



1 (b) Cultural organizations represent an essential component of the  
2 state's overall quality of life, contributing substantially to the  
3 state's attractiveness and competitiveness in the global economy.

4 (c) Cultural organizations are themselves a significant component  
5 of the state's economy. Through their numerous missions and offerings,  
6 they afford the state's citizens meaningful and life enriching  
7 educational and other experiences.

8 (d) Cultural institutions are an essential source of knowledge and  
9 inspiration for the citizens of the state.

10 (2) The purpose of this chapter is to authorize formation of  
11 cultural access authorities and to authorize funding for public school  
12 cultural access programs and the support of cultural organizations,  
13 subject to voter approval.

14 **PART II**  
15 **DEFINITIONS**

16 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this  
17 section apply throughout this chapter unless the context clearly  
18 requires otherwise.

19 (1) "Administrative costs" means all operating, administrative, and  
20 maintenance expenses of an authority, a designated public agency, or a  
21 designated entity.

22 (2) "Attendance" means the total number of visits by persons in  
23 physical attendance during a year at cultural organization facilities  
24 located or cultural organization programs provided within an authority  
25 service area, including attendance for which admission was paid,  
26 discounted, or free, consistent with and verifiable under guidelines  
27 adopted by the appropriate authority.

28 (3) "Authority" means a cultural access authority.

29 (4) "Authority board" means the board of directors of an authority.

30 (5) "Community-based organization" means a cultural organization  
31 that primarily functions, focuses its activities, and is supported or  
32 patronized within a local community and is not a regional organization,  
33 subject to further definition under guidelines adopted by the  
34 appropriate designated public agency.

35 (6) "Cultural organization" means a nonprofit corporation  
36 incorporated under the laws of the state of Washington and recognized

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

19 (7) "Designated entity" means the entity designated by the  
20 legislative authority of a participating county. The entity may be a  
21 public agency or a Washington nonprofit corporation that is not a  
22 cultural organization eligible for funding under this chapter.

23 (8) "Designated public agency" means the agency designated by the  
24 legislative authority of a participating county within an authority  
25 service area.

26 (9) "Participating county" means a county that participated in the  
27 formation of an authority under this chapter.

28 (10) "Regional organization" means a cultural organization that  
29 owns, operates, or supports cultural facilities or provides  
30 performances, exhibits, educational programs, experiences, or  
31 entertainment that widely benefit and are broadly attended by the  
32 public within the authority service area, subject to further definition  
33 under guidelines adopted by the appropriate authority. A regional  
34 organization may also generally be characterized under authority  
35 guidelines as a financially stable, substantial organization with  
36 full-time support and program staff, maintaining a broad-based  
37 membership within the authority service area, having year-round or  
38 enduring seasonal operations, being a substantial financial contributor

1 to the development, operation, and maintenance of the organization's  
2 principal venue or venues, and providing substantial public benefits  
3 within the authority service area.

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

16 (12) "Service area" means the area in which an authority functions  
17 that is coterminous with the boundaries of one county or two or more  
18 contiguous participating counties.

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

### 28 PART III

### 29 CULTURAL ACCESS AUTHORITIES

30 NEW SECTION. **Sec. 301.** CREATION. (1)(a) At any general election  
31 held in an even-numbered year, the county legislative authority of any  
32 county in this state with a population greater than one hundred  
33 seventy-five thousand may, by resolution, submit to the voters of the  
34 county the proposition of creating a cultural access authority which  
35 must be coextensive with the limits of the county as now or hereafter  
36 established.

1 (b) At any general election held in an even-numbered year, the  
2 county legislative authorities up to four counties in this state,  
3 including at least one county with a population of more than one  
4 hundred fifty thousand may, by resolution, submit to the voters of each  
5 county the proposition of creating a cultural access authority which  
6 must be coextensive with the limits of the participating counties as  
7 now or hereafter established.

8 (2) The notice of the election under subsection (1) of this section  
9 must state the boundaries of the proposed cultural access authority and  
10 the object of such election, and must in other respects conform to the  
11 requirements of the general laws of the state of Washington, governing  
12 the time and manner of holding elections. In submitting the question  
13 to the voters for their approval or rejection, the proposition must be  
14 expressed on the ballot substantially in the following terms:

- 15 Cultural Access Authority . . . . . YES
- 16 Cultural Access Authority . . . . . NO

17 At the same election on the proposition to form a cultural access  
18 authority, there must also be an election authorizing the imposition of  
19 a sales and use tax that may not exceed one-tenth of one percent. If  
20 a majority of the voters in each county voting on the ballot  
21 proposition authorizing the creation of the cultural access authority  
22 vote in favor of the formation of the authority, and if a majority of  
23 the voters in each county voting on the authorization to impose a sales  
24 and use tax vote in favor of the tax, the authority must be created as  
25 a municipal corporation effective immediately upon certification of the  
26 election results and its name must be that designated in the ballot  
27 proposition. The election authorizing the creation of the cultural  
28 access authority is null and void if the proposition to impose a sales  
29 and use tax does not receive approval by a majority of the voters in  
30 each county voting on the proposition. The election authorizing the  
31 imposition of a sales and use tax is null and void if the proposition  
32 to form the cultural access authority does not receive approval by a  
33 majority of the voters in each county voting on the proposition.

34 (3)(a) An authority created by a single participating county must  
35 be governed by a five-member authority board consisting of four members  
36 appointed by the county legislative authority and one member appointed  
37 by the governor. In a participating county with an elected county  
38 executive, authority board members appointed by the county legislative

1 authority must be nominated by the county executive subject to  
2 confirmation by the county legislative authority. The members  
3 appointed under this subsection may not be members of the legislative  
4 authority of the participating county or of any city or town located in  
5 a participating county. The members of the authority board 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) An authority created by up to four participating counties under  
11 subsection (1)(b) of this section must be governed by a seven to  
12 eleven-member authority board as follows: (i) With respect to a two-  
13 county authority formed under this subsection, one member appointed by  
14 the legislative authority of each participating county; one member  
15 appointed by the legislative authority of each of the two largest  
16 cities by population as of formation of the authority in the larger  
17 participating county by population as of formation of the authority;  
18 one member appointed by the legislative authority of the largest city  
19 by population as of formation of the authority in the smaller  
20 participating county by population as of formation of the authority;  
21 and two members appointed by the governor; and (ii) with respect to a  
22 three or four-county authority formed under this subsection, one member  
23 appointed by the legislative authority of each participating county;  
24 one member appointed by the legislative authority of each of the two  
25 largest cities by population as of formation of the authority in the  
26 largest participating county by population as of formation of the  
27 authority; one member appointed by the legislative authority of the  
28 largest city by population as of formation of the authority in each of  
29 the other participating counties; and two members appointed by the  
30 governor. A county legislative authority appointing members under this  
31 subsection shall solicit recommendations from the county cultural  
32 commission, if any, and the county's designated public agency prior to  
33 final approval of any appointment or appointments. The members  
34 appointed under this subsection may not be members of the legislative  
35 authorities of the participating counties or of any city or town  
36 located in a participating county. In a participating county with an  
37 elected county executive, authority board members appointed by the  
38 county legislative authority must be nominated by the county executive

1 subject to confirmation by the county legislative authority. The  
2 members of the authority board shall serve four-year terms. Of the  
3 initial members of the board of a two-county authority formed under  
4 this subsection, two must be appointed for a one-year term; two must be  
5 appointed for a two-year term; two must be appointed for a three-year  
6 term; and one member must be appointed for a four-year term. Of the  
7 initial members of the board of a three or four-county authority formed  
8 under this subsection, three must be appointed for a one-year term;  
9 three must be appointed for a two-year term; three must be appointed  
10 for a three-year term; and two members must be appointed for a  
11 four-year term.

12 (c)(i) A vacancy on an authority board must be filled in the same  
13 manner as the original appointment was made, and the person appointed  
14 to fill a vacancy shall serve for the remainder of the unexpired term  
15 of the office for the position to which he or she was appointed.

16 (ii) A board member appointed by the governor may be removed from  
17 office by the governor. Any other board member may be removed from  
18 office by action of at least two-thirds of the members of the  
19 legislative authority which made the appointment.

20 (4) An authority is a municipal corporation, a political  
21 subdivision, an independent taxing authority, and a taxing district.

22 (5) An authority constitutes a body corporate and possesses all the  
23 usual powers of a corporation for public purposes as well as all other  
24 powers that may now or hereafter be specifically conferred by statute.

25 (6) An authority board shall adopt ethics policies consistent with  
26 applicable law and generally recognized best practices for comparable  
27 entities addressing disclosure and management of potential conflicts of  
28 interest, among other matters. The policies must apply to authority  
29 board members, officers, and employees.

30 NEW SECTION. **Sec. 302.** NONSUPPLANTATION. In creating an  
31 authority under this chapter or appointing members of the board of the  
32 authority, any participating county or city appointing board members  
33 shall affirm that any funding such county or city usually and  
34 customarily provides to cultural organizations similar to funding that  
35 would be available to those organizations under this chapter may not be  
36 replaced or materially diminished as a result of funding becoming  
37 available under this chapter.

1        NEW SECTION.        **Sec. 303.**        ADVISORY COUNCILS.        Each authority  
2 established under this chapter may establish an advisory council, the  
3 membership of which must include citizen representatives of  
4 constituencies and organizations with interests relevant to the work of  
5 the authority including, but not limited to, leaders in the business,  
6 educational, and cultural communities. Advisory council members should  
7 be residents of the service area of the authority. Policies concerning  
8 the size and operation of any advisory council must be established by  
9 the authority that forms the council.

10        NEW SECTION.        **Sec. 304.**        POWERS AND PURPOSES.        In addition to  
11 accomplishing the cultural organization support activities specifically  
12 authorized under this chapter, an authority may:

- 13        (1) Maintain an office or offices;
- 14        (2) Sue and be sued in its own name, and plead and be impleaded;
- 15        (3) Engage consultants, agents, attorneys, and advisers, contract  
16 with state and local governmental entities for services, and hire as  
17 provided in section 308 of this act such employees, agents, and other  
18 personnel as the authority deems necessary, useful, or convenient to  
19 accomplish its purposes;
- 20        (4) Establish procurement policies by resolution, including  
21 procedures for competitive procurement of services when required under  
22 its established policies;
- 23        (5) Make and execute all manner of contracts, agreements, and  
24 documents with public and private parties as the authority deems  
25 necessary, useful, or convenient to accomplish its purposes;
- 26        (6) Acquire and hold real or personal property, or any interest  
27 therein, in the name of the authority, and sell, assign, lease,  
28 encumber, mortgage, or otherwise dispose of the same in the manner as  
29 the authority deems necessary, useful, or convenient to accomplish its  
30 purposes. Any county legislative authority may transfer property, with  
31 or without consideration, to an authority created under this chapter;
- 32        (7) Open and maintain accounts in qualified public depositories and  
33 otherwise provide for the investment of any funds not required for  
34 immediate disbursement, and provide for the selection of investments;
- 35        (8) Appear in its own behalf before boards, commissions,  
36 departments, or agencies of federal, state, or local government;

1 (9) Procure insurance in amounts and from insurers as the authority  
2 deems desirable including, but not limited to, insurance against any  
3 loss or damage to its property or other assets, public liability  
4 insurance for injuries to persons or property, and liability insurance  
5 with limits an authority board deems reasonable for the purpose of  
6 protecting and holding personally harmless board members, officers, and  
7 employees of the authority against liability arising from their acts or  
8 omissions while performing or in good faith purporting to perform their  
9 official duties;

10 (10) Apply for and accept grants, loans, advances, and  
11 contributions from any source of money, property, labor, or other  
12 things of value, to be held, used, and applied as the authority deems  
13 necessary, useful, or convenient to accomplish its purposes, without  
14 competing with cultural organizations as defined under this chapter or  
15 private organizations that raise funds for distribution to cultural  
16 organizations;

17 (11) Make expenditures as are appropriate for paying the  
18 administrative costs and expenses of the authority in carrying out the  
19 provisions of this chapter;

20 (12) Establish reserves and special funds, and controls on deposits  
21 to and disbursements from them, as the authority deems necessary,  
22 useful, or convenient to accomplish its purposes;

23 (13) Prepare, publish, and distribute, with or without charge,  
24 studies, reports, bulletins, and other material as the authority deems  
25 necessary, useful, or convenient to accomplish its purposes;

26 (14) Conduct meetings at which members participating through the  
27 use of any means of communication by which all members participating  
28 can hear each other during the meeting are deemed to be present in  
29 person at the meeting for all purposes;

30 (15) Delegate any of its powers and duties if consistent with the  
31 purposes of this chapter;

32 (16) Adopt rules and guidelines as may be necessary to implement  
33 this chapter; and

34 (17) Exercise any other power the authority deems necessary,  
35 useful, or convenient to accomplish its purposes and exercise the  
36 powers expressly granted in this chapter.

1           NEW SECTION.   **Sec. 305.**   EXPENSE REIMBURSEMENT PROCEDURES.   The  
2 authority board shall adopt a resolution that may be amended from time  
3 to time governing methods and amounts of reimbursement payable to board  
4 members, officers, and employees for travel and other business expenses  
5 incurred on behalf of the authority.   The resolution must, among other  
6 things, establish procedures for approving expenses, the form of travel  
7 and expense vouchers, and requirements governing the use of credit  
8 cards issued in the name of the authority.   Board members, officers,  
9 and employees may be advanced sufficient sums to cover their  
10 anticipated expenses in accordance with rules adopted by the state  
11 auditor.

12           NEW SECTION.   **Sec. 306.**   PER DIEM COMPENSATION.   Each member of the  
13 authority board may receive compensation of fifty dollars per day for  
14 attending meetings or conferences on behalf of the authority, not to  
15 exceed three thousand dollars per year.   A board member may waive all  
16 or a portion of his or her compensation under this section during his  
17 or her term of office, by a written waiver filed with the authority.  
18 The compensation provided in this section is in addition to  
19 reimbursement for expenses paid to board members by the authority.

20           NEW SECTION.   **Sec. 307.**   DEFENSE AND INDEMNITY.   Whenever an  
21 action, claim, or proceeding is instituted against a person who is or  
22 was a board member, officer, or employee of an authority arising out of  
23 the performance of duties for or employment with the authority, the  
24 authority may grant a request by the person that the attorney of the  
25 authority's choosing be authorized to defend the claim, suit, or  
26 proceeding, and the costs of defense, attorneys' fees, and obligation  
27 for payments arising from the action may be paid from the authority's  
28 funds.   Costs of defense, judgment, or settlement against the person  
29 may not be paid in a case where the court has found that the person was  
30 not acting in good faith within the scope of employment with or duties  
31 for the authority.   No board member or officer of the authority may be  
32 personally liable for acts done or omitted in good faith while  
33 performing duties as a board member or officer on behalf of the  
34 authority.

1 NEW SECTION. **Sec. 308.** EMPLOYEES, SALARIES, AND BENEFITS. An  
2 authority may create and fill positions; fix reasonable wages and  
3 salaries; pay costs involved in hiring employees; and establish  
4 reasonable benefits for employees, including holiday pay, vacations or  
5 vacation pay, retirement benefits, and medical, life, accident, or  
6 health disability insurance, as approved by the board. Authority board  
7 members, at their own expense, may be included under any authority  
8 policy for medical, life, accident, or health disability insurance.  
9 Insurance for employees and board members may not be considered  
10 compensation. Coverage for the board under any authority policy is not  
11 to exceed that provided authority employees. An authority is a  
12 political subdivision for purposes of participation in the state public  
13 employees' retirement system under RCW 41.40.062 and for other  
14 purposes.

15 NEW SECTION. **Sec. 309.** TREASURER. At the request of the  
16 authority, the treasurer of any participating county may serve as the  
17 ex officio treasurer of the authority.

18 **PART IV**  
19 **FUNDING**

20 NEW SECTION. **Sec. 401.** A new section is added to chapter 82.14  
21 RCW to read as follows:

22 VOTED SALES TAX. (1) The board of a cultural access authority may  
23 submit an authorizing proposition to the voters of the authority and,  
24 if the proposition is approved by a majority of persons voting, fix and  
25 impose a sales and use tax in accordance with the terms of this  
26 chapter.

27 (2) The tax authorized in this section is in addition to any other  
28 taxes authorized by law and must be collected from those persons who  
29 are taxable by the state under chapters 82.08 and 82.12 RCW upon the  
30 occurrence of any taxable event within the authority.

31 (3) The rate of tax may not exceed one-tenth of one percent of the  
32 selling price in the case of a sales tax, or value of the article used,  
33 in the case of a use tax.

34 (4) The tax imposed in this section expires seven years after the  
35 effective date of the tax, but may be reauthorized for one or more

1 additional seven-year terms, in each case if the authority board  
2 submits an authorizing proposition to the voters of the authority and  
3 the proposition is approved by a majority of persons voting.

4 (5) Moneys collected under this section may only be used for the  
5 purposes set forth in sections 501 and 502 of this act.

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

8 **PART V**

9 **USE OF FUNDS**

10 NEW SECTION. **Sec. 501.** ALLOCATION. (1) An authority with a  
11 service area population of more than one million five hundred thousand  
12 established as provided in section 301(1)(a) of this act or an  
13 authority with an aggregate service area population of more than two  
14 million five hundred thousand established as provided in section  
15 301(1)(b) of this act shall allocate funds available under section 401  
16 of this act as follows:

17 (a) Up to one and one-fourth percent of total funds available  
18 annually may be used for authority administrative costs and up to two  
19 and three-fourths percent of total funds available annually may be used  
20 for other projects of regional benefit to be undertaken within the  
21 authority's service area;

22 (b)(i) After allocating funds as required in (a) of this  
23 subsection, ten percent of remaining funds available annually must be  
24 used to fund a public school cultural access program to be administered  
25 by the authority. As determined by the authority board and to the  
26 extent practicable consistent with available resources, the public  
27 school cultural access program must include the following attributes:

28 (A) Provide benefits designed to increase public school student  
29 access to the programming offered and facilities operated by regional  
30 and community-based organizations receiving funding under this chapter;

31 (B) Offer benefits to every public school in the authority's  
32 service area while scaling the range of benefits available to and the  
33 frequency of opportunities to participate by any particular school to  
34 coincide with the relative percentage of students attending the school  
35 who participate in the national free or reduced-price school meals  
36 program; and

1 (C) Benefits provided under the public school cultural access  
2 program must include, without limitation:

3 (I) Establishment and operation, within funding provided to support  
4 the public school cultural access program under this subsection, of a  
5 centralized service available to regional and community-based  
6 organizations receiving funding under this chapter and public schools  
7 in the authority's service area to coordinate opportunities for public  
8 school student access to the programs and activities offered by the  
9 organizations both at the facilities and venues operated by the  
10 organizations and through programs and experiences provided by the  
11 organizations at schools and elsewhere;

12 (II) Providing directly or otherwise funding and arranging for  
13 transportation for public school students to attend and participate in  
14 the programs and activities offered by such organizations;

15 (III) In consultation with regional and community-based  
16 organizations, preparing and maintaining a readily accessible and  
17 current guide cataloging access opportunities and facilitating  
18 scheduling;

19 (IV) Coordinating closely with regional and community-based  
20 organizations to maximize student utilization of available  
21 opportunities in a cost-efficient manner including possible scheduling  
22 on a single day opportunities for different grade levels at any one  
23 school and participation in multiple programs or activities in the same  
24 general area for which authority-funded transportation is provided;

25 (V) Supporting the development of tools, materials, and media by  
26 cultural organizations to ensure that school access programs and  
27 activities correlate with school curricula and extend the reach of  
28 access programs and activities for classroom use with or without direct  
29 on-site participation, to the extent practicable;

30 (VI) Building meaningful partnerships with public schools and  
31 cultural organizations in order to maximize participation in school  
32 access programs and activities and ensure their relevance and  
33 effectiveness;

34 (VII) Preparing an annual public school access plan for authority  
35 board review and adoption prior to implementation; and

36 (VIII) Compiling an annual report documenting the reach and  
37 evaluating the effectiveness of authority-funded public school access

1 efforts, including recommendations to the authority board for  
2 improvements.

3 (ii) The authority board shall establish eligibility guidelines,  
4 criteria for the award of funding to support projects of regional  
5 benefit, including identification and evaluation of the public benefits  
6 to be derived from the projects, and a competitive allocation process  
7 to be undertaken at least annually. The projects may include, without  
8 limitation, regional cultural public information and promotional  
9 activities; support for new cultural organizations; and support for  
10 specific projects or organizations working to expand access to cultural  
11 activities by underserved populations. Regional organizations  
12 receiving funding under this chapter are not eligible applicants for  
13 funding under this section. However, regional organizations may  
14 participate in broad-based, collaborative projects funded under this  
15 section and may partner with a community-based organization in a  
16 project for which the community-based organization is the applicant for  
17 funding and plays the lead role in the project;

18 (c) Seventy-five percent of total remaining funds available  
19 annually excluding funds initially reserved under (a) and (b) of this  
20 subsection must be reserved for distribution by the authority board to  
21 each regional organization that the authority board determines, on an  
22 annual basis, to have met the following guidelines:

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

26 (ii) Has its principal location or locations and conducts the  
27 majority of its activities within the authority service area primarily  
28 for the benefit of authority residents;

29 (iii) Has not declared bankruptcy or suspended or substantially  
30 curtailed operations for a period longer than six months during the  
31 preceding three years;

32 (iv) Has provided to the authority audited annual financial  
33 statements for at least its two most recent fiscal years;

34 (v) Over the three preceding years, has minimum average annual  
35 revenues of at least one million two hundred fifty thousand dollars.  
36 The authority board shall annually and cumulatively adjust the minimum  
37 revenues by the annual percentage change in the consumer price index  
38 for the prior year for the Seattle-Tacoma-Bellevue, Washington

1 metropolitan statistical area for all urban consumer, all goods, as  
2 published by the United States department of labor, bureau of labor  
3 statistics. The minimum revenues requirement, adjusted for inflation  
4 as provided in this section, remains effective through the date on  
5 which the initial tax authorized by the voters under section 401 of  
6 this act expires. Thereafter, the authority board shall, at the  
7 beginning of each subsequent period of funding as approved by the  
8 voters, establish initial minimum average annual revenues of not less  
9 than the amount of the minimum revenues required during the final year  
10 of the immediately preceding period of funding;

11 (vi) For purposes of determining the eligibility of a cultural  
12 organization to receive funding or the relative magnitude of the  
13 funding it receives on the basis of its revenues, any determination  
14 with respect to a qualifying state-related cultural organization must  
15 exclude any state funding received by the organization or for the  
16 institution it supports; and

17 (vii) Any additional guidelines, consistent with section 201 of  
18 this act and this section, as it deems necessary or appropriate for  
19 determining the eligibility of prospective regional organizations to  
20 receive funding under this section and for establishing the amount of  
21 funding any organization may receive;

22 (d) Funds available under (c) of this subsection must be  
23 distributed among eligible regional organizations based on an annual  
24 ranking of eligible organizations by the combined size of their average  
25 annual revenues and their average annual attendance, both over the  
26 three preceding years. However, an organization's attendance must have  
27 twice the weight of the organization's revenues in determining its  
28 relative ranking. Available funds must be distributed proportionally  
29 among eligible organizations, consistent with the ranking, such that  
30 the organization with the largest combined revenues and weighted  
31 attendance would receive the most funding and the organization with the  
32 smallest combined revenues and weighted attendance would receive the  
33 least funding. However, no organization may receive funds in excess of  
34 fifteen percent of its average annual revenues over the three preceding  
35 years. Any funds available under (c) of this subsection not  
36 distributed to regional organizations as a result of application of the  
37 formula provided under this subsection (1)(d) must be allocated by the  
38 authority board for distribution under (f) of this subsection;

1 (e) Funds distributed to regional organizations under (c) of this  
2 subsection must be used to support cultural and educational activities,  
3 programs and initiatives, public benefits and communications, and basic  
4 operations. No funds distributed to regional organizations under (c)  
5 of this subsection may be used for capital expenditures or acquisitions  
6 including, but not limited to, the acquisition of or the construction  
7 of improvements to real property;

8 (f) Remaining funds available annually, including funds not  
9 initially reserved under (a) through (c) of this subsection as well as  
10 funds not distributed by the authority from the reserved funds must be  
11 distributed by the authority board to public agencies designated by the  
12 legislative authorities of the participating counties, subject to the  
13 following guidelines:

14 (i) With respect to an authority created by four contiguous  
15 counties with an aggregate service area population of more than three  
16 million, the agency designated by the legislative authority of the  
17 largest of the participating counties by size of population shall  
18 receive fifty percent of funds available under this subsection (1)(f);  
19 the agencies designated by the legislative authorities of the next two  
20 largest of the participating counties by size of population must each  
21 receive twenty percent of funds available under this subsection (1)(f);  
22 and the agency designated by the legislative authority of the smallest  
23 of the participating counties by size of population must receive the  
24 remaining ten percent of funds available;

25 (ii) With respect to an authority created by fewer than four  
26 contiguous counties with an aggregate service area population of more  
27 than two million five hundred thousand, funds must be distributed by  
28 the authority board to public agencies designated by the legislative  
29 authorities of the participating counties under a formula to be  
30 determined by the authority board. In determining its formula for the  
31 distribution of remaining funds among the designated public agencies,  
32 the authority board shall consider factors such as the relative size of  
33 the populations and the economies of the participating counties; the  
34 number of regional organizations receiving funds under (c) of this  
35 subsection in each participating county; and the extent to which  
36 citizens or groups of citizens within each county may be underserved by  
37 cultural organizations;

1 (iii) The distribution formula for an authority comprised of three  
2 contiguous counties including one county with a population in excess of  
3 one million five hundred thousand, another county with a population in  
4 excess of six hundred thousand, and one with a population of less than  
5 three hundred thousand shall provide that the agency designated by the  
6 legislative authority of the largest county by population receives not  
7 less than sixty percent of funds available; the next largest county by  
8 population receives not less than twenty-five percent of funds  
9 available; and the smallest county by population receives not less than  
10 twelve percent of funds available;

11 (iv) The distribution formula for an authority comprised of three  
12 continuous counties including one county with a population in excess of  
13 one million five hundred thousand and two other counties each with a  
14 population in excess of six hundred thousand shall provide that the  
15 agency designated by the legislative authority of the largest county by  
16 population receives not less than fifty-five percent of funds available  
17 and each of the other two counties receive not less than twenty percent  
18 of funds available;

19 (v) The distribution formula for an authority comprised of two  
20 contiguous counties including one county with a population in excess of  
21 one million five hundred thousand and one county with a population in  
22 excess of six hundred thousand shall provide that the agency designated  
23 by the legislative authority of the larger county by population  
24 receives not less than seventy-five percent of the funds available; and

25 (vi) The distribution formula for an authority comprised of two  
26 contiguous counties including one county with a population in excess of  
27 one million five hundred thousand and one county with a population of  
28 less than three hundred thousand shall provide that the agency  
29 designated by the legislative authority of the larger county by  
30 population receives not less than eighty-five percent of funds  
31 available;

32 (g) Funds distributed by the designated public agencies under (f)  
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 participating  
36 county; and

37 (ii) The balance must be used to fund community-based  
38 organizations. Designated public agencies shall adopt:

1 (A) Guidelines, consistent with the requirements of this chapter,  
2 it deems necessary or appropriate for determining the eligibility of  
3 community-based organizations to receive funding under this chapter and  
4 for establishing the amount of funding any organization may receive;

5 (B) Criteria for the award of funds to eligible community-based  
6 organizations, including the public benefits to be derived from  
7 projects submitted for funding; and

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

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

20 (2) An authority, other than an authority described in subsection  
21 (1) of this section, shall allocate available funding as follows:

22 (a) Not more than five percent of total funds available annually  
23 may be reserved for authority administrative costs, including its  
24 start-up funding to support projects of regional benefit to be  
25 undertaken within the authority's service area, as determined by the  
26 authority board. Not more than two and one half percent of total funds  
27 available annually may be used for authority administrative costs. The  
28 authority board shall establish eligibility guidelines, criteria for  
29 the award of funding to support projects of regional benefit, including  
30 identification and evaluation of the public benefits to be derived from  
31 the projects, and a competitive allocation process to be undertaken at  
32 least annually. The projects may include, without limitation, regional  
33 cultural public information and promotional activities, support for new  
34 cultural organizations, and support for specific projects or  
35 organizations working to expand access to cultural activities by  
36 underserved populations. Regional organizations receiving funding  
37 under this chapter are not eligible applicants for funding under this  
38 section. However, regional organizations may participate in broad-

1 based, collaborative projects funded under this section and may partner  
2 with a community-based organization in a project for which the  
3 community-based organization is the applicant for funding and plays the  
4 lead role in the project;

5 (b) The authority board shall determine the percentage of total  
6 funds available annually to be reserved for a public school cultural  
7 access program established and managed by the authority to increase  
8 access to cultural activities and programming for public school  
9 students resident in the authority's service area. The activities and  
10 programming need not be located or provided within the authority's  
11 service area. In developing its program, the authority may consider  
12 the attributes prescribed for a public school cultural access program  
13 required to be undertaken under subsection (1)(b) of this section.

14 (c) The authority board shall determine the percentage of total  
15 funds available annually to be reserved for distribution by the  
16 authority board to regional organizations under a formula to be  
17 determined by the authority board. The authority board may adopt  
18 guidelines, consistent with the requirements of this chapter, it deems  
19 necessary or appropriate for determining the eligibility of regional  
20 organizations to receive funding under this chapter. Total funds  
21 reserved for distribution to regional organizations may not exceed  
22 seventy-five percent of total funds available annually excluding funds  
23 initially reserved under (a) and (b) of this subsection;

24 (d) Remaining funds available annually, including all funds not  
25 initially reserved under (a), (b), or (c) of this subsection as well as  
26 funds not distributed by the authority from the reserved funds must be  
27 distributed by the authority board to an entity in each participating  
28 county designated by the legislative authorities of the participating  
29 counties under a formula to be determined by the authority board. In  
30 determining its formula for the distribution of remaining funds among  
31 the designated entities, the authority board shall consider factors  
32 such as the relative size of the economies of the participating  
33 counties, the number of regional organizations receiving funds under  
34 (c) of this subsection in each participating county, and the extent to  
35 which citizens or groups of citizens within each county may be  
36 underserved by cultural organizations. The authority shall determine  
37 the amount of funding to be allocated to support designated agency  
38 administrative costs. Funds distributed to the designated entity under

1 this section must be awarded to community-based cultural organizations.  
2 Subject to the approval of the authority, designated entities shall  
3 adopt:

4 (i) Guidelines, consistent with the requirements of this chapter,  
5 it deems necessary or appropriate for determining the eligibility of  
6 community-based organizations to receive funding under this chapter;

7 (ii) Criteria for the award of funds to eligible community-based  
8 organizations, including the public benefits to be derived from  
9 projects submitted for funding; and

10 (iii) Procedures for conducting, at least annually, a competitive  
11 process for the award of available funding.

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

22 (f) If the authority board or designated agency determine the  
23 eligibility of a cultural organization to receive funding or the  
24 relative magnitude of the funding it receives on the basis of its  
25 budget, revenues, or expenses, any determination with respect to a  
26 qualifying state-related cultural organization must exclude any state  
27 funding received by the organization or for the institution it  
28 supports.

29 NEW SECTION. **Sec. 502.** PUBLIC BENEFITS. (1) An authority  
30 established under this chapter shall provide or continue to provide  
31 funding authorized under this chapter only to cultural organizations  
32 that provide discernible public benefits. Each authority established  
33 under this chapter shall identify a range of public benefits that  
34 cultural organizations within its service area may provide or continue  
35 to provide in satisfaction of this requirement for eligibility to  
36 receive funding authorized under this chapter. The public benefits  
37 include, without limitation: Reasonable opportunities for access to

1 facilities, programs, and services on a reduced or no admission fee  
2 basis, particularly for diverse and underserved populations and  
3 communities; providing, through technological and other means, services  
4 or programs in locations other than an organization's own facilities;  
5 providing educational programs and experiences both at an  
6 organization's own facilities and in schools and other venues;  
7 broadening cultural programs, performances, and exhibitions for the  
8 enlightenment and entertainment of the public; supporting collaborative  
9 relationships with other cultural organizations in order to extend the  
10 reach and impact of the collaborating organizations for the benefit of  
11 the public; and, in the case of community-based organizations,  
12 organizational capacity-building projects or activities that an  
13 organization can demonstrate, to the reasonable satisfaction of the  
14 county-designated public agency, will enhance the ability of the  
15 organization to provide or continue to provide meaningful public  
16 benefits not otherwise achievable. In addition to providing or  
17 continuing to provide public benefits identified by the appropriate  
18 authorities under this section, regional organizations receiving  
19 funding under section 501(1) of this act shall participate in good  
20 faith in the authority's public school cultural access program required  
21 under section 501(1) of this act. The regional organizations shall  
22 provide or continue to provide public benefits under this section in  
23 addition to participating in the public school cultural access program.

24 (2) In evaluating requests for funding authorized under this  
25 chapter for projects of regional benefit under section 501(1) of this  
26 act or this subsection, the authority board shall consider the public  
27 benefits to be derived from proposed projects. At the conclusion of a  
28 project of regional benefit, the recipient of funding authorized under  
29 this chapter is required to report to the authority on the public  
30 benefits realized. Each regional organization receiving funds  
31 authorized under this chapter pursuant to an authority allocation  
32 formula shall annually, prior to year end, preview for the authority  
33 public benefits the organization's plans to provide or continue to  
34 provide in the following year and report on public benefits it provided  
35 or continued to provide during the current year. In evaluating  
36 requests for funding authorized under this chapter, a county-designated  
37 public agency responsible for the distribution of the funds shall  
38 consider the public benefits applicant community-based organizations

1 represent will be derived from proposed projects. At the conclusion of  
2 a project approved for funding, the sponsoring community-based  
3 organization is required to report to the county-designated public  
4 agency on the public benefits realized.

5 (3) Each authority established under this chapter shall adopt  
6 guidelines establishing a baseline standard of continuous performance  
7 with respect to the provision of public benefits required under this  
8 chapter and for evaluating the continuing eligibility of any regional  
9 or community-based organization to receive funds under this chapter  
10 based on the continuous performance of the organization in the  
11 provision of the public benefits. The guidelines must include (a)  
12 procedures for notifying any organization at risk of losing its  
13 continuing eligibility to receive funds under this chapter for failure  
14 to achieve the authority's baseline standard of performance with  
15 respect to the continuous provision of public benefits and (b) measures  
16 or procedures available to such an organization for either retaining or  
17 recovering eligibility, as appropriate.

18 **PART VI**  
19 **MISCELLANEOUS**

20 **Sec. 601.** RCW 36.96.010 and 1999 c 153 s 50 are each amended to  
21 read as follows:

22 As used in this chapter, unless the context requires otherwise:

23 (1) "Special purpose district" means every municipal and quasi-  
24 municipal corporation other than counties, cities, and towns. Such  
25 special purpose districts shall include, but are not limited to, water-  
26 sewer districts, fire protection districts, port districts, public  
27 utility districts, county park and recreation service areas, flood  
28 control zone districts, diking districts, drainage improvement  
29 districts, cultural access authorities, and solid waste collection  
30 districts, but shall not include industrial development districts  
31 created by port districts, and shall not include local improvement  
32 districts, utility local improvement districts, and road improvement  
33 districts;

34 (2) "Governing authority" means the commission, council, or other  
35 body which directs the affairs of a special purpose district;

1 (3) "Inactive" means that a special purpose district, other than a  
2 public utility district, is characterized by either of the following  
3 criteria:

4 (a) Has not carried out any of the special purposes or functions  
5 for which it was formed within the preceding consecutive five-year  
6 period; or

7 (b) No election has been held for the purpose of electing a member  
8 of the governing body within the preceding consecutive seven-year  
9 period or, in those instances where members of the governing body are  
10 appointed and not elected, where no member of the governing body has  
11 been appointed within the preceding seven-year period.

12 A public utility district is inactive when it is characterized by  
13 both criteria (a) and (b) of this subsection.

14 NEW SECTION. **Sec. 602.** APPLICABILITY OF PUBLIC LAWS. The  
15 authority, its officers, and the board of directors, created under this  
16 chapter, are subject to the general laws regulating local governments  
17 and local governmental officials including, but not limited to, the  
18 requirement to be audited by the state auditor and various accounting  
19 requirements under chapter 43.09 RCW, the public records act  
20 requirements under chapter 42.56 RCW, the prohibition against using its  
21 facilities for campaign purposes under RCW 42.17.130, the open public  
22 meetings law under chapter 42.30 RCW, the code of ethics for municipal  
23 officers under chapter 42.23 RCW, and the local government  
24 whistleblower law under chapter 42.41 RCW.

25 NEW SECTION. **Sec. 603.** No direct or collateral attack on any  
26 authority purported to be authorized or created in conformance with  
27 this chapter may be commenced more than thirty days after creation.

28 NEW SECTION. **Sec. 604.** Part headings and captions used in this  
29 act are not any part of the law.

30 NEW SECTION. **Sec. 605.** Sections 101 through 309, 501, 502, 602,  
31 and 603 of this act constitute a new chapter in Title 36 RCW.

32 NEW SECTION. **Sec. 606.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the  
2 remainder of the act or the application of the provision to other  
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 607.** The provisions of this act shall be  
5 liberally construed to effect the policies and purposes of this act.

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