

# HOUSE BILL REPORT

## SHB 2525

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### As Passed Legislature

**Title:** An act relating to public facilities districts created by at least two city or county legislative authorities.

**Brief Description:** Concerning public facilities districts.

**Sponsors:** House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Nealey, Klippert, Chandler and Haler).

**Brief History:**

**Committee Activity:**

Community & Economic Development & Trade: 1/27/10, 1/28/10 [DPS].

**Floor Activity:**

Passed House: 2/12/10, 97-0.

Senate Amended.

Passed Senate: 3/5/10, 47-0.

House Concurred.

Passed House: 3/9/10, 94-1.

Passed Legislature.

### Brief Summary of Substitute Bill

- Limits the authority to create overlapping multi-jurisdictional public facilities districts (PFDs) to a group of at least three cities with a combined population over 160,000.
- Requires approval by a majority of board members from each jurisdiction within a recreational facility PFD only when submitting a tax proposition to the voters.

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### HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kenney, Chair; Maxwell, Vice Chair; Smith, Ranking Minority Member; Chase, Moeller, Orcutt, Parker and Probst.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Liias.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Brian Kilgore (786-7119) and Chris Cordes (786-7103).

**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. A PFD is governed by an appointed board of directors with varying composition and appointing authority.

In 2009 multi-city/county PFDs were authorized for jurisdictions that already had a PFD. These new PFDs were only allowed to develop and operate recreational facilities other than ski resorts. To approve a proposition, a majority of board members representing each city or county participating in the additional PFD must approve the proposition.

A PFD may impose a variety of taxes to fund its regional facility. For example, a PFD may levy an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, and a voter-approved 0.2 percent sales tax. A county PFD may also impose a voter-approved 2 percent lodging tax.

**Summary of Substitute Bill:**

New multi-city public facilities districts may only be created by a group of at least three contiguous cities with a combined population of at least 160,000, each of which must have already established a public facilities district. A new multi-city public facilities district may now construct regional centers and special events centers in addition to recreational facilities. A new multi-city public facilities district must specify the recreational facility or regional center to be funded in a sales and use tax proposal sent to the voters. No proposals may be submitted to the voters prior to January 1, 2011.

Multi-city PFDs only require the approval of a majority of board members from each participating jurisdiction when submitting tax propositions to the voters.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Some amendments to House Bill 2299 approved by the Senate committee last year didn't make it into the final bill. They were struck out on the Senate floor. The changes these amendments would have made are included in this bill. New PFDs would be able to construct regional centers in addition to recreational facilities. Additionally, approval of a majority of board members from participating jurisdictions would only be required for tax propositions to be sent to the voters.

The tri-cities have a list of 16 projects generated by public input. To be able to do all those things we need the flexibility of many different facility types. All of our projects would be approved by the voters. This bill clarifies the process for approving propositions and would allow the new tri-cities PFD to build the kinds of projects our cities need. Our new PFD would build projects that the cities cannot afford on their own.

(Opposed) None.

**Persons Testifying:** Representative Nealey, prime sponsor; and Brianna Taylor and Matt Watkins, City of Pasco.

**Persons Signed In To Testify But Not Testifying:** None.