

# SENATE BILL REPORT

## SB 6400

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As Reported By Senate Committee On:  
Government Operations & Elections, January 30, 2004

**Title:** An act relating to the inclusion of cultural facilities under the authority of certain public facilities districts.

**Brief Description:** Authorizing additional sales tax authority for public facilities districts.

**Sponsors:** Senators Kastama and Rasmussen.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/28/04, 1/30/04 [DPS-WM].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** That Substitute Senate Bill No. 6400 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Roach, Chair; Berkey, Fairley, Kastama and McCaslin.

**Staff:** Mac Nicholson (786-7445)

**Background:** A public facilities district may be created via an ordinance or resolution by either a city or a county. A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities or regional centers, together with contiguous parking facilities.

Districts formed prior to 2002 may impose a nonvoted 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers. Public facilities districts also may levy a 0.2 percent sales tax and a 2 percent lodging tax if approved by a majority of voters in the district.

**Summary of Substitute Bill:** A public facilities district created by a city, town, or county after July 1, 2005, but before June 30, 2007, may impose a sales and use tax for the construction, improvement, or rehabilitation of a regional center. Construction of a new regional center or the improvement or rehabilitation of an existing regional center must begin prior to January 1, 2008. The regional center must be used for community events or other cultural performances with 2000 or fewer seats and be located in a county with a population exceeding 700,000.

The public facilities sales and use tax may not exceed 0.033 percent and cannot be imposed prior to September 1, 2005. This public facilities sales and use tax must be deducted from the amount of sales and use tax due to the Department of Revenue. This sales and use tax expires when the bonds issued for the construction of the regional center and related parking garage are retired, or after 25 years, whichever is first.

The moneys collected from the public facilities sales and use tax must be used for the construction, improvement, or rehabilitation of a regional center and be matched with private or other public sources equal to 33 percent of the moneys collected by the public facilities sales and use tax. The public source cannot include nonvoter approved taxes authorized by the public facilities district.

If both the city's public facilities district and the county's public facilities district impose a sales and use tax for a regional center, then the city's public facilities district tax shall be credited against the county sales and use tax.

If a county public facilities district in a county with a population of one million or more has imposed a sales and use tax for a baseball stadium or if a county created public stadium authority has imposed a sales and use tax to develop a stadium and exhibition center, then it cannot also impose the sales and use tax for the construction, improvement or rehabilitation of a regional center.

**Substitute Bill Compared to Original Bill:** The substitute bill requires that the public facilities district construct or improve a regional center to be used for community events or other cultural performances with 2000 or fewer permanent seats. The PFD must also exist in a county with a population exceeding 700,000.

**Appropriation:** None.

**Fiscal Note:** Available on companion bill HB 2347.

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

**Testimony For:** This bill would allow Puyallup and Pierce College to develop a facility for arts and humanities. The two groups missed the original window that allowed PFDs to collect sales and use tax and this bill would open that window for a limited time and for limited projects.

**Testimony Against:** Sales and use taxes should not be used to pay bonds.

**Testified:** PRO: Steve Wall, Pierce College President; Jim Bacon, Puyallup City Manager.  
CON: Jan Gee, WA Retail Association.