

HOUSE BILL REPORT

ESSB 6049

As Passed House - Amended:

April 14, 1995

Title: An act relating to financing of public stadiums used by professional sports teams.

Brief Description: Financing public stadiums used by sports teams.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Finkbeiner, Snyder and Pelz).

Brief History:

Committee Activity:

Trade & Economic Development: 3/27/95, 3/30/95 [DPA].

Floor Activity:

Amended.

Passed House: 4/14/95, 50-40.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass as amended. Signed by 10 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Backlund; Ballasiotes; Hatfield; Mason; Sherstad; Skinner and Valle.

Minority Report: Do not pass. Signed by 2 members: Representatives Sheldon, Ranking Minority Member; and Hickel.

Staff: Kenny Pittman (786-7392).

Background: The state imposes a sales tax on retail sales of most articles of tangible personal property, construction including labor, repair of tangible personal property, rental of vehicles, and certain services. The state use tax applies to items used in this state, the acquisition of which was not subject to the retail sales tax. The sales and use taxes are equal and are based on the value of the property or service. These taxes are imposed by both the state (6.5 percent) and the local government (up to 1.7 percent).

Summary of Amended Bill: A county with a population of one million or more is authorized to use a variety of tax incentives to finance the siting, acquisition, or construction of a major league baseball stadium. The incentives are as follows:

- 1) The county may impose a 2 percent sales and use tax on the renting of rental cars. The tax is credited equally against amounts collected under the local government's existing retail sales and rental car taxes. The county must adopt the tax by resolution or ordinance.
- 2) The interest income earned on loans to finance the acquisition or construction of a major league baseball stadium is not subject to taxation under the state's business and occupation tax.
- 3) A retail sales and use tax deferral is provided on the materials, machinery and equipment, and the services and labor necessary for the siting, acquisition, and construction of a major league baseball stadium. The state and local sales and use taxes are deferred interest free for a 5-year period after completion of the stadium. The deferred taxes are then repaid in equal amounts over a 10-year period.

Appropriation: None.

Fiscal Note: Requested on March 31, 1995.

Effective Date of Bill: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: (Original bill) This is one option to finance the construction of a new baseball stadium.

Testimony Against: None.

Testified: (Pro) Rick Wickman, Seattle Mariners.