

HOUSE BILL REPORT

SSB 5080

As Passed House:

April 10, 2021

Title: An act relating to providing flexibility in the distribution and use of local funds dedicated to facilities used for youth educational programming.

Brief Description: Providing flexibility in the distribution and use of local funds dedicated to facilities used for youth educational programming.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Carlyle, Frockt, Hunt, Saldaña, Wellman and Wilson, C.).

Brief History:

Committee Activity:

Appropriations: 3/11/21, 3/15/21 [DP].

Floor Activity:

Passed House: 4/10/21, 95-2.

Brief Summary of Substitute Bill

- Revises the distribution and use of repaid local sales and use taxes dedicated to facilities used for youth educational programming.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 33 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

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

Staff: Jessica Van Horne (786-7288).

Background:

In 2019 legislation was enacted to authorize a sales and use tax deferral and payment plan for a qualifying arena and ice hockey practice facility. A "qualifying arena" is defined as a multipurpose sports and entertainment facility that is owned by the largest city in a county with a population of at least 1.5 million persons and that is being redeveloped to attract professional ice hockey and basketball league franchises. It includes the arena, associated parking structures, plazas, public spaces, and one or more tunnels connecting the parking structures to the arena.

The repayment of the deferred state sales and use tax, including interest, must be made by June 30, 2023.

The repayment of the deferred local sales and use taxes must begin in the first calendar year following the date the eligible project is certified as operationally complete. Repayments are due each January 1 for the next eight years; however, the qualifying business may request an accelerated repayment schedule. Each payment must be at least 12.5 percent of the tax due plus interest. One-half of the repayment of the deferred local sales and use taxes, including interest, is deposited into the Local Sales and Use Tax Account. Distributions of local sales and use taxes from the Local Sales and Use Tax Account to a local jurisdiction are done automatically by the State Treasurer. The remaining one-half of the repaid deferred local sales and use tax is deposited in the State Building Construction Account to be used for capital improvements of buildings for youth educational programming related to the discovery, experimentation, and critical thinking in the sciences. The building must be located on the same premises as the qualifying arena. Distributions from the State Building Construction Account are subject to appropriation.

Summary of Bill:

All repaid deferred local sales and use taxes are deposited in the Local Sales and Use Tax Account, where the State Treasurer can automatically distribute funds. No repaid deferred local sales and use taxes are deposited in the State Building Construction Account.

Of the total repaid deferred local sales and use taxes deposited in the Local Sales and Use Tax Account, one-half must be distributed to the county where the qualifying arena is located for specific costs associated with buildings for youth educational programming. Allowable uses of these moneys are expanded to include not only capital improvements, but also the maintenance and operational activities associated with these facilities. Operational activities include off-site educational programming that directly relates to the core mission of curiosity, discovery, experimentation, and critical thinking.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The Pacific Science Center (PSC) is the future beneficiary of this funding. Two years ago, the Legislature provided support for capital improvements. This bill provides important flexibility to use these funds for operating purposes as well. There is no cost to the state, but the impact of this change is significant. The PSC provides programming serving low-income youth and K-12 students across the state through in-person programming, the mobile Science on Wheels program, and new virtual programs created during the pandemic. The flexibility this bill provides will help the PSC scale its programming and increase access both in person and virtually. Youth education in the sciences has future benefits, including growing the science, technology, engineering, and mathematics (STEM) workforce and creating a more informed public.

(Opposed) None.

Persons Testifying: Will Daugherty, Jason Barnwell, and Adriane Brown, Pacific Science Center.

Persons Signed In To Testify But Not Testifying: None.