

SENATE BILL REPORT

EHB 2299

As Reported by Senate Committee On:
Government Operations & Elections, March 26, 2009

Title: An act relating to the formation, operation, and nonstate funding of public facilities districts.

Brief Description: Concerning formation, operation, and nonstate funding of public facilities districts.

Sponsors: Representatives Klippert, Driscoll, Haler, Kenney and Grant-Herriot.

Brief History: Passed House: 3/12/09, 93-3.

Committee Activity: Government Operations & Elections: 3/26/09 [DPA, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; McDermott, Pridemore and Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton.

Staff: Sharon Swanson (786-7447)

Background: A Public Facilities District (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the State Constitution. The PFDs may be created by either a city or a county. City PFDs may develop and operate regional centers. A regional center is a convention, conference, or special events center, or any combination, constructed, improved, or rehabilitated at a cost of at least \$10 million. A special events center is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances.

County PFDs may develop and operate sports facilities, entertainment facilities, convention facilities, and regional centers. Districts formed after January 1, 2000, may develop and operate recreational facilities other than ski areas.

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.

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

The PFDs may impose a variety of taxes to fund their regional facilities. For example, the PFDs 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, as well as a voter-approved 2 percent lodging tax for a county PFD.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Amendments): Certain contiguous groups of cities or their counties may form an additional PFD, if one or more had previously formed a PFD. Such PFDs must be comprised of a minimum of two legislative authorities, including a maximum of three contiguous cities, solely or in combination with a maximum of two contiguous counties. Any existing PFD, within the same geographic boundaries, maintains its full corporate existence and activities notwithstanding the newly formed PFD.

The new PFD may be governed and operated by a board of directors using the already established method of seven board members, or by a new method of up to nine board members. Membership on boards with nine members must be divided evenly between the legislative authorities that created the PFD. If an even number of legislative authorities creates a PFD, an additional board member must be appointed by the members.

If more than one PFD exists within the same geographic boundaries, the new PFD may not impose a voter-approved sales or use tax at a rate that exceeds 0.2 percent minus the rate of the highest tax already authorized by any other PFD within its boundaries.

In addition, any PFD that imposes a voter-approved sales or use tax is responsible for the payment of any costs incurred for the purpose of imposition or administering the provisions of the tax.

The definition of a "regional center" is expanded to include a recreation facility other than a ski area.

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: This bill will allow sovereign entities to pool resources in order to accomplish the building of regional facilities. The Tri-Cities PFDs will be able to pool their resources to build an aquatic center. This creates an opportunity, not a requirement, for cities and counties to elect up to three representatives from each of their PFDs to represent the larger entity on a board to fund projects by approving a tax. This bill had received strong bi-partisan support and we urge passage.

Persons Testifying: PRO: Tim Schellberg, city of Pasco.