
SUBSTITUTE HOUSE BILL 1377

State of Washington 61st Legislature 2009 Regular Session

By House Community & Economic Development & Trade (originally sponsored by Representatives Klippert, Haler, Angel, and Walsh)

READ FIRST TIME 02/19/09.

1 AN ACT Relating to the authority of towns, cities, and counties to
2 form public facilities districts for recreational facilities when one
3 or more of the towns, cities, or counties have previously formed public
4 facility districts; amending RCW 35.57.010 and 82.14.048; and
5 reenacting and amending RCW 35.57.020.

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

7 **Sec. 1.** RCW 35.57.010 and 2007 c 486 s 1 are each amended to read
8 as follows:

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

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

16 (c) The legislative authority of any town or city, or any
17 contiguous group of towns or cities, located in a county with a
18 population of less than one million and the legislative authority of a
19 contiguous county, or the legislative authority of the county or

1 counties in which the towns or cities are located, may enter into an
2 agreement under chapter 39.34 RCW for the creation and joint operation
3 of a public facilities district.

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

9 (e) At least two legislative authorities, one or more of which
10 previously created a public facilities district or districts under (b)
11 or (c) of this subsection, may create an additional public facilities
12 district notwithstanding the fact that one or more of those towns or
13 cities, with or without a county or counties, previously have created
14 one or more public facilities districts within the geographic
15 boundaries of the additional public facilities district. Those
16 existing districts may continue their full corporate existence and
17 activities notwithstanding the creation and existence of the additional
18 district within all or part of the same geographic area. Additional
19 public facilities districts formed under this subsection may be
20 comprised of a maximum of three contiguous towns or cities separately
21 or in combination with a maximum of two contiguous counties.

22 (2)(a) A public facilities district shall be coextensive with the
23 boundaries of the city or town or contiguous group of cities or towns
24 that created the district.

25 (b) A public facilities district created by an agreement between a
26 town or city, or a contiguous group of towns or cities, and a
27 contiguous county or the county in which they are located, shall be
28 coextensive with the boundaries of the towns or cities, and the
29 boundaries of the county or counties as to the unincorporated areas of
30 the county or counties. The boundaries shall not include incorporated
31 towns or cities that are not parties to the agreement for the creation
32 and joint operation of the district.

33 (3)(a) A public facilities district created by a single city or
34 town shall be governed by a board of directors consisting of five
35 members selected as follows: (i) Two members appointed by the
36 legislative authority of the city or town; and (ii) three members
37 appointed by legislative authority based on recommendations from local
38 organizations. The members appointed under (a)(i) of this subsection,

1 shall not be members of the legislative authority of the city or town.
2 The members appointed under (a)(ii) of this subsection, shall be based
3 on recommendations received from local organizations that may include,
4 but are not limited to the local chamber of commerce, local economic
5 development council, and local labor council. The members shall serve
6 four-year terms. Of the initial members, one must be appointed for a
7 one-year term, one must be appointed for a two-year term, one must be
8 appointed for a three-year term, and the remainder must be appointed
9 for four-year terms.

10 (b) A public facilities district created by a contiguous group of
11 cities and towns shall be governed by a board of directors consisting
12 of seven members selected as follows: (i) Three members appointed by
13 the legislative authorities of the cities and towns; and (ii) four
14 members appointed by the legislative (~~authority~~) authorities of the
15 cities and towns based on recommendations from local organizations.
16 The members appointed under (b)(i) of this subsection shall not be
17 members of the legislative authorities of the cities and towns. The
18 members appointed under (b)(ii) of this subsection, shall be based on
19 recommendations received from local organizations that include, but are
20 not limited to the local chamber of commerce, local economic
21 development council, local labor council, and a neighborhood
22 organization that is directly affected by the location of the regional
23 center in their area. The members of the board of directors shall be
24 appointed in accordance with the terms of the agreement under chapter
25 39.34 RCW for the joint operation of the district and shall serve four-
26 year terms. Of the initial members, one must be appointed for a one-
27 year term, one must be appointed for a two-year term, one must be
28 appointed for a three-year term, and the remainder must be appointed
29 for four-year terms.

30 (c) A public facilities district created by a town or city, or a
31 contiguous group of towns or cities, and a contiguous county or the
32 county or counties in which they are located, shall be governed by a
33 board of directors consisting of seven members selected as follows:
34 (i) Three members appointed by the legislative authorities of the
35 cities, towns, and county; and (ii) four members appointed by the
36 legislative (~~authority~~) authorities of the cities, towns, and county
37 based on recommendations from local organizations. The members
38 appointed under (c)(i) of this subsection shall not be members of the

1 legislative authorities of the cities, towns, or county. The members
2 appointed under (c)(ii) of this subsection shall be based on
3 recommendations received from local organizations that include, but are
4 not limited to, the local chamber of commerce, the local economic
5 development council, the local labor council, and a neighborhood
6 organization that is directly affected by the location of the regional
7 center in their area. The members of the board of directors shall be
8 appointed in accordance with the terms of the agreement under chapter
9 39.34 RCW for the joint operation of the district and shall serve four-
10 year terms. Of the initial members, one must be appointed for a one-
11 year term, one must be appointed for a two-year term, one must be
12 appointed for a three-year term, and the remainder must be appointed
13 for four-year terms.

14 (d)(i) A public facilities district created under subsection (1)(e)
15 of this section may provide, in the agreement providing for its
16 creation and operation, that the district must be governed by a board
17 of directors appointed under (b) or (c) of this subsection, or by a
18 board of directors of not more than nine members who are also members
19 of the legislative authorities that created the public facilities
20 district or of the governing boards of the public facilities district
21 or districts, or both, previously created by those legislative
22 authorities.

23 (ii) A board of directors formed under this subsection must have an
24 equal number of members representing each city, town, or county
25 participating in the public facilities district. If a public
26 facilities district is created by an even number of legislative
27 authorities, the members representing or appointed by those legislative
28 authorities shall appoint an additional board member. For a board
29 formed under this subsection to approve a proposition, the proposition
30 must be approved by a majority of the members representing or appointed
31 by each legislative authority participating in the public facilities
32 district.

33 (4) A public facilities district is a municipal corporation, an
34 independent taxing "authority" within the meaning of Article VII,
35 section 1 of the state Constitution, and a "taxing district" within the
36 meaning of Article VII, section 2 of the state Constitution.

37 (5) A public facilities district shall constitute a body corporate
38 and shall possess all the usual powers of a corporation for public

1 purposes as well as all other powers that may now or hereafter be
2 specifically conferred by statute, including, but not limited to, the
3 authority to hire employees, staff, and services, to enter into
4 contracts, and to sue and be sued.

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

11 **Sec. 2.** RCW 35.57.020 and 2002 c 363 s 2 and 2002 c 218 s 25 are
12 each reenacted and amended to read as follows:

13 (1)(a) Except for a public facilities district created under RCW
14 35.57.010(1)(e), a public facilities district is authorized to acquire,
15 construct, own, remodel, maintain, equip, reequip, repair, finance, and
16 operate one or more regional centers. For purposes of this chapter,
17 "regional center" means a convention, conference, or special events
18 center, or any combination of facilities, and related parking
19 facilities, serving a regional population constructed, improved, or
20 rehabilitated after July 25, 1999, at a cost of at least ten million
21 dollars, including debt service. "Regional center" also includes an
22 existing convention, conference, or special events center, and related
23 parking facilities, serving a regional population, that is improved or
24 rehabilitated after July 25, 1999, where the costs of improvement or
25 rehabilitation are at least ten million dollars, including debt
26 service. A "special events center" is a facility, available to the
27 public, used for community events, sporting events, trade shows, and
28 artistic, musical, theatrical, or other cultural exhibitions,
29 presentations, or performances. A regional center is conclusively
30 presumed to serve a regional population if state and local government
31 investment in the construction, improvement, or rehabilitation of the
32 regional center is equal to or greater than ten million dollars.

33 (b) A public facilities district created under RCW 35.57.010(1)(e)
34 is authorized to acquire, construct, own, remodel, maintain, equip,
35 reequip, repair, finance, and operate one or more recreational
36 facilities other than a ski area.

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

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

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

12 (5) Notwithstanding the establishment of a career, civil, or merit
13 service system, a public facilities district may contract with a public
14 or private entity for the operation or management of its public
15 facilities.

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

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

27 **Sec. 3.** RCW 82.14.048 and 2008 c 86 s 103 are each amended to read
28 as follows:

29 (1) 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 (2) The tax authorized in this section shall be in addition to any
35 other taxes authorized by law and shall be collected from those persons
36 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
37 the occurrence of any taxable event within the public facilities

1 district. The rate of tax shall not exceed two-tenths of one percent
2 of the selling price in the case of a sales tax, or value of the
3 article used, in the case of a use tax. A public facilities district
4 formed under RCW 35.57.010(1)(e) may not impose the tax authorized
5 under this subsection at a rate that exceeds two-tenths of one percent
6 minus the rate of the highest tax authorized by this subsection that is
7 imposed by any other public facilities district within its boundaries.
8 If a public facilities district formed under RCW 35.57.010(1)(e) has
9 imposed a tax under this subsection and issued or incurred obligations
10 pledging that tax, so long as those obligations are outstanding no
11 other public facilities district within its boundaries may thereafter
12 impose a tax under this subsection at a rate that would reduce the rate
13 of the tax that was pledged to the repayment of those obligations.

14 (3) Moneys received from any tax imposed under the authority of
15 this section shall be used for the purpose of providing funds for the
16 costs associated with the financing, design, acquisition, construction,
17 equipping, operating, maintaining, remodeling, repairing, and
18 reequipping of its public facilities.

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