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HOUSE BILL 2247

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Wylie, Tarleton, Ryu, and Appleton

Read first time 04/24/15. Referred to Committee on Community Development, Housing & Tribal Affairs.

1 AN ACT Relating to local community development; amending RCW  
2 84.52.010, 84.52.010, and 82.73.030; adding a new section to chapter  
3 82.14 RCW; adding a new section to chapter 84.52 RCW; adding a new  
4 chapter to Title 36 RCW; creating new sections; providing an  
5 effective date; and providing an expiration date.

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

7 **PART I**  
8 **INTENT**

9 NEW SECTION. **Sec. 101.** INTENT. (1) The legislature finds that:  
10 (a) The cultural organizations accessible to the public are a  
11 vital part of a well-developed community and provide numerous public  
12 benefits. Providing support for the state's cultural organizations is  
13 in the public interest and will serve multiple public purposes  
14 including, among others, enhancing and extending the educational  
15 reach and offerings of cultural organizations; ensuring continued and  
16 expanded access to the facilities and programs of cultural  
17 organizations by economically and geographically underserved  
18 populations; and providing financial stability to the organizations  
19 to enable them to focus on core missions as well as to continue and  
20 extend the numerous public benefits they provide.

1 (b) Economic impact studies consistently confirm that cultural  
2 institutions represent a multibillion dollar segment of the state's  
3 overall economy and are directly responsible for tens of thousands of  
4 jobs.

5 (2) The purpose of this chapter is to authorize the cultural  
6 access program, under which counties authorize funding for public  
7 school cultural access programs and support cultural organizations.

8 **PART II**  
9 **DEFINITIONS**

10 NEW SECTION. **Sec. 201.** DEFINITIONS. The definitions in this  
11 section apply throughout this chapter unless the context clearly  
12 requires otherwise.

13 (1) "Administrative costs" means all operating, administrative,  
14 and maintenance expenses for a program, a designated public agency,  
15 or a designated entity.

16 (2) "Attendance" means the total number of visits by persons in  
17 physical attendance during a year at cultural organization facilities  
18 located or cultural organization programs provided within the county  
19 creating a program, including attendance for which admission was  
20 paid, discounted, or free, consistent with and verifiable under  
21 guidelines adopted by the appropriate program.

22 (3) "Cultural organization" means a nonprofit corporation  
23 incorporated under the laws of the state of Washington and recognized  
24 by the internal revenue service as described in section 501(c)(3) of  
25 the internal revenue code of 1986, as amended, with its principal  
26 location or locations and conducting a majority of its activities  
27 within the state, not including: Any agency of the state or any of  
28 its political subdivisions; any municipal corporation; any  
29 organization that raises funds for redistribution to multiple  
30 cultural organizations; or any radio or television broadcasting  
31 network or station, cable communications system, internet-based  
32 communications venture or service, newspaper, or magazine. The  
33 primary purpose of the organization must be the advancement and  
34 preservation of science or technology, the visual or performing arts,  
35 zoology, botany, anthropology, heritage, or natural history and any  
36 organization must directly provide programming or experiences  
37 available to the general public. Any organization with the primary  
38 purpose of advancing and preserving zoology such as zoos and

1 aquariums must be or support a facility that is accredited by the  
2 association of zoos and aquariums or its functional successor. A  
3 state-related cultural organization may be a cultural organization.

4 (4) "Designated entity" means the entity designated by the  
5 legislative authority of a county creating the program, as required  
6 under section 601(1)(d) of this act. The entity may be a public  
7 agency, including the state arts commission established under chapter  
8 43.46 RCW, or a Washington nonprofit corporation that is not a  
9 cultural organization eligible for funding under this chapter.

10 (5) "Designated public agency" means the public agency designated  
11 by the legislative authority of a county creating the program, as  
12 required under section 601(2)(h) of this act.

13 (6) "Program" means a cultural access program established by a  
14 county by ordinance.

15 (7) "Revenues" means revenues from all sources generated by a  
16 cultural organization, consistent with generally accepted accounting  
17 practices and any program guidelines, excluding: (a) Revenues  
18 associated with capital projects other than major maintenance  
19 projects including, but not limited to, capital campaign expenses;  
20 (b) funds provided under this chapter; (c) revenue that would be  
21 considered unrelated business taxable income under the internal  
22 revenue code of 1986, as amended; and (d) with respect to a state-  
23 related cultural organization, state funding received by it or for  
24 the institution it supports. Revenues include transfers from an  
25 organization's endowment or reserves and may include the value of in-  
26 kind goods and services to the extent permitted under any program  
27 guidelines.

28 (8) "State-related cultural organization" means an organization  
29 incorporated as a nonprofit corporation under the laws of the state  
30 of Washington and recognized by the internal revenue service as  
31 described in section 501(c)(3) of the internal revenue code of 1986,  
32 as amended, with a primary purpose and directly providing programming  
33 or experiences available to the general public consistent with the  
34 requirements for recognition as a cultural organization under this  
35 chapter operating in a facility owned and supported by the state, a  
36 state agency, or state educational institution.

37 **PART III**

38 **CULTURAL ACCESS PROGRAM**

1        NEW SECTION.    **Sec. 301.**    CREATION. (1) Any county legislative  
2 authority may create a cultural access program by ordinance.

3        (2) Any contiguous group of counties may create a program by  
4 entering into an interlocal agreement under chapter 39.34 RCW,  
5 approved by resolution of the county legislative authorities.

6        (3) A city may create a cultural access program if the county  
7 legislative authority in which the city is located adopts a  
8 resolution stating that the county forfeits its option to create a  
9 program or does not place a proposition before the people to create  
10 such a program by June 30, 2017. In the event the exception in this  
11 subsection occurs, all references in this chapter to a county must  
12 include a city that has exercised its authority under this  
13 subsection, unless the context clearly requires otherwise.

14        NEW SECTION.    **Sec. 302.**    START-UP FUNDING AND CONDITIONAL  
15 FORMATION. (1) The county creating a program may advance to the  
16 program funding for its administrative costs, including the cost of  
17 informing the public about the formation of the program, how it is  
18 proposed to be funded, and the public benefits to be realized if it  
19 is successful. However, this subsection does not authorize the  
20 preparation and distribution of information to the general public for  
21 the purpose of influencing the outcome of any election called for  
22 voter authorization of a proposed tax to support a program.

23        (2) The county creating a program may provide for repayment of  
24 any start-up funding advanced to a program from the proceeds of taxes  
25 authorized under sections 401 through 403 of this act and approved by  
26 voters after the taxes are first collected. The funds may be repaid  
27 to such county with interest at the internal rate of return on the  
28 invested funds of such county.

29        NEW SECTION.    **Sec. 303.**    NONSUPPLANTATION. In creating a program  
30 under this chapter, any county creating the program must affirm that  
31 any funding such county usually and customarily provides to cultural  
32 organizations similar to funding that would be available to those  
33 organizations under this chapter may not be replaced or materially  
34 diminished as a result of funding becoming available under this  
35 chapter. If an organization designated to receive funds under this  
36 chapter is a state-related cultural organization, the funds received  
37 under this chapter may not replace or materially diminish any funding  
38 usually or customarily provided by the state.



1 (4) All revenue from taxes imposed under this chapter must be  
2 credited to a special fund in the treasury of the county imposing  
3 such tax and used solely for the purpose of paying all or any part of  
4 the cost of cultural access programs as provided in this chapter.

5 NEW SECTION. **Sec. 402.** A new section is added to chapter 82.14  
6 RCW to read as follows:

7 SALES AND USE TAXES. (1) The legislative authority of a county or  
8 a city may impose a sales and use tax of up to one-tenth of one  
9 percent of the selling price in the case of a sales tax, or value of  
10 the article used, in the case of a use tax, for the purposes  
11 authorized under chapter 36.--- RCW (the new chapter created in  
12 section 802 of this act). The legislative authority of the county or  
13 city may impose the sales and use tax by ordinance and must condition  
14 its imposition on the specific authorization of a majority of the  
15 voters voting on a proposition submitted at a special or general  
16 election held after June 30, 2016. The ordinance and ballot  
17 proposition may provide for the tax to apply for a period of up to  
18 seven consecutive years.

19 (2) The tax authorized in this section is in addition to any  
20 other taxes authorized by law and must be collected from those  
21 persons who are taxable by the state under chapters 82.08 and 82.12  
22 RCW upon the occurrence of any taxable event.

23 (3) The legislative authority of a county or city may reimpose a  
24 tax imposed under this section for one or more additional periods of  
25 up to seven consecutive years. The legislative authority of the  
26 county or city may only reimpose the sales and use tax by ordinance  
27 and on the prior specific authorization of a majority of the voters  
28 voting on a proposition submitted at a special or general election.

29 (4) Moneys collected under this section may only be used for the  
30 purposes set forth in section 601 of this act.

31 (5) The department must perform the collection of taxes under  
32 this section on behalf of a county or city at no cost to the county  
33 or city, and the state treasurer must distribute those taxes as  
34 available on a monthly basis to the county or city or, upon the  
35 direction of the county or city, to its treasurer or a fiscal agent,  
36 paying agent, or trustee for obligations issued or incurred by the  
37 program.

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

1        NEW SECTION.    **Sec. 403.**    A new section is added to chapter 84.52  
2    RCW to read as follows:

3        PROPERTY TAX. (1) The legislative authority of a county or city  
4    may impose an additional regular property tax levy for the purposes  
5    authorized under chapter 36.--- RCW (the new chapter created in  
6    section 802 of this act). The legislative authority of the county or  
7    city may impose the additional levy by ordinance and must condition  
8    its imposition of the levy upon prior specific authorization of a  
9    majority of the voters voting on a proposition submitted at a special  
10   or general election held after June 30, 2016. The ordinance and the  
11   ballot proposition must set forth the total dollar amount to be  
12   collected in the first year of the levy and the estimated levy rate  
13   for the first year and may provide for a levy for a period of up to  
14   seven consecutive years. The total dollar amount to be set forth in  
15   the ordinance and the ballot proposition may not exceed an amount  
16   equal to: The total taxable retail sales and taxable uses in the  
17   county or the city levying the property tax for the most recent  
18   calendar year as reported by the department multiplied by one-tenth  
19   of one percent. Any county or city levying the property tax in this  
20   section must calculate the total dollar amount to be collected using  
21   the most recent calendar year publicly available data of taxable  
22   retail sales published on the department's web site.

23        (2) The legislative authority of a county or city may reimpose an  
24   additional regular property tax levy imposed under subsection (1) of  
25   this section for one or more additional periods of up to seven  
26   consecutive years. The legislative authority of the county or city  
27   may only reimpose the regular property tax levy by ordinance and on  
28   the prior specific authorization of a majority of the voters voting  
29   on a proposition submitted at a special or general election. The  
30   ordinance and the ballot proposition must set forth the total dollar  
31   amount to be collected in the first year and the estimated levy rate  
32   for the first year of the reimposed levy. The total dollar amount to  
33   be set forth in the ordinance and the ballot proposition may not  
34   exceed an amount equal to: The total taxable retail sales and taxable  
35   uses in the county or the city levying the property tax for the most  
36   recent calendar year as reported by the department multiplied by one-  
37   tenth of one percent. Any county or city levying the property tax in  
38   this section must calculate the total dollar amount to be collected  
39   using the most recent calendar year publicly available data of  
40   taxable retail sales published on the department's web site.

1 (3) In the event a county or city is levying property taxes under  
2 this section that, in combination with property taxes levied by other  
3 taxing districts, exceed the limitation in RCW 84.52.050 or  
4 84.52.043(2), the county's or city's property tax levy under this  
5 section must be reduced or eliminated consistent with RCW 84.52.010.

6 (4) The limitation in RCW 84.55.010 does not apply to the first  
7 levy imposed under subsection (1) of this section or to the first  
8 levy reimposed under subsection (2) of this section.

9 (5) The limitations in RCW 84.52.043(1) do not apply to the tax  
10 levy authorized in this section.

11 (6) Moneys collected under this section may only be used for the  
12 purposes set forth in section 601 of this act.

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

15 **Sec. 404.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each  
16 amended to read as follows:

17 (1) Except as is permitted under RCW 84.55.050, all taxes must be  
18 levied or voted in specific amounts.

19 (2) The rate percent of all taxes for state and county purposes,  
20 and purposes of taxing districts coextensive with the county, must be  
21 determined, calculated and fixed by the county assessors of the  
22 respective counties, within the limitations provided by law, upon the  
23 assessed valuation of the property of the county, as shown by the  
24 completed tax rolls of the county, and the rate percent of all taxes  
25 levied for purposes of taxing districts within any county must be  
26 determined, calculated and fixed by the county assessors of the  
27 respective counties, within the limitations provided by law, upon the  
28 assessed valuation of the property of the taxing districts  
29 respectively.

30 (3) When a county assessor finds that the aggregate rate of tax  
31 levy on any property, that is subject to the limitations set forth in  
32 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in  
33 either of these sections, the assessor must recompute and establish a  
34 consolidated levy in the following manner:

35 (a) The full certified rates of tax levy for state, county,  
36 county road district, and city or town purposes must be extended on  
37 the tax rolls in amounts not exceeding the limitations established by  
38 law; however any state levy takes precedence over all other levies  
39 and may not be reduced for any purpose other than that required by



1 RCW 84.55.010. If, as a result of the levies imposed under RCW  
2 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy  
3 by a metropolitan park district that was protected under RCW  
4 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion  
5 of the levy under RCW 86.15.160 by flood control zone districts in a  
6 county with a population of seven hundred seventy-five thousand or  
7 more that are coextensive with a county, the combined rate of regular  
8 property tax levies that are subject to the one percent limitation  
9 exceeds one percent of the true and fair value of any property, then  
10 these levies must be reduced as follows:

11 (i) The portion of the levy by a metropolitan park district that  
12 has a population of less than one hundred fifty thousand and is  
13 located in a county with a population of one million five hundred  
14 thousand or more that is protected under RCW 84.52.120 must be  
15 reduced until the combined rate no longer exceeds one percent of the  
16 true and fair value of any property or must be eliminated;

17 (ii) If the combined rate of regular property tax levies that are  
18 subject to the one percent limitation still exceeds one percent of  
19 the true and fair value of any property, the protected portion of the  
20 levy imposed under RCW 86.15.160 by a flood control zone district in  
21 a county with a population of seven hundred seventy-five thousand or  
22 more that is coextensive with a county must be reduced until the  
23 combined rate no longer exceeds one percent of the true and fair  
24 value of any property or must be eliminated;

25 (iii) If the combined rate of regular property tax levies that  
26 are subject to the one percent limitation still exceeds one percent  
27 of the true and fair value of any property, the levy imposed by a  
28 county under RCW 84.52.140 must be reduced until the combined rate no  
29 longer exceeds one percent of the true and fair value of any property  
30 or must be eliminated;

31 (iv) If the combined rate of regular property tax levies that are  
32 subject to the one percent limitation still exceeds one percent of  
33 the true and fair value of any property, the portion of the levy by a  
34 fire protection district that is protected under RCW 84.52.125 must  
35 be reduced until the combined rate no longer exceeds one percent of  
36 the true and fair value of any property or must be eliminated;

37 (v) If the combined rate of regular property tax levies that are  
38 subject to the one percent limitation still exceeds one percent of  
39 the true and fair value of any property, the levy imposed by a county  
40 under RCW 84.52.135 must be reduced until the combined rate no longer

1 exceeds one percent of the true and fair value of any property or  
2 must be eliminated;

3 (vi) If the combined rate of regular property tax levies that are  
4 subject to the one percent limitation still exceeds one percent of  
5 the true and fair value of any property, the levy imposed by a ferry  
6 district under RCW 36.54.130 must be reduced until the combined rate  
7 no longer exceeds one percent of the true and fair value of any  
8 property or must be eliminated;

9 (vii) If the combined rate of regular property tax levies that  
10 are subject to the one percent limitation still exceeds one percent  
11 of the true and fair value of any property, the portion of the levy  
12 by a metropolitan park district with a population of one hundred  
13 fifty thousand or more that is protected under RCW 84.52.120 must be  
14 reduced until the combined rate no longer exceeds one percent of the  
15 true and fair value of any property or must be eliminated;

16 (viii) If the combined rate of regular property tax levies that  
17 are subject to the one percent limitation still exceeds one percent  
18 of the true and fair value of any property, then the levies imposed  
19 under RCW 84.34.230, 84.52.105, and any portion of the levy imposed  
20 under RCW 84.52.069 that is in excess of thirty cents per thousand  
21 dollars of assessed value, must be reduced on a pro rata basis until  
22 the combined rate no longer exceeds one percent of the true and fair  
23 value of any property or must be eliminated; and

24 (ix) If the combined rate of regular property tax levies that are  
25 subject to the one percent limitation still exceeds one percent of  
26 the true and fair value of any property, then the thirty cents per  
27 thousand dollars of assessed value of tax levy imposed under RCW  
28 84.52.069 must be reduced until the combined rate no longer exceeds  
29 one percent of the true and fair value of any property or must be  
30 eliminated.

31 (b) The certified rates of tax levy subject to these limitations  
32 by all junior taxing districts imposing taxes on such property must  
33 be reduced or eliminated as follows to bring the consolidated levy of  
34 taxes on such property within the provisions of these limitations:

35 (i) First, the certified property tax levy rates of the junior  
36 taxing district authorized under section 403 of this act must be  
37 reduced on a pro rata basis or eliminated;

38 (ii) Second, if the consolidated tax levy rate still exceeds  
39 these limitations, the certified property tax levy rates of those  
40 junior taxing districts authorized under RCW 36.68.525, 36.69.145,

1 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or  
2 eliminated;

3 ~~((ii) Second))~~ (iii) Third, if the consolidated tax levy rate  
4 still exceeds these limitations, the certified property tax levy  
5 rates of flood control zone districts other than the portion of a  
6 levy protected under RCW 84.52.815 must be reduced on a pro rata  
7 basis or eliminated;

8 ~~((iii) Third))~~ (iv) Fourth, if the consolidated tax levy rate  
9 still exceeds these limitations, the certified property tax levy  
10 rates of all other junior taxing districts, other than fire  
11 protection districts, regional fire protection service authorities,  
12 library districts, the first fifty cent per thousand dollars of  
13 assessed valuation levies for metropolitan park districts, and the  
14 first fifty cent per thousand dollars of assessed valuation levies  
15 for public hospital districts, must be reduced on a pro rata basis or  
16 eliminated;

17 ~~((iv) Fourth))~~ (v) Fifth, if the consolidated tax levy rate  
18 still exceeds these limitations, the first fifty cent per thousand  
19 dollars of assessed valuation levies for metropolitan park districts  
20 created on or after January 1, 2002, must be reduced on a pro rata  
21 basis or eliminated;

22 ~~((v) Fifth))~~ (vi) Sixth, if the consolidated tax levy rate still  
23 exceeds these limitations, the certified property tax levy rates  
24 authorized to fire protection districts under RCW 52.16.140 and  
25 52.16.160 and regional fire protection service authorities under RCW  
26 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or  
27 eliminated; and

28 ~~((vi) Sixth))~~ (vii) Seventh, if the consolidated tax levy rate  
29 still exceeds these limitations, the certified property tax levy  
30 rates authorized for fire protection districts under RCW 52.16.130,  
31 regional fire protection service authorities under RCW  
32 52.26.140(1)(a), library districts, metropolitan park districts  
33 created before January 1, 2002, under their first fifty cent per  
34 thousand dollars of assessed valuation levy, and public hospital  
35 districts under their first fifty cent per thousand dollars of  
36 assessed valuation levy, must be reduced on a pro rata basis or  
37 eliminated.

38 **Sec. 405.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to  
39 read as follows:

1       (1) Except as is permitted under RCW 84.55.050, all taxes  
2       (~~shall~~) must be levied or voted in specific amounts.

3       (2) The rate percent of all taxes for state and county purposes,  
4       and purposes of taxing districts coextensive with the county,  
5       (~~shall~~) must be determined, calculated and fixed by the county  
6       assessors of the respective counties, within the limitations provided  
7       by law, upon the assessed valuation of the property of the county, as  
8       shown by the completed tax rolls of the county, and the rate percent  
9       of all taxes levied for purposes of taxing districts within any  
10      county (~~shall~~) must be determined, calculated and fixed by the  
11      county assessors of the respective counties, within the limitations  
12      provided by law, upon the assessed valuation of the property of the  
13      taxing districts respectively.

14      (3) When a county assessor finds that the aggregate rate of tax  
15      levy on any property, that is subject to the limitations set forth in  
16      RCW 84.52.043 or 84.52.050, exceeds the limitations provided in  
17      either of these sections, the assessor (~~shall~~) must recompute and  
18      establish a consolidated levy in the following manner:

19      (~~(1)~~) (a) The full certified rates of tax levy for state,  
20      county, county road district, and city or town purposes (~~shall~~)  
21      must be extended on the tax rolls in amounts not exceeding the  
22      limitations established by law; however any state levy (~~shall~~)  
23      takes precedence over all other levies and (~~shall~~) may not be  
24      reduced for any purpose other than that required by RCW 84.55.010.  
25      If, as a result of the levies imposed under RCW 36.54.130, 84.34.230,  
26      84.52.069, 84.52.105, the portion of the levy by a metropolitan park  
27      district that was protected under RCW 84.52.120, 84.52.125,  
28      84.52.135, and 84.52.140, the combined rate of regular property tax  
29      levies that are subject to the one percent limitation exceeds one  
30      percent of the true and fair value of any property, then these levies  
31      (~~shall~~) must be reduced as follows:

32      (~~(a)~~) (i) The levy imposed by a county under RCW 84.52.140  
33      (~~shall~~) must be reduced until the combined rate no longer exceeds  
34      one percent of the true and fair value of any property or (~~shall~~)  
35      must be eliminated;

36      (~~(b)~~) (ii) If the combined rate of regular property tax levies  
37      that are subject to the one percent limitation still exceeds one  
38      percent of the true and fair value of any property, the portion of  
39      the levy by a fire protection district that is protected under RCW  
40      84.52.125 (~~shall~~) must be reduced until the combined rate no longer

1 exceeds one percent of the true and fair value of any property or  
2 (~~shall~~) must be eliminated;

3 (~~(c)~~) (iii) If the combined rate of regular property tax levies  
4 that are subject to the one percent limitation still exceeds one  
5 percent of the true and fair value of any property, the levy imposed  
6 by a county under RCW 84.52.135 must be reduced until the combined  
7 rate no longer exceeds one percent of the true and fair value of any  
8 property or must be eliminated;

9 (~~(d)~~) (iv) If the combined rate of regular property tax levies  
10 that are subject to the one percent limitation still exceeds one  
11 percent of the true and fair value of any property, the levy imposed  
12 by a ferry district under RCW 36.54.130 must be reduced until the  
13 combined rate no longer exceeds one percent of the true and fair  
14 value of any property or must be eliminated;

15 (~~(e)~~) (v) If the combined rate of regular property tax levies  
16 that are subject to the one percent limitation still exceeds one  
17 percent of the true and fair value of any property, the portion of  
18 the levy by a metropolitan park district that is protected under RCW  
19 84.52.120 (~~shall~~) must be reduced until the combined rate no longer  
20 exceeds one percent of the true and fair value of any property or  
21 (~~shall~~) must be eliminated;

22 (~~(f)~~) (vi) If the combined rate of regular property tax levies  
23 that are subject to the one percent limitation still exceeds one  
24 percent of the true and fair value of any property, then the levies  
25 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy  
26 imposed under RCW 84.52.069 that is in excess of thirty cents per  
27 thousand dollars of assessed value, (~~shall~~) must be reduced on a  
28 pro rata basis until the combined rate no longer exceeds one percent  
29 of the true and fair value of any property or (~~shall~~) must be  
30 eliminated; and

31 (~~(g)~~) (vii) If the combined rate of regular property tax levies  
32 that are subject to the one percent limitation still exceeds one  
33 percent of the true and fair value of any property, then the thirty  
34 cents per thousand dollars of assessed value of tax levy imposed  
35 under RCW 84.52.069 (~~shall~~) must be reduced until the combined rate  
36 no longer exceeds one percent of the true and fair value of any  
37 property or eliminated.

38 (~~(2)~~) (b) The certified rates of tax levy subject to these  
39 limitations by all junior taxing districts imposing taxes on such  
40 property (~~shall~~) must be reduced or eliminated as follows to bring

1 the consolidated levy of taxes on such property within the provisions  
2 of these limitations:

3 ~~((a))~~ (i) First, the certified property tax levy rates of the  
4 junior taxing district authorized under section 403 of this act must  
5 be reduced on a pro rata basis or eliminated;

6 (ii) Second, if the consolidated tax levy rate still exceeds  
7 these limitations, the certified property tax levy rates of those  
8 junior taxing districts authorized under RCW 36.68.525, 36.69.145,  
9 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata  
10 basis or eliminated;

11 ~~((b) Second))~~ (iii) Third, if the consolidated tax levy rate  
12 still exceeds these limitations, the certified property tax levy  
13 rates of flood control zone districts ~~((shall))~~ must be reduced on a  
14 pro rata basis or eliminated;

15 ~~((c) Third))~~ (iv) Fourth, if the consolidated tax levy rate  
16 still exceeds these limitations, the certified property tax levy  
17 rates of all other junior taxing districts, other than fire  
18 protection districts, regional fire protection service authorities,  
19 library districts, the first fifty cent per thousand dollars of  
20 assessed valuation levies for metropolitan park districts, and the  
21 first fifty cent per thousand dollars of assessed valuation levies  
22 for public hospital districts, ~~((shall))~~ must be reduced on a pro  
23 rata basis or eliminated;

24 ~~((d) Fourth))~~ (v) Fifth, if the consolidated tax levy rate still  
25 exceeds these limitations, the first fifty cent per thousand dollars  
26 of assessed valuation levies for metropolitan park districts created  
27 on or after January 1, 2002, ~~((shall))~~ must be reduced on a pro rata  
28 basis or eliminated;

29 ~~((e) Fifth))~~ (vi) Sixth, if the consolidated tax levy rate still  
30 exceeds these limitations, the certified property tax levy rates  
31 authorized to fire protection districts under RCW 52.16.140 and  
32 52.16.160 and regional fire protection service authorities under RCW  
33 52.26.140(1) (b) and (c) ~~((shall))~~ must be reduced on a pro rata  
34 basis or eliminated; and

35 ~~((f) Sixth))~~ (vii) Seventh, if the consolidated tax levy rate  
36 still exceeds these limitations, the certified property tax levy  
37 rates authorized for fire protection districts under RCW 52.16.130,  
38 regional fire protection service authorities under RCW  
39 52.26.140(1)(a), library districts, metropolitan park districts  
40 created before January 1, 2002, under their first fifty cent per

1 thousand dollars of assessed valuation levy, and public hospital  
2 districts under their first fifty cent per thousand dollars of  
3 assessed valuation levy, (~~shall~~) must be reduced on a pro rata  
4 basis or eliminated.

5 **PART V**

6 **PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM**

7 NEW SECTION. **Sec. 501.** PUBLIC BENEFITS. (1) A program created  
8 under this chapter must provide or continue to provide funding  
9 authorized under this chapter only to cultural organizations that  
10 provide discernible public benefits. Each program created under this  
11 chapter must identify a range of public benefits that cultural  
12 organizations may provide or continue to provide in satisfaction of  
13 this requirement for eligibility to receive funding authorized under  
14 this chapter. The public benefits include, without limitation:  
15 Reasonable opportunities for access to facilities, programs, and  
16 services on a reduced or no admission fee basis, particularly for  
17 diverse and underserved populations and communities; providing,  
18 through technological and other means, services or programs in  
19 locations other than an organization's own facilities; providing  
20 educational programs and experiences both at an organization's own  
21 facilities and in schools and other venues; broadening cultural  
22 programs, performances, and exhibitions for the enlightenment and  
23 entertainment of the public; supporting collaborative relationships  
24 with other cultural organizations in order to extend the reach and  
25 impact of the collaborating organizations for the benefit of the  
26 public; and, in the case of community-based cultural organizations,  
27 organizational capacity-building projects or activities that an  
28 organization can demonstrate, to the reasonable satisfaction of the  
29 designated entity, will enhance the ability of the organization to  
30 provide or continue to provide meaningful public benefits not  
31 otherwise achievable.

32 (2) Each program created under this chapter must adopt guidelines  
33 establishing a baseline standard of continuous performance with  
34 respect to the provision of public benefits required under this  
35 chapter and for evaluating the eligibility of any cultural  
36 organization to receive funds under this chapter based on the  
37 continuous performance of the organization in the provision of the  
38 public benefits. The guidelines must include: (a) Procedures for

1 notifying any organization at risk of losing its eligibility to  
2 receive funds under this chapter for failure to achieve the program's  
3 baseline standard of performance with respect to the continuous  
4 provision of public benefits; and (b) measures or procedures  
5 available to the organization for either retaining or recovering  
6 eligibility, as appropriate.

7 NEW SECTION. **Sec. 502.** PUBLIC SCHOOL CULTURAL ACCESS PROGRAM.

8 (1) A program created under this chapter must develop and provide a  
9 public school cultural access program, as provided in section 601 of  
10 this act.

11 (2) To the extent practicable consistent with available  
12 resources, the public school cultural access element of a program of  
13 a county described in section 601(2) of this act must include the  
14 following attributes:

15 (a) Provide benefits designed to increase public school student  
16 access to the programming offered and facilities operated by regional  
17 and community-based cultural organizations receiving funding under  
18 this chapter;

19 (b) Offer benefits to every public school in the county while  
20 scaling the range of benefits available to and the frequency of  
21 opportunities to participate by any particular school to coincide  
22 with the relative percentage of students attending the school who  
23 participate in the national free or reduced-price school meals  
24 program;

25 (c) Benefits provided under the public school cultural access  
26 program must include, without limitation:

27 (i) Establishing and operating, within funding provided to  
28 support the public school cultural access program under this  
29 subsection, of a centralized service available to regional and  
30 community-based cultural organizations receiving funding under this  
31 chapter and public schools in the county to coordinate opportunities  
32 for public school student access to the programs and activities  
33 offered by the organizations both at the facilities and venues  
34 operated by the organizations and through programs and experiences  
35 provided by the organizations at schools and elsewhere;

36 (ii) Providing directly or otherwise funding and arranging for  
37 transportation for public school students to attend and participate  
38 in the programs and activities offered by such organizations;



1 (iii) In consultation with cultural organizations located within  
2 the county, preparing and maintaining a readily accessible and  
3 current guide cataloging access opportunities and facilitating  
4 scheduling;

5 (iv) Coordinating closely with cultural organizations to maximize  
6 student utilization of available opportunities in a cost-efficient  
7 manner including possible scheduling on a single day opportunities  
8 for different grade levels at any one school and participation in  
9 multiple programs or activities in the same general area for which  
10 program-funded transportation is provided;

11 (v) Supporting the development of tools, materials, and media by  
12 cultural organizations to ensure that school access programs and  
13 activities correlate with school curricula and extend the reach of  
14 access programs and activities for classroom use with or without  
15 direct on-site participation, to the extent practicable;

16 (vi) Building meaningful partnerships with public schools and  
17 cultural organizations in order to maximize participation in school  
18 access programs and activities and ensure their relevance and  
19 effectiveness;

20 (d) When a program determines that its program element required  
21 under (c)(i) through (vi) of this subsection has achieved sufficient  
22 scale and participation among public schools located within its  
23 boundaries and that it has resources remaining to devote to  
24 additional public school cultural access programs without diminishing  
25 such participation, the county may develop and financially support  
26 other public school cultural access activities in conjunction with  
27 cultural organizations receiving funds under this chapter; public  
28 school districts; and other public or nonprofit organizations that  
29 support cultural access. Any funding for development and support of  
30 such activities provided to cultural organizations receiving funds  
31 under this subsection must only be used to supplement the public  
32 benefits provided by such organizations as required under this  
33 chapter and may not be used by such organizations to replace or  
34 diminish funding for such required public benefits;

35 (e) Preparation of an annual public school cultural access plan  
36 for review and adoption prior to implementation; and

37 (f) Compilation of an annual report documenting the reach and  
38 evaluating the effectiveness of program-funded public school cultural  
39 access efforts, including recommendations to the county for  
40 improvements.

**PART VI**  
**USE OF FUNDS**

1  
2  
3       NEW SECTION.    **Sec. 601.**    ALLOCATION. (1) A program in a county  
4 with a population of less than one million five hundred thousand must  
5 allocate the proceeds of taxes authorized under sections 402 and 403  
6 of this act as follows:

7       (a) If any start-up funding has been provided to the program  
8 under section 302 of this act with the expectation that the funding  
9 will be repaid, the program must annually reserve from total funds  
10 available funding sufficient to provide for repayment of such start-  
11 up funding until any such start-up funding has been fully repaid;

12       (b) The funding determined by the county forming such a program  
13 to be reserved for program costs, including direct administrative  
14 costs, and repaying any start-up funding provided under section 302  
15 of this act. Information disclosing the amount of funding to be  
16 reserved for program administrative costs must be included in any  
17 proposition submitted to voters under section 402 or 403 of this act;

18       (c) The county must determine the percentage of total funds  
19 available annually to be reserved for a public school cultural access  
20 program established and managed by the county to increase access to  
21 cultural activities and programming for public school students  
22 resident in the county. The activities and programming need not be  
23 located or provided within the county. In developing its program, the  
24 county may consider the attributes prescribed for a public school  
25 cultural access program required to be undertaken under section  
26 502(2) of this act and may also consider providing funding for music  
27 and arts education in public schools that is in addition to that  
28 provided for in the program of basic education funding;

29       (d) Remaining funds available annually, including all funds not  
30 initially reserved under (a), (b), and (c) of this subsection as well  
31 as funds not distributed by the county from the reserved funds must  
32 be distributed by the county to the entity designated by the  
33 legislative authority of the county creating the program. The county  
34 must determine:

35       (i) Guidelines, consistent with the requirements of this chapter,  
36 it deems necessary or appropriate for determining the eligibility of  
37 cultural organizations to receive funding under this chapter;

1 (ii) Criteria for the award of funds to eligible cultural  
2 organizations, including the public benefits to be derived from  
3 projects submitted for funding;

4 (iii) The amount of funding to be allocated to support designated  
5 entity administrative costs;

6 (iv) Criteria for the identification by the county or, if so  
7 directed by the county, by the designated entity of any cultural  
8 organization or organizations that would receive annual distributions  
9 of funds in such amounts determined by the county or, if so directed  
10 by the county, the designated entity; and

11 (v) Procedures to be used by the designated entity in awarding  
12 funding to other cultural organizations that may, but are not  
13 required to include a periodic competitive process for awarding funds  
14 for particular purposes or projects proposed by eligible cultural  
15 organizations;

16 (e) In evaluating requests for funding authorized under this  
17 chapter, the designated entity responsible for the distribution of  
18 the funds must consider the public benefits that any cultural  
19 organizations represented will be derived from proposed projects. At  
20 the conclusion of a project approved for funding, such organization  
21 is required to report to the designated entity on the public benefits  
22 realized;

23 (f) Funds distributed to cultural organizations may be used to  
24 support cultural and educational activities, programs, and  
25 initiatives; public benefits and communications; and basic  
26 operations. Funds may also be used for: (i) Capital expenditures or  
27 acquisitions including, but not limited to, the acquisition of or  
28 construction of improvements to real property; and (ii) technology,  
29 equipment, and supplies reasonably related to or necessary for a  
30 project otherwise eligible for funding under this chapter. Program  
31 guidelines may also determine the circumstances under which funds may  
32 be used to fund start-up expenses of new community-based cultural  
33 organizations;

34 (g) If the county or designated entity determine the eligibility  
35 of a cultural organization to receive funding or the relative  
36 magnitude of the funding it receives on the basis of its budget,  
37 revenues, or expenses, any determination with respect to a qualifying  
38 state-related cultural organization must exclude any state funding  
39 received by the organization or for the institution it supports.

1 (2) A county with a population of more than one million five  
2 hundred thousand must allocate the proceeds of the taxes authorized  
3 under sections 402 and 403 of this act as follows:

4 (a) If any start-up funding has been provided to the program  
5 under section 302 of this act with the expectation that the funding  
6 will be repaid, the program must annually reserve from total funds  
7 available annually funding sufficient to provide for repayment of  
8 such start-up funding until any such start-up funding has been fully  
9 repaid;

10 (b) After allocating any funds as required in (a) of this  
11 subsection, up to one and one-fourth percent of total funds available  
12 annually may be used for program administrative costs;

13 (c) After allocating funds as required in (a) and (b) of this  
14 subsection, ten percent of remaining funds available annually must be  
15 used to fund a public school cultural access program to be  
16 administered by the program;

17 (d) Seventy-five percent of total remaining funds available  
18 annually excluding funds initially reserved under (a), (b), and (c)  
19 of this subsection must be reserved for distribution by the program  
20 to regional cultural organizations that are cultural organizations  
21 that own, operate, or support cultural facilities or provide  
22 performances, exhibits, educational programs, experiences, or  
23 entertainment that widely benefit and are broadly attended by the  
24 public, subject to further definition under guidelines adopted by the  
25 program. A regional cultural organization may also generally be  
26 characterized under program guidelines as a financially stable,  
27 substantial organization with full-time support and program staff,  
28 maintaining a broad-based membership, having year-round or enduring  
29 seasonal operations, being a substantial financial contributor to the  
30 development, operation, and maintenance of the organization's  
31 principal venue or venues, and providing substantial public benefits.  
32 The funding must be provided only to those regional cultural  
33 organizations that the program determines, on an annual basis, to  
34 have met the following guidelines:

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

38 (ii) The organization has its principal location or locations and  
39 conducts the majority of its activities within the county area  
40 primarily for the benefit of county residents;

1 (iii) The organization has not declared bankruptcy or suspended  
2 or substantially curtailed operations for a period longer than six  
3 months during the preceding two years;

4 (iv) The organization provided to the program audited annual  
5 financial statements for at least its two most recent fiscal years;

6 (v) Over the three preceding years, the organization has minimum  
7 average annual revenues of at least one million two hundred fifty  
8 thousand dollars. The program must annually and cumulatively adjust  
9 the minimum revenues by the annual percentage change in the consumer  
10 price index for the prior year for the Seattle-Tacoma-Bellevue,  
11 Washington metropolitan statistical area for all urban consumer, all  
12 goods, as published by the United States department of labor, bureau  
13 of labor statistics. The minimum revenues requirement, adjusted for  
14 inflation as provided in this section, remains effective through the  
15 date on which the initial tax authorized by the voters under section  
16 402 or 403 of this act expires. Thereafter, the program must, at the  
17 beginning of each subsequent period of funding as approved by the  
18 voters, establish initial minimum average annual revenues of not less  
19 than the amount of the minimum revenues required during the final  
20 year of the immediately preceding period of funding;

21 (vi) For purposes of determining the eligibility of a regional  
22 organization to receive funding or the relative magnitude of the  
23 funding it receives on the basis of its revenues, any determination  
24 with respect to a qualifying state-related cultural organization must  
25 exclude any state funding received by the organization or for the  
26 institution it supports; and

27 (vii) Any additional guidelines, consistent with section 201 of  
28 this act and this section, as the program deems necessary or  
29 appropriate for determining the eligibility of prospective regional  
30 cultural organizations to receive funding under this section and for  
31 establishing the amount of funding any organization may receive;

32 (e) Funds available under (d) of this subsection must be  
33 distributed among eligible regional cultural organizations based on  
34 an annual ranking of eligible organizations by the combined size of  
35 their average annual revenues and their average annual attendance,  
36 both over the three preceding years. However, an organization's  
37 attendance must have twice the weight of the organization's revenues  
38 in determining its relative ranking. Available funds must be  
39 distributed proportionally among eligible organizations, consistent  
40 with the ranking, such that the organization with the largest

1 combined revenues and weighted attendance would receive the most  
2 funding and the organization with the smallest combined revenues and  
3 weighted attendance would receive the least funding. However, no  
4 organization may receive funds in excess of fifteen percent of its  
5 average annual revenues over the three preceding years. Any funds  
6 available under (d) of this subsection not distributed to regional  
7 cultural organizations as a result of application of the formula  
8 provided under this subsection (2)(e) must be allocated by the  
9 program for distribution under (g) of this subsection;

10 (f) Funds distributed to regional cultural organizations under  
11 (d) of this subsection must be used to support cultural and  
12 educational activities, programs and initiatives, public benefits and  
13 communications, and basic operations. No funds distributed to  
14 regional cultural organizations under (d) of this subsection may be  
15 used for capital expenditures or acquisitions including, but not  
16 limited to, the acquisition of or the construction of improvements to  
17 real property;

18 (g) In addition to providing or continuing to provide public  
19 benefits identified by the program under this section, regional  
20 cultural organizations receiving funding under this subsection (2)  
21 must participate in good faith in the program's public school  
22 cultural access program required under section 502 of this act. The  
23 regional cultural organizations must provide or continue to provide  
24 public benefits under this section in addition to participating in  
25 the public school cultural access program. Each regional cultural  
26 organization receiving funds authorized under this chapter pursuant  
27 to a program allocation formula must annually, prior to year end,  
28 preview for the program public benefits the organization's plans to  
29 provide or continue to provide in the following year and report on  
30 public benefits it provided or continued to provide during the  
31 current year;

32 (h) Remaining funds available annually, including funds not  
33 initially reserved under (a) through (d) of this subsection as well  
34 as funds not distributed by the program from the reserved funds must  
35 be distributed by the program to the public agency designated by the  
36 legislative authority of the county creating such a program;

37 (i) Funds distributed by the designated public agencies under (h)  
38 of this subsection must be applied as follows:

1 (i) Not more than eight percent of such funds must be used for  
2 administrative costs of the public agency designated by a county  
3 creating the program; and

4 (ii) The balance must be used to fund community-based cultural  
5 organizations that are cultural organizations or a community  
6 preservation and development authority formed under chapter 43.167  
7 RCW prior to January 1, 2011, that primarily function, focus their  
8 activities, and are supported or patronized within a local community  
9 and are not a regional cultural organization, subject to further  
10 definition under guidelines adopted by the designated public agency.  
11 Designated public agencies must adopt:

12 (A) Guidelines, consistent with the requirements of this chapter,  
13 it deems necessary or appropriate for determining the eligibility of  
14 community-based cultural organizations to receive funding under this  
15 chapter and for establishing the amount of funding any organization  
16 may receive;

17 (B) Criteria for the award of funds to eligible community-based  
18 cultural organizations, including the public benefits to be derived  
19 from projects submitted for funding; and

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

22 (j) Funds distributed to community-based cultural organizations  
23 may be used to support cultural and educational activities, programs,  
24 and initiatives; public benefits and communications; and basic  
25 operations. Funds may also be used for: (i) Capital expenditures or  
26 acquisitions including, but not limited to, the acquisition of or  
27 construction of improvements to real property; and (ii) technology,  
28 equipment, and supplies reasonably related to or necessary for a  
29 project otherwise eligible for funding under this chapter. Program  
30 guidelines may also determine the circumstances under which funds may  
31 be used to fund start-up expenses of new community-based cultural  
32 organizations.

## 33 PART VII

### 34 TAX CREDITS ALLOWED UNDER THE WASHINGTON MAIN STREET PROGRAM

35 NEW SECTION. **Sec. 701.** (1) This section is the tax preference  
36 performance statement for the tax preference contained in section 702  
37 of this act. This performance statement is only intended to be used  
38 for subsequent evaluation of the tax preference. It is not intended

1 to create a private right of action by any party or be used to  
2 determine eligibility for preferential tax treatment.

3 (2) The legislature categorizes this tax preference as one  
4 intended to promote contributions to main street programs and enhance  
5 community and economic revitalization and development of main street  
6 business districts under categories as indicated in RCW 82.32.808(2)  
7 (a) and (f).

8 (3) It is the legislature's specific public policy objective to  
9 support and work in concert with main street programs to accomplish  
10 community and economic revitalization and development of business  
11 districts as specified in RCW 43.360.005. It is the legislature's  
12 intent to provide tax credits to businesses in main street  
13 communities to promote contributions to such programs as provided in  
14 RCW 82.73.030, in order to maintain the economic viability of rural  
15 downtown areas, thereby ensuring the growth and retention of small  
16 business in rural communities.

17 (4) The joint legislative audit and review committee must perform  
18 an economic impact report to the legislature to provide the  
19 information necessary to measure the effectiveness of this act.

20 (5) In order to obtain the data necessary to perform the review  
21 under this section, the joint legislative audit and review committee  
22 may refer to data collected by the department of archaeology and  
23 historic preservation.

24 **Sec. 702.** RCW 82.73.030 and 2005 c 514 s 904 are each amended to  
25 read as follows:

26 (1) Subject to the limitations in this chapter, a credit is  
27 allowed against the tax imposed by chapters 82.04 and 82.16 RCW for  
28 approved contributions that are made by a person to a program or the  
29 main street trust fund.

30 (2) The credit allowed under this section is limited to an amount  
31 equal to:

32 (a) Seventy-five percent of the approved contribution made by a  
33 person to a program; or

34 (b) Fifty percent of the approved contribution made by a person  
35 to the main street trust fund.

36 (3) The department may not approve credit with respect to a  
37 program in a city or town with a population of one hundred ninety  
38 thousand persons or more.



1 (4) The department (~~shall~~) must keep a running total of all  
2 credits approved under this chapter for each calendar year. The  
3 department (~~shall~~) may not approve any credits under this section  
4 that would cause the total amount of approved credits statewide to  
5 exceed (~~one~~) three million (~~five hundred thousand~~) dollars in any  
6 calendar year.

7 (5) The total credits allowed under this chapter for  
8 contributions made to each program may not exceed (~~one~~) two hundred  
9 thousand dollars in a calendar year. The total credits allowed under  
10 this chapter for a person may not exceed (~~two hundred fifty~~) five  
11 hundred thousand dollars in a calendar year.

12 (6) The credit may be claimed against any tax due under chapters  
13 82.04 and 82.16 RCW only in the calendar year immediately following  
14 the calendar year in which the credit was approved by the department  
15 and the contribution was made to the program or the main street trust  
16 fund. Credits may not be carried over to subsequent years. No refunds  
17 may be granted for credits under this chapter.

18 (7) The total amount of the credit claimed in any calendar year  
19 by a person may not exceed the lesser amount of the approved credit,  
20 or seventy-five percent of the amount of the contribution that is  
21 made by the person to a program and fifty percent of the amount of  
22 the contribution that is made by the person to the main street trust  
23 fund, in the prior calendar year.

24 **PART VIII**  
25 **MISCELLANEOUS**

26 NEW SECTION. **Sec. 801.** No direct or collateral attack on any  
27 program purported to be authorized or created in conformance with  
28 this chapter may be commenced more than thirty days after creation.

29 NEW SECTION. **Sec. 802.** Sections 101 through 305, 401, 501, 502,  
30 and 601 of this act constitute a new chapter in Title 36 RCW.

31 NEW SECTION. **Sec. 803.** If any provision of this act or its  
32 application to any person or circumstance is held invalid, the  
33 remainder of the act or the application of the provision to other  
34 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 804.**    The provisions of this act must be  
2    liberally construed to effectuate the policies and purposes of this  
3    act.

4        NEW SECTION.    **Sec. 805.**    Section 404 of this act expires January  
5    1, 2018.

6        NEW SECTION.    **Sec. 806.**    Section 405 of this act takes effect  
7    January 1, 2018.

--- END ---