FINAL BILL REPORT

2SSB 5452

C 165 L 99
Synopsis as Enacted

Brief Description: Authorizing the creation of public facilities districts.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Bauer, Deccio, Benton, Goings, Winsley, Rasmussen, Franklin, Eide, Zarelli, Wojahn and Hale).

Senate Committee on State & Local Government
Senate Committee on Ways & Means
House Committee on Economic Development, Housing & Trade
House Committee on Finance

Background: Public facilities districts (PFDs) are municipal corporations and independent taxing districts. They are created by resolution of the county legislative authority and their boundaries are coextensive with those of the county. A PFD is authorized to build, own and operate sports facilities, entertainment facilities or convention facilities. King County's construction and operation of a new Mariners baseball stadium is governed by PFD statutes. King and Spokane counties are the only counties to have established PFDs.

Summary: The legislative authority of a city or a group of contiguous cities located in a county or counties each having a population of less than one million may create a regional PFD to build a regional center that costs at least $10 million, including debt service. The city-created PFD has authority to build, own and operate the regional center. The county PFD is given like authority.

The boundary of the city-created PFD is coextensive with the boundaries of the city or cities that establish it. The governing body is a board of directors appointed by the city's legislative authority. Members of the city's legislative authority are not eligible to serve on the board.

The city-created PFD may impose a 0.2 percent voter-approved sales and use tax after August 1, 2000. This tax may be used to build, maintain and operate the regional center. A similar 0.1 percent sales tax is available for the county-created PFD.

If the construction of the new regional center or improvement of an existing regional center begins before January 1, 2003, then the city-created or county-created PFD may impose a 0.033 percent sales and use tax that is deducted from the state sales tax. It must be matched by the PFD from public or private sources to 33 percent of the sales tax collected. Nonvoter-approved taxes may not be used for the match. This tax may not be collected before August 1, 2000. It expires when the bonds issued for the construction of the regional center are retired but not more than 25 years after the tax is first collected. If both the city-created and county-created PFDs assess this sales tax, the city-created PFD tax is credited against the county-created PFD tax. It is not available to a county-created PFD if the county legislative authority has imposed a sales tax for a football or baseball stadium.

The city-created PFD may issue 30-year general obligation bonds. The city-created PFD may also issue 30-year revenue bonds to fund the revenue-generating facilities that it operates. These bonds are not an indebtedness of the district and are payable only from the revenues pledged to meet the principal and interest of the bonds.

Both the city-created and county-created PFDs may charge taxes on admissions and parking fees that preempt any city, town, or county tax of a similar nature. Leasehold interests in both city-created and county-created PFDs are exempt from tax.

The county-created PFD may reauthorize its 2 percent hotel/motel tax by a vote of the voters of the district to fund additional public facilities or a regional center.

Votes on Final Passage:

Senate	42	5	
House	86	10	(House amended)
Senate	39	7	(Senate concurred)

Effective: July 25, 1999