

# HOUSE BILL REPORT

## SHB 2402

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As Passed House  
February 10, 1994

**Title:** An act relating to public facilities districts.

**Brief Description:** Changing provisions regarding public facilities districts.

**Sponsors:** By House Committee on Local Government (originally sponsored by Representatives Dellwo, Mielke, Brown, Orr and Silver).

**Brief History:**

Reported by House Committee on:  
Local Government, February 4, 1994, DPS;  
Passed House, February 10, 1994, 91-0.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; Rayburn; Van Luven and Zellinsky.

**Staff:** Steve Lundin (786-7127).

**Background:** A public facilities district is a countywide special district that may be created in any county with a population of 300,000 or more that is located more than 100 miles from a county in which the state has constructed and owns a convention center. At present, only Spokane County meets these requirements.

A public facilities district is governed by a five-member board of directors as follows: (1) Two directors are appointed by the county legislative authority; (2) two directors are appointed by the city council; and (3) one director is appointed by the other directors. Directors serve staggered four-year terms of office. Members of the board of directors serve without compensation. At least one director must be a representative of the lodging industry.

Public facilities districts are authorized to acquire, own, and operate "sports and entertainment facilities" with contiguous parking facilities.

Public facilities districts may impose excise taxes at a rate of not exceeding 2 percent on the sale or charge for furnishing lodging by a hotel, motel, trailer camp, or tourist court with 40 or more lodging units. With voter approval, public facilities districts may impose a .1 percent sales and use taxes. With voter approval, public facilities districts may impose both single year excess property tax levies and multiple year excess levies to retire general obligation bonds issued for capital purposes.

Public facilities districts may issue general obligation bonds.

**Summary of Bill:** The county treasurer is the treasurer of a public facilities district.

Public facility district directors receive compensation at a rate of \$50 per meeting or day of work for the district and may purchase insurance benefits with their own funds that the district provides to its employees. Directors and employees are entitled to reimbursement for reasonable expenses incurred in connection with official business.

A public facilities district may issue revenue bonds. The ability of a public facilities district to incur general indebtedness is expanded to include executory conditional sales contracts and leases to acquire property, in addition to issuing general obligation bonds.

A public facilities district may provide sports facilities, entertainment facilities, or sports and entertainment facilities. A public facilities district may expend moneys to prepare and distribute information promoting and advertising its facilities, but not to influence the outcome of an election.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This will help the district in Spokane by clarifying its authorities.

**Testimony Against:** Private property rights are sacred.

**Witnesses:** Pro: Representative Dellwo, prime sponsor; Jim Williams and Kris Mote, Spokane Public Facilities District;

Randy Scott, Spokane County; and John Schreiner, citizen  
(con).