

---

**Trade & Economic Development  
Committee**

---

**HB 2849**

**Brief Description:** Revising sales and use taxes for public facilities districts.

**Sponsor:** Representative Alexander.

**Brief Summary of Bill**

- Allows any county or city public facilities district that is created before January 1, 2003, and that starts construction of a new or improves an existing regional center by January 1, 2004, to impose the 0.033 percent sales and use tax to help fund construction or improvement of a regional center.

**Hearing Date:** 2/7/02

**Staff:** Kenny Pittman (786-7392).

**Background:**

Public facilities districts (PFDs) are municipal corporations and independent taxing districts. They are created by resolution of a county or city legislative authority and their boundaries are coextensive with those of the county or city. A PFD is authorized to build, expand, repair, own and operate sports facilities, entertainment facilities, convention facilities, or regional centers that cost at least \$10 million, including debt service.

If the construction of the new regional center or improvement of an existing regional center begins before January 1, 2003, then the PFD may impose a 0.033 percent sales and use tax that is deducted from the state sales and use tax. It must be matched by the PFD from public or private sources at a match rate of 33 cents for each dollar of taxes collected. Non-voter-approved taxes may not be used for the match. A PFD could not collect this tax before August 1, 2000. It expires when the bonds issued for the construction or improvement of the regional center are retired. However, in no case can the tax be imposed for more than 25 years after it is first collected.

If both the city-created and county-created PFDs impose the 0.033 percent sales and use tax, the city-created PFD tax is credited against the county-created PFD tax. This tax is not

available to a county-created PFD if the county legislative authority has imposed a sales and use tax to help finance a football or baseball stadium.

**Summary of Bill:**

Any city or county PFD that is created before January 1, 2003, and that starts construction of a new regional center or improvement or rehabilitation of an existing regional center before January 1, 2004, may impose the 0.033 percent sales and use tax to help fund construction or improvement a regional center.

**Appropriation:** None.

**Fiscal Note:** Available (Preliminary).

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