

***Trade & Economic Development***

***HB 1195***

***Brief Description:*** *Revising provisions for public facilities districts.*

***Sponsors:*** *Representatives Gombosky, Benson and Crouse.*

***Brief Summary of Bill***

- *Alters the term used to describe all of the facilities that a city or town public facilities district may provide, and some of the facilities that a county public facilities district may provide, from regional centers- to public facilities-;*
- *Removes the restriction that these facilities must serve a regional population; and*
- *Authorizes public facility districts to provide cultural, community, and technology centers, if these facilities are constructed or improved at a cost of at least \$10 million.*

***Hearing Date:*** *2/2/01*

***Staff:*** *Steve Lundin (786-7127).*

***Background:***

***A. County public facility districts.***

*Counties are authorized to create countywide public facilities districts to provide sports facilities, entertainment facilities, convention facilities, regional centers, and related parking facilities. Regional centers are defined as convention, conference, or special events facilities serving a regional population that are constructed or improved after July 25, 1999, at a cost of at least \$10 million.*

*A county public facilities district is governed by an appointed board of directors, with a varying composition and appointing authority. If the largest city in the county has a population of 40 percent or more of the total county population, the board of directors has*

*five members, two of whom are appointed by the county legislative authority, two of whom are appointed by the council of the city with the largest population in the county, and one of whom is selected by the other four members. Any other board of directors may have five or seven members with the county legislative authority making the appointments. However, if the county has a population of one million or more, the largest city has less than 40 percent of the total county population, and the county operates under a home rule charter providing for an elected executive, then three members of the board of directors are appointed by the governor and at least one of the members must represent the lodging industry.*

*County public facility districts may impose the following taxes to finance their facilities:*

- Excess, voter approved, property tax levies, including single-year levies for operating and capital purposes and multi-year levies to retire general indebtedness issue for capital purposes.*
- A hotel/motel lodging tax of up to 2 percent on facilities with 40 or more lodging units if the combined sales and use taxes, and lodging excise taxes, imposed on lodging do not exceed 11.5 percent. The tax could have been imposed prior to December 31, 1999, without voter approval, and since that date may only be imposed with voter approval.*
- An admissions tax of not more than one cent on twenty cents or fraction thereof paid for admissions to regional centers. The tax is applied to admission charges, cover charges, food and refreshment charges if free entertainment or amusement is provided, equipment rental for recreation or amusement, and automobile parking charges if the charge is based upon the number of passengers in the automobile.*
- A vehicle parking tax imposed on its parking facilities of not more than 10 percent.*
- Voter-approved sales and use taxes of not exceeding 0.2 percent, but the maximum rate was 0.1 percent before August 1, 2000.*
- An additional nonvoter-approved sales and use tax of not exceeding 0.033 percent with this tax being deducted from the state's sales and use taxes. This tax may only be used to finance regional centers.*

***B. City and town public facility districts.***

*City or town public facility districts may be created by one or more cities or towns in a county with a population of less than one million. City or town public facility districts must be contiguous with the cities or towns creating the district.*

*A city or town public facilities district basically possesses the same authorities as a county public facility district, except a city or town public facility district: (1) Is only authorized to*

*provide regional centers, and is not authorized to provide sports facilities or entertainment facilities; and*

*(2) is not authorized to impose voter approved excess property tax levies.*

***Summary of Bill:***

*The types of facilities that a public facilities district may provide are expanded by:*

- *Altering the term used to describe all of the facilities that a city or town public facilities district may provide, and some of the facilities that a county public facilities district may provide, from regional centers– to public facilities–;*
- *Removing the restriction that these facilities must serve a regional population; and*
- *Authorizing public facility districts to provide cultural, community, and technology centers, if these facilities are constructed or improved at a cost at least \$10 million.*

*The date of by which a public facilities district must either commence new construction or remodeling or a regional center, and be able to finance this work with proceeds from sales and use tax at a rate of up to 0.033 percent, is extended from January 1, 2003, to January 1, 2005.*

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

***Appropriation:*** *None.*

***Fiscal Note:*** *Requested on January 22, 2001.*