

FINAL BILL REPORT

HB 3151

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Synopsis as Enacted

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

Sponsors: By Representatives Alexander, DeBolt, Hunt and McCune.

House Committee on Finance

Senate Committee on Ways & Means

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). The statutes specify governance provisions 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 by statute. 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.

In 2007 legislation was enacted that 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 had to be 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 11 counties, including Lewis County, as major disaster areas eligible for maximum assistance from the Federal Emergency Management Agency.

Summary:

The date the Lewis County PFD, being in a county designated as a disaster area, must commence construction of a regional center to qualify for the 0.033 percent credit against the state sales and use tax is changed from January 1, 2009, to January 1, 2011.

Votes on Final Passage:

House 95 0

Senate 47 1

Effective: July 1, 2008