

SENATE BILL REPORT

SHB 1692

As Reported by Senate Committee On:
Government Operations & Elections, March 24, 2009

Title: An act relating to authority of the board of directors of a public facilities district.

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

Sponsors: House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Driscoll, Wood, Crouse and Ormsby).

Brief History: Passed House: 3/05/09, 94-3.

Committee Activity: Government Operations & Elections: 3/24/09 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; McDermott, Pridemore and Swecker.

Staff: Edward Redmond (786-7471)

Background: Public facilities districts (PFDs) are municipal corporations created by a city, town, or county with independent taxing authority and are taxing districts under the State Constitution. PFDs perform specified functions related to the development, operation, and maintenance of specified categories of public facilities, including convention, conference, and special events centers; sports and entertainment facilities (county PFDs only); and related parking facilities.

PFDs are granted the authority to engage in a wide range of activities related to the development, operation, and maintenance of their statutorily authorized facilities, including buying or leasing property; entering into contracts; participating in interlocal agreements; imposing charges and fees for the use of facilities; imposing specified taxes; and issuing general obligation bonds and revenue bonds.

Both city and county PFDs are governed by an appointed board of directors (board) consisting of either five or seven members. Expenditures may be authorized by the board to inform the general public and to promote or advertise the district's facilities. However, such

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expenditures may not be used to prepare and distribute information to the public for the purpose of influencing the outcome of a district election.

Summary of Bill: A city or county PFD board must identify, in its annual budget, proposed expenditures for promotional activities. The board must adopt written rules governing promotional hosting by its employees, agents, and the board, including requirements for identifying and evaluating the public benefits to be derived and documenting the public benefits realized.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: PFDs operate in a very competitive business environment. In Spokane there are three PFDs: the arena, INB Performing Arts Center, and the convention center. These facilities bring great events. The public benefit derived from promotional hosting is very important. In this bill we have asked PFDs to budget for promotional hosting and account for any items used for such hosting. The intent of this is to make sure we are truly receiving a public benefit. The committee heard and passed the companion bill this session and we ask the same support for this House bill.

Persons Testifying: PRO: Representative Driscoll, prime sponsor; Kevin Twohig, Tom Parker, Spokane Public Facilities District.