

# FINAL BILL REPORT

## SSB 5080

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Synopsis as Enacted

**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.).

**Senate Committee on Ways & Means**  
**House Committee on Appropriations**

**Background:** In 2019, legislation authorizing a sales and use tax deferral and payment plan for a qualifying arena and ice hockey practice facility was enacted. A "qualifying arena" is defined as a multipurpose sports and entertainment facility owned by the largest city in a county with a population of at least 1.5 million persons 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 1st 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 local deferred 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 made 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 (Construction Account) to be used for capital improvements of buildings for youth educational programming related to the discovery, experimentation, and critical thinking in

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the sciences. The building must be located on the same premises as the qualifying arena. Distributions from the Construction Account are subject to appropriation.

**Summary:** The allowable use of repaid local sales and use taxes deposited in the Construction Account is expanded to include not only capital improvements of buildings used for youth educational programming, but also the maintenance and operational activities associated with these facilities. Operational activities may include off-site educational programming that directly relates to the core mission of curiosity, discovery, experimentation, and critical thinking.

Repaid local sales and use taxes deposited in the Construction Account are redirected to the Local Sales and Use Tax Account where the state treasurer can automatically distribute funds. The revenues would be distributed to the county where the qualifying arena is located and the city would distribute the funds to the nonprofit organization operating the buildings for youth educational programming.

**Votes on Final Passage:**

Senate	47	0
House	95	2

**Effective:** July 25, 2021