

SENATE BILL REPORT

SB 6767

As of February 20, 2008

Title: An act relating to financing regional special events centers promoting adult and youth-oriented sports activities.

Brief Description: Financing regional special events centers promoting adult and youth-oriented sports activities.

Sponsors: Senator Prentice.

Brief History:

Committee Activity: Ways & Means: 1/30/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

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 with the exception of cities with a total population of less than 115,000 and greater than 80,000. 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.

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.

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.

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; however in 2007, the Legislature authorized four additional PFDs to impose the tax. The rate of tax ranges from .020 percent to 0.033 percent. The tax is a credit against the state sales and use tax.

The city of Tukwila, in conjunction with a non profit organization, would like to make needed improvements to a large sports complex.

Summary of Bill: A city with a population less than 19,900 and greater than 17,900 located in a county with a population greater than one million may create a City PFD if it commences construction on an existing regional center prior to July 1, 2008. This would allow such City PFD to impose a sales and use tax not to exceed .033 percent. The tax is a credit against the state sales and use tax. This would allow the city of Tukwila to create a PFD and impose the tax.

In addition, a provision is added to ensure that within a City PFD that lies in a county with a population of greater than one million, the total amount of the tax levied by the City PFD, and the county for purposes of building a baseball stadium and a football stadium, may not exceed .066 percent

Appropriation: None.

Fiscal Note: Requested on January 23, 2008.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Kids need help. Teen obesity is out of control. It is a fact that teens that take part in after school activities like sports are proven to make a difference. Two-thousand-five-hundred kids that otherwise would not have a chance to play, played at Starfire Sports without paying. We are inclusive so no one is left out. Over 70 percent of our kids are on the subsidized school lunch program. Tukwila donated the land, and Starfire Sports took out the loans for the project. We are the mecca for soccer in the northwest. We are making an impact on kids lives today. This will help us serve more kids and give us a great return on investment through a healthier community. This will help all kids in the region pursue their dreams. People from all over the region use these facilities. We are always asked about Starfire Sports. This is a win-win opportunity to serve the community. We have a very diverse community, and they all benefit from sports programs. This will help the kids and families with after school activities. This is one of the greatest social enterprises in the nation. Many are trying to copy what we have started. This will make a difference in so many kids lives.

Persons Testifying: PRO: Jim Haggerton, Mayor of Tukwila; Chris Slatt, Steven Beck, Starfire Sports.