

FINAL BILL REPORT

SHB 1692

C 167 L 09
Synopsis as Enacted

Brief Description: Addressing the authority of the board of directors of a public facilities district.

Sponsors: House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Driscoll, Wood, Crouse and Ormsby).

House Committee on Community & Economic Development & Trade
Senate Committee on Government Operations & Elections

Background:

A public facilities district (PFD) may be created upon adoption of a resolution of the legislative authority of a county or of certain cities or towns, with or without their contiguous counties, in which the proposed district is located. A PFD is a municipal corporation and an independent taxing authority. A PFD is a corporate body and possesses all the usual powers of a corporation for public purposes or powers specially conferred by statute.

A PFD is authorized generally to acquire, construct, and operate regional centers, sports facilities, entertainment facilities, and convention facilities, together with contiguous parking facilities. In addition, the county PFDs formed after January 1, 2000, may acquire, construct, and operate recreation facilities other than ski areas.

A PFD is governed by an appointed board of directors (Board) with specified statutory authority. Among other things, the Board may authorize expenditures for informing the general public and for promoting or advertising the district's facilities, as long as the information for the public is not for the purpose of influencing the outcome of a district election.

Local governments are prohibited, under Article VIII, section 7 of the State Constitution, from giving money to private persons or entities (except for support of the poor or infirm). In 1965 the Washington Supreme Court (Court) considered whether promotional hosting of prospective customers by the Port of Seattle constituted a gift of public funds in violation of this constitutional provision. The Court found, under the facts of that case, that the hosting was without consideration and was therefore a gift. In 1966 the voters approved an amendment to the State Constitution to allow promotional hosting by port districts.

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.

In more recent cases, the Court has reviewed both the donor's intent and legal consideration when determining whether a challenged public expenditure is a gift of public funds.

Summary:

A city or county PFD Board must identify, in its annual budget, proposed expenditures for promotional activities. It must adopt written rules governing promotional hosting by its employees, agents, and the Board, including requirements for identifying and evaluating the public benefits to be derived and documenting the public benefits realized.

Votes on Final Passage:

House	94	3
Senate	45	1

Effective: July 26, 2009