

# HOUSE BILL REPORT

## EHB 2388

---

### As Passed Legislature

**Title:** An act relating to financing regional centers with seating capacities less than ten thousand that are acquired, constructed, financed, or owned by a public facilities district.

**Brief Description:** Financing regional centers with seating capacities less than ten thousand that are acquired, constructed, financed, or owned by a public facilities district.

**Sponsors:** By Representatives Alexander, P. Sullivan and Hunter.

**Brief History:**

**Committee Activity:** None.

**Floor Activity:**

Passed House: 3/14/07, 80-16.

Senate Amended.

Passed Senate: 4/10/07, 41-7.

House Refuses to Concur.

Senate Amended.

Passed Senate: 4/20/07, 42-4.

House Concurred.

Passed House: 4/20/07, 85-13.

Passed Legislature.

### Brief Summary of Engrossed Bill

- Authorizes the creation of additional public facilities districts with authority to impose a 0.033 percent sales and use tax that is created against the state sales and use tax.
- Authorizes certain existing public facility districts to impose additional sales and use taxes credited against the state sales and use tax if revenue is used for the improvement or rehabilitation of an existing regional center used for community events, and artistic, musical, theatrical, or other cultural exhibitions.

---

**Staff:** Rick Peterson (786-7150).

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

Public facilities districts (PFDs) are municipal corporations with independent taxing authority and are taxing districts under the State Constitution. There are two enabling statutes, Chapter 36.100 RCW (County PFDs) for counties and Chapter 35.57 RCW (City PFDs) for cities and joint arrangements between a group of cities or a county and one or more cities. Governance provisions are spelled out for these districts.

City PFDs must be located in a county with a population less than one million. City PFDs are authorized to construct, improve, or remodel regional centers. A regional center is a convention, conference, or special events center, and related parking facilities, that costs at least \$10 million. A special events center is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances. The boundaries of a City PFD are coextensive with the city. However, if the city has been jointly created, the boundaries are coterminous with all cities jointly participating or the unincorporated areas of a county jointly participating. City PFDs may be funded through a combination of: (1) charges and fees for the use of facilities by organizations; (2) admission charges; (3) taxes on vehicle parking charges; (4) voter-approved sales and use taxes; (5) credits against the state sales and use tax; (6) voter-approved property taxes; and (7) bonds.

County PFDs may be created in any county. The boundaries of a County PFD are coextensive with the boundaries of the county. Many County PFD provisions were modified as part of the baseball stadium legislation in 1995. County PFDs may construct, improve, or remodel sports facilities, entertainment facilities, convention facilities, or regional centers as defined above. County PFDs may be funded through a combination of: (1) charges and fees for the use of facilities by organizations; (2) taxes on admission charges; (3) taxes on vehicle parking charges; (4) voter-approved sales and use taxes; (5) credits against the state sales and use tax; (6) lodging taxes; (7) voter-approved property taxes; and (8) bonds. A County PFD may also receive a sales and use tax deferral for taxes paid on the construction of a facility with a retractable roof and natural turf. King County contains one County PFD created for the purpose of the construction, maintenance, and operation of Safeco Field, the baseball stadium.

Existing PFDs may impose a sales and use tax within the boundaries of the district. A PFD created after June 30, 2006, may not impose the tax. The rate of tax is 0.033 percent. The tax is a credit against the state sales and use tax.

---

**Summary of Engrossed Bill:**

A City PFD or County PFD created before September 1, 2007 in a county without a PFD, that commences construction of a new regional center before January 1, 2009, may impose a 0.033 percent sales and use tax that is credited against the state sales and use tax. The population within the boundaries of the PFD must be greater than 70,000.

The creation of a City PFD is authorized in a county with a population greater than one million. The city must have a population between 80,000 and 115,000. The construction of the regional center must commence prior to July 1, 2008. The city PFD may impose a 0.033 percent sales and use tax that is credited against the state sales and use tax..

An additional 0.025 percent sales and use tax credited against the state sales and use tax may be imposed by city public facility districts created prior to August 1, 2002 that has a population between 90,000 and 100,000 and is located in a county with population under 300,000. An additional 0.020 percent sales and use tax credited against the state sales and use tax may be imposed by city public facility districts created prior to January 1, 2000 that has a population between 90,000 and 100,000 and is located in a county with population under 300,000. The revenue must be used for improvement or rehabilitation of an existing regional center used for community events, and artistic, musical, theatrical, or other cultural exhibitions.

---

**Appropriation:** None.

**Fiscal Note:** Requested on April 21, 2007.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying:** None.