
Finance Committee

HB 3151

Brief Description: Extending the commencement-of-construction date for a sales and use tax for public facilities districts in national disaster counties.

Sponsors: Representatives Alexander, DeBolt, Hunt and McCune.

Brief Summary of Bill

- Extends the date by two years that the Lewis County Public Facilities District must commence construction of a regional center to qualify for the credit against the state sales and use tax.

Hearing Date: 2/5/08

Staff: Jeff Mitchell (786-7139).

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, one for counties (County PFDs) and another for cities and joint arrangements between a group of cities or a county and one or more cities (City PFDs). Governance provisions are spelled out for these districts.

County PFDs may be created in any county. The boundaries of a County PFD are co-extensive 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. King County contains one County PFD created for the purpose of the construction, maintenance, and operation of Safeco Field, the baseball stadium.

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.

In 2007, the Legislature enacted EHB 2388, which authorized a City PFD or County PFD created before September 1, 2007, in a county without any existing PFD, to collect a 0.033 percent credit against the state sales and use tax. At the time the resolution creating the PFD was adopted, the population within the boundaries of the PFD must have been greater than 70,000. Lewis County met these requirements and adopted a resolution creating a County PFD on August 13, 2007. As a final requirement to qualify for the credit against the state sales and use tax, Lewis County must commence construction of a new regional center before January 1, 2009.

In December 2007, many areas of western Washington, including Lewis County, had massive flooding. The President declared Washington's flooding a major disaster and designated eleven counties, including Lewis County, as major disaster areas eligible for maximum assistance from the federal emergency management agency.

Summary of Bill:

The date the Lewis County PFD must commence construction of a regional center to collect the 0.033 percent credit against the state sales and use tax is changed from January 1, 2009, to January 1, 2011.

Appropriation: None.

Fiscal Note: Requested on January 28, 2008.

Effective Date: The bill takes effect on July 1, 2008.