AN ACT Relating to public facilities districts; amending RCW 35.57.010, 35.57.020, 36.100.030, and 82.14.390; adding new sections to chapter 35.57 RCW; and adding new sections to chapter 36.100 RCW.

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

Sec. 1. RCW 35.57.010 and 1999 c 165 s 1 are each amended to read as follows:

(1) The legislative authority of any town or city located in a county with a population of less than one million may create a public facilities district. The legislative authorities of any contiguous group of towns or cities located in a county or counties each with a population of less than one million may enter an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district. The legislative authority of any town or city, or any contiguous group of towns or cities, located in a county with a population of less than one million and the legislative authority of the county or counties in which the towns or cities are located may enter into an agreement under chapter 39.34 RCW for the creation and joint operation of a public facilities district.
(2) A public facilities district shall be coextensive with the boundaries of the city or town or contiguous group of cities or towns that created the district. A public facilities district created by an agreement between a town or city, or a contiguous group of towns or cities, and the county in which they are located shall be coextensive with the boundaries of the towns or cities, and the boundaries of the county or counties as to the unincorporated areas of the county or counties. The boundaries shall not include incorporated towns or cities that are not parties to the agreement for the creation and joint operation of the district.

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

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

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

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

(5) A public facilities district shall constitute a body corporate
and shall possess all the usual powers of a corporation for public
purposes as well as all other powers that may now or hereafter be
specifically conferred by statute, including, but not limited to, the
authority to hire employees, staff, and services, to enter into
contracts, and to sue and be sued.

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

Sec. 2. RCW 35.57.020 and 1999 c 165 s 2 are each amended to read
as follows:
(1) A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers. For purposes of this chapter, "regional center" means a convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved, or rehabilitated after July 25, 1999, at a cost of at least ten million dollars, including debt service. A "special events center" is a facility or combination of facilities, the primary purpose of which is the presentation of events, activities, performances, or exhibits for the enjoyment of the general public. "Regional center" also includes an existing convention, conference, or special events center, and related parking facilities, serving a regional population, that is improved or rehabilitated after July 25, 1999, where the costs of improvement or rehabilitation are at least ten million dollars, including debt service. A regional center is conclusively presumed to serve a regional population if state and local government investment in the construction, improvement, or rehabilitation of the regional center is equal to or greater than ten million dollars.
(2) A public facilities district created under RCW 36.100.010 and a public facilities district created under RCW 35.57.010 located in the same county may enter into agreements under chapter 39.34 RCW to jointly acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers.
(3) A public facilities district may impose charges and fees for the use of its facilities, and may accept and expend or use gifts, grants, and donations for the purpose of a regional center.
((4))) (4) A public facilities district may impose charges, fees, and taxes authorized in RCW 35.57.040, and use revenues derived therefrom for the purpose of paying principal and interest payments on bonds issued by the public facilities district to construct a regional center.
Notwithstanding the establishment of a career, civil, or merit service system, a public facilities district may contract with a public or private entity for the operation or management of its public facilities.

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

Sec. 3. RCW 36.100.030 and 1999 c 165 s 16 are each amended to read as follows:

(1) A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, or regional centers as defined in RCW 35.57.020, together with contiguous parking facilities. The taxes that are provided for in this chapter may only be imposed for these purposes.

(2) A public facilities district created under RCW 36.100.010 and a public facilities district created under RCW 35.57.010 located in the same county may enter into agreements under chapter 39.34 RCW to jointly acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers.

(3) A public facilities district may enter into agreements under chapter 39.34 RCW for the joint provision and operation of such facilities and may enter into contracts under chapter 39.34 RCW where any party to the contract provides and operates such facilities for the other party or parties to the contract.

Notwithstanding the establishment of a career, civil, or merit service system, a public facilities district may contract with a public or private entity for the operation or management of its public facilities.

A public facilities district is authorized to use the supplemental alternative public works contracting procedures set forth in chapter 39.10 RCW in connection with the design, construction, reconstruction, remodel, or alteration of any of its public facilities.

A public facilities district may impose charges and fees for the use of its facilities, and may accept and expend or use gifts, grants, and donations.
Sec. 4. RCW 82.14.390 and 1999 c 165 s 13 are each amended to read as follows:

(1) Except as provided in subsection (6) of this section, the governing body of a public facilities district created under chapter 35.57 or 36.100 RCW before January 1, 2002, that commences construction of a new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004, may impose a sales and use tax in accordance with the terms of this chapter. Except as provided in subsection (6) of this section, the governing body of a public facilities district created under chapter 35.57 or 36.100 RCW after December 31, 2001, that commences construction of a new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004, may impose a sales and use tax in accordance with the terms of this chapter beginning July 1, 2002. The tax is in addition to other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax shall not exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

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

(3) ((No tax may be collected under this section before August 1, 2000.)) The tax imposed in this section shall expire when the bonds issued for the construction of the regional center and related parking facilities are retired, but not more than twenty-five years after the tax is first collected.

(4) Moneys collected under this section shall only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section, provided that amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW shall not constitute a public or private source. For the purpose of
this section, public or private sources includes, but is not limited to
cash or in-kind contributions used in all phases of the development or
improvement of the regional center, land that is donated and used for
the siting of the regional center, cash or in-kind contributions from
public or private foundations, or amounts attributed to private sector
partners as part of a public and private partnership agreement
negotiated by the public facilities district.

(5) The combined total tax levied under this section shall not be
greater than 0.033 percent. If both a public facilities district
created under chapter 35.57 RCW and a public facilities district
created under chapter 36.100 RCW impose a tax under this section, the
tax imposed by a public facilities district created under chapter 35.57
RCW shall be credited against the tax imposed by a public facilities
district created under chapter 36.100 RCW.

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

NEW SECTION. Sec. 5. A new section is added to chapter 35.57 RCW
to read as follows:

(1) A public facilities district established in accordance with
this chapter shall be dissolved and its affairs liquidated:

(a) When directed by a majority of persons in the district voting
on the question. An election placing the question before the voters
may be called by resolution of the public facilities district governing
authority; or

(b) At such time that the initial debt issued by the district that
is secured by the tax authorized in section 4 of this act has been
retired.

(2) With dissolution of the public facilities district, any
outstanding obligations and bonded indebtedness of the district shall
be satisfied or allocated by mutual agreement to the county or counties
and component cities of the district.

(3) All assets of the district at the time the district is
dissolved under this section becomes the property of the city in which
the assets are located, or of the county in which the assets are
located if in an unincorporated area.
NEW SECTION. Sec. 6. A new section is added to chapter 36.100 RCW to read as follows:

(1) A public facilities district established in accordance with this chapter after the effective date of this section shall be dissolved and its affairs liquidated:

(a) When directed by a majority of persons in the district voting on the question. An election placing the question before the voters may be called by resolution of the public facilities district governing authority; or

(b) At such time that the initial debt issued by the district that is secured by the tax authorized in section 4 of this act has been retired.

(2) With dissolution of the public facilities district under this section, any outstanding obligations and bonded indebtedness of the district shall be satisfied or allocated by mutual agreement to the county or counties and component cities of the district.

(3) All assets of the district at the time the district is dissolved under this section becomes the property of the city in which the assets are located, or of the county in which the assets are located if in an unincorporated area.

NEW SECTION. Sec. 7. A new section is added to chapter 36.100 RCW to read as follows:

(1) A public facilities district that will construct a regional center may apply for an exemption in the form of a remittance of fifty percent of the taxes paid under chapters 82.08, 82.12, and 82.14 RCW on design, site preparation, construction of buildings or other structures, and acquisition of related machinery and equipment, for the regional center.

(2) Application shall be made to the department of revenue in a form and manner prescribed by the department of revenue. The application shall contain information regarding the location of the regional center, estimated or actual costs, time schedules for completion and operation, and other information required by the department of revenue. The department of revenue shall approve the application within sixty days if it meets the requirements of this section.

(3) The taxes shall be remitted to the public facilities district within one hundred twenty days after the department of revenue is
notified by the public facilities district that the regional center is operationally complete. The public facilities district shall provide the department of revenue with invoice details and other information as required by the department in order to determine the amount of tax to be remitted. The remittance may not include any interest on taxes. The remittance amounts shall be distributed from the funds and accounts into which the taxes were deposited. The department of revenue shall notify the state treasurer of the amounts to be distributed from each specific state and local fund or account.

(4) Applications and any other information received by the department of revenue under this section are not confidential and are subject to disclosure. Chapter 82.32 RCW applies to the administration of this section.

NEW SECTION. Sec. 8. A new section is added to chapter 35.57 RCW to read as follows:

(1) A public facilities district that will construct a regional center may apply for an exemption in the form of a remittance of fifty percent of the taxes paid under chapters 82.08, 82.12, and 82.14 RCW on design, site preparation, construction of buildings or other structures, and acquisition of related machinery and equipment, for the regional center.

(2) Application shall be made to the department of revenue in a form and manner prescribed by the department of revenue. The application shall contain information regarding the location of the regional center, estimated or actual costs, time schedules for completion and operation, and other information required by the department of revenue. The department of revenue shall approve the application within sixty days if it meets the requirements of this section.

(3) The taxes shall be remitted to the public facilities district within one hundred twenty days after the department of revenue is notified by the public facilities district that the regional center is operationally complete. The public facilities district shall provide the department of revenue with invoice details and other information as required by the department in order to determine the amount of tax to be remitted. The remittance may not include any interest on taxes. The remittance amounts shall be distributed from the funds and accounts into which the taxes were deposited. The department of revenue shall
notify the state treasurer of the amounts to be distributed from each
specific state and local fund or account.

(4) Applications and any other information received by the
department of revenue under this section are not confidential and are
subject to disclosure. Chapter 82.32 RCW applies to the administration
of this section.

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