

HOUSE BILL REPORT

HB 1340

As Reported By House Committee On:
Local Government

Title: An act relating to public facilities districts.

Brief Description: Changing the size of counties that may create public facilities districts.

Sponsors: Representatives Rayburn, H. Myers, Springer, Edmondson, Lemmon and Hansen.

Brief History:

Reported by House Committee on:
Local Government, February 12, 1993, DPS.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Rayburn; Romero; and Springer.

Minority Report: Without recommendation. Signed by 1 member: Representative Van Luven.

Staff: Steve Lundin (786-7127).

Background: Public facilities districts are special districts authorized to provide and operate sports and entertainment facilities, and adjacent parking facilities. A public facilities district finances these activities by imposing the following taxes: (1) A special excise tax of up to 2 percent on hotel/motel room rental charges in any hotel or motel with 40 or more lodging units; (2) a voter approved .1 percent sales and use tax; (3) voter-approved single year excess levies; and (4) voter-approved multi-year excess levies used to retire general obligation bonds issued for capital purposes.

A public facilities district must be countywide and may only be created in a county with a population of 300,000 or more that is located at least 100 miles from any county in which the state has constructed and owns a convention center. Presently this is only Spokane County.

A public facilities district is created upon the adoption of resolutions authorizing the district by both the county legislative authority of the county in which it is located and council of the largest city located in that county.

The governing body of a public facilities district consists of a five member board of directors, two of whom are appointed by the county legislative authority for staggered four-year terms, two of whom are appointed by the city council to serve four-year staggered terms, and one person to serve for a four-year term who is selected by the other persons. At least one member shall be representative of the lodging industry.

Summary of Substitute Bill: In addition to the existing law providing for the creation of a public facilities district, a public facilities district may be created in a county with a population of 190,000 or more if the county seat of that county is located more than 100 miles from the county seat of a county where a state convention center is located. A public facilities district in such a county may finance convention center facilities and historic theaters, and adjacent parking facilities, with a voter-approved sales and use tax of one-tenth of 1 percent and voter-approved excess property tax levies.

In addition, a public facilities district may be created in a county with a population of 200,000 or more that is adjacent to a county of one million or more to finance historic theaters and adjacent parking facilities with a voter-approved sales and use tax and voter-approved excess levies.

Substitute Bill Compared to Original Bill: The definition of eligible counties where a public facilities district could be created was changed. The purposes of the public facilities districts in the new areas was expanded.

Fiscal Note: Not requested.

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

Testimony For: This will allow Yakima to finance its convention center. Only voter-approved taxes are permitted for the public facilities districts in the new counties where such a district may be created.

Testimony Against: None.

Witnesses: (Pro) Chuck Klarich, Yakima County Commissioner; Mayor Pat Berndt, city of Yakima; and Becky Bogard, Washington State Hotel/Motel Association.