public facilities district may increase its rate of tax  
30 after it has received written notice from the department as provided  
31 in (b) of this subsection. The increase in the rate of tax must be  
32 made in 0.001 percent increments and must be the least amount  
33 necessary to mitigate the net loss in sales and use tax collections  
34 as a result of RCW 82.14.490 and the chapter 6, Laws of 2007  
35 amendments to RCW 82.14.020. The increase in the rate of tax is  
36 subject to RCW 82.14.055.

37 (3) The tax imposed under subsection (1) of this section must be  
38 deducted from the amount of tax otherwise required to be collected or  
39 paid over to the department of revenue under chapter 82.08 or 82.12  
40 RCW. The department of revenue must perform the collection of such

1 taxes on behalf of the county at no cost to the public facilities  
2 district. During the 2011-2013 fiscal biennium, distributions by the  
3 state to a public facilities district based on the additional rate  
4 authorized in subsection (2) of this section must be reduced by 3.4  
5 percent.

6 (4) No tax may be collected under this section before August 1,  
7 2000. The tax imposed in this section expires when bonds issued to  
8 finance or refinance the construction, improvement, rehabilitation,  
9 or expansion of the regional center and related parking facilities  
10 are retired, but not more than (~~forty~~) 65 years after the tax is  
11 first collected.

12 (5) Moneys collected under this section may only be used for the  
13 purposes set forth in RCW 35.57.020 and must be matched with an  
14 amount from other public or private sources equal to (~~thirty-three~~)  
15 33 percent of the amount collected under this section; however,  
16 amounts generated from nonvoter approved taxes authorized under  
17 chapter 35.57 RCW or nonvoter approved taxes authorized under chapter  
18 36.100 RCW do not constitute a public or private source. For the  
19 purpose of this section, public or private sources includes, but is  
20 not limited to cash or in-kind contributions used in all phases of  
21 the development or improvement of the regional center, land that is  
22 donated and used for the siting of the regional center, cash or in-  
23 kind contributions from public or private foundations, or amounts  
24 attributed to private sector partners as part of a public and private  
25 partnership agreement negotiated by the public facilities district.

26 (6) The combined total tax levied under this section may not be  
27 greater than 0.037 percent. If both a public facilities district  
28 created under chapter 35.57 RCW and a public facilities district  
29 created under chapter 36.100 RCW impose a tax under this section, the  
30 tax imposed by a public facilities district created under chapter  
31 35.57 RCW must be credited against the tax imposed by a public  
32 facilities district created under chapter 36.100 RCW.

33 (7) A public facilities district created under chapter 36.100 RCW  
34 is not eligible to impose the tax under this section if the  
35 legislative authority of the county where the public facilities  
36 district is located has imposed a sales and use tax under RCW  
37 82.14.0485 or 82.14.0494.

38 **Sec. 2.** RCW 82.14.485 and 2017 c 164 s 2 are each amended to  
39 read as follows:

1 (1) In a county with a population under three hundred thousand,  
2 the governing body of a public facilities district, which is created  
3 before August 1, 2001, under chapter 35.57 RCW or before January 1,  
4 2000, under chapter 36.100 RCW, in which the total population in the  
5 public facilities district is greater than (~~ninety thousand~~) 90,000  
6 and less than (~~one hundred thousand~~) 100,000 that commences  
7 improvement or rehabilitation of an existing regional center, to be  
8 used for community events, and artistic, musical, theatrical, or  
9 other cultural exhibitions, presentations, or performances and having  
10 (~~two thousand~~) 2,000 or fewer permanent seats, before January 1,  
11 2009, may impose a sales and use tax in accordance with the terms of  
12 this chapter. The tax is in addition to other taxes authorized by law  
13 and must be collected from those persons who are taxable by the state  
14 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
15 event within the public facilities district. The rate of tax for a  
16 public facilities district created prior to August 1, 2001, under  
17 chapter 35.57 RCW, may not exceed 0.025 percent of the selling price  
18 in the case of a sales tax or value of the article used in the case  
19 of a use tax. The rate of tax, for a public facilities district  
20 created prior to January 1, 2000, under chapter 36.100 RCW, may not  
21 exceed 0.020 percent of the selling price in the case of a sales tax  
22 or the value of the article used in the case of a use tax.

23 (2) The tax imposed under subsection (1) of this section must be  
24 deducted from the amount of tax otherwise required to be collected or  
25 paid over to the department under chapter 82.08 or 82.12 RCW. The  
26 department must perform the collection of such taxes on behalf of the  
27 county at no cost to the public facilities district.

28 (3) The tax imposed in this section expires when bonds issued to  
29 finance or refinance the construction, improvement, rehabilitation,  
30 or expansion of the regional center and related parking facilities  
31 are retired, but not more than (~~forty~~) 65 years after the tax is  
32 first collected.

33 (4) Moneys collected under this section may only be used for the  
34 purposes set forth in RCW 35.57.020 and must be matched with an  
35 amount from other public or private sources equal to (~~thirty-three~~)  
36 33 percent of the amount collected under this section, provided that  
37 amounts generated from nonvoter-approved taxes authorized under  
38 chapter 35.57 RCW may not constitute a public or private source. For  
39 the purpose of this section, public or private sources include, but  
40 are not limited to cash or in-kind contributions used in all phases

1 of the development or improvement of the regional center, land that  
2 is donated and used for the siting of the regional center, cash or  
3 in-kind contributions from public or private foundations, or amounts  
4 attributed to private sector partners as part of a public and private  
5 partnership agreement negotiated by the public facilities district.

--- **END** ---