

FINAL BILL REPORT

E2SSB 5001

C 218 L 23
Synopsis as Enacted

Brief Description: Concerning public facility districts created by at least two city or county legislative authorities.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Hawkins, Hunt, Nguyen and Wilson, J.).

Senate Committee on Local Government, Land Use & Tribal Affairs
Senate Committee on Transportation
Senate Committee on Ways & Means
House Committee on Local Government
House Committee on Finance

Background: A public facilities district (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the State Constitution. A PFD may be created by a city, group of cities, county, or a group of cities and a county. PFDs are authorized to acquire, build, own, and operate regional centers. Regional centers include a convention, conference, or special events center, or any combination of facilities, and its related parking facilities. 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. A PFD is governed by an appointed board of directors with varying composition and appointing authority.

There are several types of local PFDs that can be created, including:

- a single-town or city PFD—created by any town or city located in a county with a population of less than 1 million;
- contiguous group of towns/cities PFD—created when any contiguous group of towns or cities located in a county or counties each with a population of less than 1 million enter an interlocal agreement for the PFD's creation and joint operation;
- city/county joint PFD—created and jointly operated via an interlocal agreement by a town or city, or any contiguous group of towns or cities located in a county with a population of 1 million; and a contiguous county, or the county or counties in which

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the town or cities are located;

- regional city PFD—created by a city located in a county with a population greater than 1 million, when the city has a total population of less than 115,000 but greater than 80,000 and commences construction of a regional center prior to July 1, 2008;
- multi-city/town PFD—a new multi-city PFD may only be created by a group of at least three contiguous cities or towns, with a combined population of at least 160,000, each of which must have already established a PFD, and must obtain voter approval to fund the project; and
- local PFD, single town or city PFD—created by a city or town that has also participated in the creation of an additional regional PFD, with three or more contiguous cities or towns, and must obtain voter approval to fund the project.

All types of PFDs may charge fees for the use of its facilities. Each PFD may also impose a variety of taxes to fund its regional center or recreational facility, including an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, a local sales and use tax of up to 0.033 percent to finance regional centers, a voter-approved local sales and use tax of up to 0.2 percent, and, if applicable, a voter-approved 2 percent lodging excise tax.

Summary: The legislative authority of two or more contiguous towns or cities, or the legislative authority of two or more contiguous towns or cities and the legislative authority of the county or counties in which the towns or cities are located, each of which participated in the creation of a PFD, may create an additional PFD. This PFD must be created prior to July 1, 2026. The creation of this PFD does not require all of the original participating towns, cities, or counties that previously created a PFD to participate in the formation of the new PFD. Any previously created district may continue its full corporate existence and activities notwithstanding the creation and existence of an additional district within the same geographic area.

The PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate regional aquatics and sports facilities, including the purchase, acquisition, construction, repairing, remodeling, and operation of community pools within the district. The PFD may provide funding for transportation improvements directly associated with facilitating motor vehicle and pedestrian access to regional aquatics and sports facilities, which includes funding for new construction, reconstruction, expansion, and maintenance of pedestrian trails, city streets, county roads, and state highways. However, the transportation improvements must be aligned with applicable state, regional, or local transportation plans.

The PFD may impose a voter-approved local sales and use tax at a rate of not more than 0.2 percent regardless of other local sales and use taxes by any other PFD within its boundaries. The PFD may not issue bonds, if doing so would cause the scheduled annual principal and interest payments on the aggregate debt issued by the district in any fiscal year to equal or exceed 80 percent of the annual tax revenue that the district projects, on or prior

to the date of issuance of the bonds, to collect in such fiscal year under the sales and use tax.

Votes on Final Passage:

Senate	45	0	
House	91	6	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 23, 2023