
**Community & Economic Development &
Trade Committee**

HB 1692

Brief Description: Addressing the authority of the board of directors of a public facilities district.

Sponsors: Representatives Driscoll, Wood, Crouse and Ormsby.

Brief Summary of Bill

- Requires a public facilities district to identify, in its annual budget, proposed expenditures for promotional activities and to adopt rules governing promotional hosting.

Hearing Date: 2/16/09

Staff: Chris Cordes (786-7103)

Background:

A public facilities district (PFD) may be created upon adoption of a resolution of the legislative authority of a county or of certain cities or towns, with or without the contiguous counties, in which the proposed district is located. A PFD is a municipal corporation and an independent taxing authority. A PFD is a body corporate and possesses all the usual powers of a corporation for public purposes or powers specially conferred by statute.

A PFD is authorized generally to acquire, construct, and operate regional centers, sports facilities, entertainment facilities, and convention facilities, together with contiguous parking facilities. In addition, the county PFDs formed after January 1, 2000, may acquire, construct, and operate recreation facilities other than ski areas.

A PFD is governed by an appointed board of directors with specified statutory authority. Among other things, the board may authorize expenditures for informing the general public and for

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promoting or advertising the district's facilities, as long as the information for the public is not for the purpose of influencing the outcome of a district election.

Local governments are prohibited, under Article VIII, section 7 of the State Constitution, from giving money to private persons or entities (except for support of the poor or infirm). In 1965, the Washington Supreme Court (Court) considered whether promotional hosting of prospective customers by the Port of Seattle constituted a gift of public funds in violation of this constitutional provision. The Court found, under the facts of that case, that the hosting was without consideration and was therefore a gift. In 1966, the voters approved an amendment to the State Constitution to allow promotional hosting by port districts.

In more recent cases, the Court has reviewed both donative intent and legal consideration when determining whether a challenged public expenditure is a gift of public funds.

Summary of Bill:

A city or county public facilities district board must identify, in its annual budget, proposed expenditures for promotional activities. It must adopt written rules governing promotional hosting by its employees, agents, and the board.

Appropriation: None.

Fiscal Note: Available.

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