

# HOUSE BILL REPORT

## HB 1321

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### As Reported by House Committee On:

Local Government

Finance

**Title:** An act relating to authorizing certain public facilities districts to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more recreational facilities other than a ski area with voter approval.

**Brief Description:** Concerning certain public facilities district's authorization to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more recreational facilities other than a ski area with voter approval.

**Sponsors:** Representatives Jenkin, Appleton, Nealey and Gregerson.

### Brief History:

#### Committee Activity:

Local Government: 1/24/17, 2/9/17 [DPS];

Finance: 2/21/17, 2/22/17 [DPS(LG)].

#### Brief Summary of Substitute Bill

- Amends the definition of "regional centers" to include aquatics facilities.
- Limits certain public facilities districts (PFDs) from making specific facilities available to prospective users for events that are not open to the public, if reasonably comparable private facilities are available within the district.
- Eliminates the authority that allowed certain limited PFDs to own and operate recreational facilities, other than ski resorts.
- Authorizes all PFDs to operate aquatics facilities.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Ranking Minority Member; Gregerson and Peterson.

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*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.*

**Minority Report:** Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

**Staff:** Yvonne Walker (786-7841).

**Background:**

A public facilities district (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the state Constitution. A PFD may be created by a city, group of cities, county, or a group of cities and a county. Such PFDs are authorized to acquire, build, own, and operate regional centers. A PFD is governed by an appointed board of directors with varying composition and appointing authority.

In 2010 new multi-city PFDs were created. These new multi-city PFDs were permitted to be created by a group of at least three contiguous cities/towns with a combined population of at least 160,000, each of which must have already established a PFD. This category of multi-city PFDs may construct, own, and operate regional centers and special events centers in addition to recreational facilities, other than ski resorts. Voter approval must be obtained to fund each recreational facility or regional center.

A "regional center" is a convention, conference, or special events center, or any combination of facilities, and its related parking facilities. A "special events center" is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances.

All PFDs may charge fees for the use of its facilities. Each PFD may also impose a variety of taxes to fund its regional center or recreational facility, including an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, a voter-approved local sales and use tax of up to 2 percent, and, if applicable, a voter-approved 2 percent lodging excise tax.

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**Summary of Substitute Bill:**

The authority that permitted multi-city PFDs, created by a group of at least three contiguous cities/towns with a combined population of at least 160,000, to own and operate recreational facilities (other than ski resorts) is eliminated.

A PFD, if created by a city bordered by both the Columbia and Snake Rivers, may not make any facility constructed after the effective date of the act available to any prospective user for an event that is not open to the public if reasonably comparable private facilities are available within the district. The facilities may only include equipment, amenities, and operations directly related to the primary function of the facility. This limitation does not apply to in-house daycare, gift shops, and food and beverage concessions.

The definition of a "regional center" is amended to include aquatics facilities. As a result, all PFDs are authorized to acquire, construct, own, and operate aquatics facilities.

### **Substitute Bill Compared to Original Bill:**

The provision that allowed a local PFD, created by a city that has also participated in the creation of a PFD, to establish recreational facilities is eliminated. The definition of a "regional center" is expanded to include aquatics facilities, thereby authorizing all PFDs to construct and operate aquatics facilities. A provision is added to prohibit certain regional PFDs, created by a city/town bordered by the Columbia and Snake Rivers, from making a facility available to any prospective user for an event that is not open to the public if reasonably comparable private facilities are available within the district. A provision is added to provide that: (1) facilities may only include equipment, amenities and operations directly related to the primary function of the facility; and (2) this limitation does not apply to in-house daycare, gift shops, and food and beverage concessions.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) The Tri-Cities has decided that it would like to have regional projects and would coordinate those projects within Kennewick, Pasco, and Richland. This bill allows the City of Pasco's PFD to build an aquatic center, and they are willing to pay for it. Under current law, the city's PFD has the authority, by the vote of the people, to fund an event center, convention center, and facilities to host a trade show, art show, and theatrical events. However, they cannot fund an aquatic center or recreational facility. This is a major issue for the city of Pasco.

Both regional and county PFDs are authorized to fund recreational facilities. However, local PFDs, such as Pasco's PFD, do not have that same authorization. There have been efforts to bring a regional aquatic center to the Tri-Cities for quite some time.

This bill adds the term recreational facility to the list of projects that the city's PFD can build which allows them to build an aquatic center. Other PFDs already have the ability to construct a recreational center, but this authorization is omitted from the Tri-Cities PFD structure.

The bill as drafted would narrowly apply to the Tri-Cities PFD but there is support to change the definition to allow all city PFDs to also operate recreational facilities.

(Opposed) None.

**Persons Testifying:** Representative Jenkin, prime sponsor; Briahana Murray and Dave Zabell, City of Pasco.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill by Committee on Local Government be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Lytton, Chair; Frame, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Dolan, Pollet, Springer, Stokesbary, Wilcox and Wylie.

**Staff:** Tracey O'Brien (786-7152).

### **Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Local Government:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) There have been many efforts to bring an aquatic center to the Tri-Cities; however, only the citizens of the City of Pasco have demonstrated a desire to pay for one. This small change will allow the PFDs in this state to also build, equip, and maintain aquatic centers that will attract visitors and provide recreation for their communities.

(Opposed) None.

**Persons Testifying:** Representative Jenkins, prime sponsor; and Stan Strebel, City of Pasco.

**Persons Signed In To Testify But Not Testifying:** None.