

SENATE BILL REPORT

HB 1499

As Reported by Senate Committee On:
Local Government, March 21, 2019

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 and Peterson.

Brief History: Passed House: 3/07/19, 89-8.

Committee Activity: Local Government: 3/19/19, 3/21/19 [DP, DNP].

Brief Summary of Bill

- Provides authority to eligible 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.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Takko, Chair; Salomon, Vice Chair; Short, Ranking Member; Lovelett.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Staff: Greg Vogel (786-7413)

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

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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, legislation was enacted to allow for the creation of new multi-city/town public facilities districts (multi-city PFDs). A new multi-city PFD may only be created by a group of at least three contiguous cities or towns, with a combined population of at least 160,000, each of which must have already established a PFD. A multi-city PFD may construct, own, and operate regional centers, special events centers, and recreational facilities, other than ski resorts. To date, there is only one multi-city PFD in the state, which is referenced by some as a regional PFD or the Tri-Cities regional PFD.

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 types of 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 local sales and use tax of up to 0.033 percent to finance regional centers, a voter-approved local sales and use tax of up to 0.2 percent, and, if applicable, a voter-approved 2 percent lodging excise tax.

Summary of Bill: Eligible PFDs are authorized authority to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more recreational facilities other than a ski area.

To be eligible for this additional authority, the PFD must have (1) been created under the PFD creation authority granted to a town or city located in a county with a population less than 1 million; and (2) participated in the creation of an additional PFD with at least two other contiguous towns or cities with a combined population of at least 160,000 for the three, each of which previously created a PFD in a county with a population less than 1 million.

If exercising this authority, the PFD must obtain voter approval to fund each recreational facility with the voter-approved local sales and use tax. PFDs created under this authority possess all of the powers with respect to recreational centers, other than a ski area, that all PFDs possess with respect to regional centers.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The current regional PFD has been unable to provide an aquatic center for Pasco that the city has been trying to get done. There is a lack of activities for kids, and in a fast growing city with a young median age, this is a highly

sought after facility. The city is asking for a simple vote of the people for a facility that has already been approved by the people. There is a good sense of costs and these numbers will be shared with the public before voting on the measure.

CON: This is considered a breach of faith and trust that Pasco, without discussion, has gone ahead and introduced this bill, which would in essence sabotage the regional PFD. This bill would take out a significant portion of the taxing authority. The real issue is with the composition of the PFD board and the mechanism for putting a ballot out to the people.

Persons Testifying: PRO: Representative Bill Jenkin, Prime Sponsor; Dave Zabell, Pasco City Manager; Craig Maloney, Pasco Mayor Pro Tempore.

CON: Victor Epperly, citizen.

Persons Signed In To Testify But Not Testifying: No one.