

# SENATE BILL REPORT

## 3SSB 5514

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As Passed Senate, March 7, 2002

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

**Brief Description:** Changing provisions relating to public facilities districts.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Spanel, Carlson, Hale, Gardner, Rasmussen, Winsley, Regala, Costa and Fraser).

**Brief History:**

**Committee Activity:** State & Local Government: 2/12/01, 2/21/01 [DPS-WM].

Ways & Means: 2/27/01, 3/26/01 [DP2S]; 3/4/02 [DP3S, DNP].

Passed Senate: 4/5/01, 39-10.

**Second Special Session:** Passed Senate: 6/20/01, 31-7.

Passed Senate: 3/7/02, 40-7.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fraser, Hewitt, Kline, Kohl-Welles, Long, Rasmussen, Sheahan, B. Sheldon, Snyder, Spanel and Winsley.

**Minority Report:** Do not pass.

Signed by Senators Honeyford and Poulsen.

**Staff:** David Schumacher (786-7474)

**Background:** Both cities and counties have the authority to create Public Facilities Districts (PFD). A PFD is a municipal corporation and a taxing authority. In the case of a city-created PFD, its purpose is to build or rehabilitate and operate a regional center costing at least \$10 million after July 25, 1999. A regional center includes a convention center, special events center and related parking facilities. The city or group of contiguous cities creating the PFD must be located in a county or counties of less than one million population.

A PFD may assess a 0.033 percent sales and use tax if it begins construction or renovation of a regional center before January 1, 2003. (This tax is deducted from the state sales tax and is not an increase to taxpayers.)

**Summary of Bill:** The requirements for a PFD to qualify to impose the 0.033 percent sales tax are changed so that the PFD must be formed by July 31, 2002 and construction must begin by January 1, 2004.

A full state and local sales tax refund is available to all PFDs when building a regional center. The sales tax proceeds are refunded to the PFD when the regional center is operationally complete. No refunds shall be given before January 2006.

A town or city or contiguous groups thereof may form a PFD with the county or counties in which they are located, as long as the county or counties have populations of less than one million. The boundary of the PFD is coextensive with the county boundary or boundaries minus any nonparticipating towns and cities. The governing body is a seven-member board of directors appointed for four-year staggered terms. The term "special events center" is defined.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.

**House Amendment(s):** The House amendment allows cities to tax the admissions at a public facility as long as the proceeds are for that public facility.