
Finance Committee

HB 1847

Brief Description: Establishing permanent funding for a community preservation and development authority approved through RCW 43.167.060.

Sponsors: Representatives Santos and Berg.

Brief Summary of Bill

- Authorizes a county to impose a 2 percent local sales and use tax, credited against the state sales and use tax, on transactions occurring at a qualified facility.
- Requires that the proceeds of the local sales and use tax be given to community preservation and development authority located within the county.

Hearing Date: 3/21/23

Staff: Tracey Taylor (786-7152).

Background:

Retail Sales and Use Tax.

Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 4.0 percent, depending on the location.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Community Preservation and Development Authorities.

A Community Preservation and Development Authority (CPDA) allows for the creation of authorities dedicated to preserving or enhancing the unique historical or cultural character of communities adversely impacted by publicly funded facilities, public works, capital projects, or other land use decisions.

A CPDA is formed by residents, property owners, employees, or business owners of an impacted community by presenting a proposal in writing to the appropriate legislative committees in the state House of Representatives and Senate. The proposal must include proposed boundaries and provisions. Formation of the CPDA is subject to legislative authorization by statute.

The CPDA account exists in the State Treasury and is composed of two subaccounts, one for operating purposes and one for capital purposes.

A CPDA must have at least one of the following purposes:

- revitalize, enhance, and preserve the unique character of impacted communities;
- mitigate the adverse effects of multiple major public facilities projects, public works projects, or capital projects with significant public funding; a secure community transition facility; or other land use decisions;
- restore a local area's sense of community;
- reduce the displacement of community members and businesses;
- stimulate the community's economic vitality;
- enhance public service provisions;
- improve the standard of living of community members; or
- preserve historic buildings or areas by returning them to economically productive uses that are compatible with or enhance their historic character.

There are currently two approved CPDAs, both in Seattle: the Pioneer Square-International District Community Preservation and Development Authority and the Central District CPDA.

Lumen Field.

The 325,000 square-foot Seahawks Stadium was established in 2002 with a seating capacity of 68,740, with 5,000 additional seats available for special events. Lumen Field has a roof covering 70 percent of the seating area. In 2004 Seahawks Stadium was renamed Qwest Field; in 2011 Qwest Field was renamed to CenturyLink Field; and in 2020 CenturyLink Field was given its current name, Lumen Field.

T-Mobile Park.

In 1999 the 88,000 square-foot Safeco Field was established with a seating capacity of 47,000 and a retractable roof. In 2018 Safeco Field was renamed T-Mobile Park.

Summary of Bill:

A county with a population over 1 million may impose a 2 percent sales and use tax on taxable events occurring within a qualified facility. The rate of the tax is credited against the state portion of the sales and use tax and as a result, the consumer does not pay any additional tax. The proceeds of the tax must go to any CPDA located within the county. A qualified facility is a facility located in a county in which a CPDA is established that:

- has a seating capacity of at least 68,000 fixed seats in an open-air stadium and has related event space of at least 300,000 square feet; or
- has a seating capacity of at least 47,000 seats for its main use and a retractable roof.

Appropriation: None.

Fiscal Note: Requested on March 17, 2023.

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