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**Finance Committee**

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**SSB 5184**

**Brief Description:** Modifying sales and use tax provisions for public facilities districts.

**Sponsors:** Senate Committee on Economic Development, Trade & Management (originally sponsored by Senators Hatfield, Clements and Rasmussen).

**Brief Summary of Substitute Bill**

- Permits certain small public facility districts to impose an additional 0.033 percent sales tax that is used to improve existing artistic, theatrical, and cultural facilities.

**Hearing Date:** 4/6/07

**Staff:** Rick Peterson (786-7150).

**Background:**

A public facilities district (PFD) may be created by a city or county. A PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, or regional centers, together with contiguous parking facilities. The PFDs formed prior to July 31, 2002, or in certain small PFDs prior to July 1, 2006, may impose a 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers. If both a city-created and a county-created PFD assess this sales tax, the city-created PFD tax is credited against the county-created PFD tax, and the combined total may not be greater than 0.033 percent.

**Summary of Bill:**

In a county with a population under 300,000 persons, a city public facility district created prior to August 1, 2001, and a county public facility district created prior to January 1, 2000, in which the total population of the public facility district is greater than 90,000 and less than 100,000 persons, may impose an additional sales and use tax at the rate of 0.033 percent. The tax is credited against the state portion of the sales and use tax, and thus does not increase the tax for consumers. The tax may only be imposed for the improvement or rehabilitation of an existing regional center to be used for community events, and artistic, theatrical, or other cultural

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exhibitions. The facility must have fewer than 2,000 permanent seats and the improvements must commence prior to January 1, 2009.

**Appropriation:** None.

**Fiscal Note:** Available.

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