

SENATE BILL REPORT

SB 5514

As Reported By Senate Committee On:
State & Local Government, February 21, 2001
Ways & Means, March 26, 2001

Title: An act relating to public facilities districts.

Brief Description: Revising public facility district provisions.

Sponsors: 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].

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Majority Report: That Substitute Senate Bill No. 5514 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Patterson, Chair; Fairley, Vice Chair; Hale, Haugen, Horn, Kline, McCaslin and Swecker.

Staff: Diane Smith (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5514 be substituted therefor, and the second substitute bill do pass.

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

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. Its governing body is a board of directors.

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.

In the case of a county-created PFD, its purpose is to build or rehabilitate regional centers; or sports, entertainment, or convention facilities without minimum size. Any county may form a PFD.

A PFD may assess a 0.033 percent sales and use tax deducted from the state sales tax if it begins construction or renovation of a regional center before January 1, 2003.

Summary of Second Substitute Bill: 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. The date by which a PFD must begin construction or renovation of a regional center in order to qualify to impose a 0.033 percent sales and use tax that is deducted from the state sales tax is extended one year, from January 1, 2003 to 2004, for PFDs with cities of population greater than 50,000.

A 50 percent sales tax exemption applies to all PFDs for building a regional center. Provision is made for all PFDs to dissolve.

Second Substitute Bill Compared to Substitute Bill: The second substitute extends the time to 2004 only for PFDs with large cities, not for all PFDs. Also, the sales tax deferral is now a 50 percent exemption.

Substitute Bill Compared to Original Bill: The substitute bill extends the sales and use tax deferral to all PFDs and provides for dissolution of all PFDs

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For (State & Local Government): This bill is not for a new stadium. It will help revitalize the downtown core by creating a cultural arts district. These are complex projects to put together so extending the sales tax credit one year makes sense. Enabling the creation of point destinations benefits tourism and residents.

Testimony Against (State & Local Government): None.

Testified (State & Local Government): PRO: Randy Lewis, City of Tacoma; Steve Price, City of Bellingham; Brad Dundidi, Mt. Baker Theater; Dave Arbaugh, City of Richland.

Testimony For (Ways & Means): Cities and counties need to be able to finance regional centers with sales tax credits and deferrals. The deferral is the second necessary step.

Testimony Against Ways & Means): None.

Testified (Ways & Means): PRO: Dick Little, City of Bellingham; Mark Brown, City of Vancouver.