

FINAL BILL REPORT

HB 2057

C 207 L 91
Synopsis As Enacted

Brief Description: Allowing public facilities districts to impose excise tax.

By Representatives Day, H. Sommers, Dellwo, D. Sommers, Orr, Mielke, Nealey, Wang, Prince, Moyer, Scott, Hine and Wineberry.

House Committee on Trade & Economic Development
House Committee on Revenue
Senate Committee on Ways & Means

Background: Cities, counties, and transportation authorities may impose additional sales and use taxes in order to carry out essential county and municipal purposes.

A public facilities district may be created in any county with a population greater than 300,000 that is located more than 100 miles from a state owned convention center. The boundaries of a public facilities district must have the same boundaries as the county in which it is located.

A public facilities district has independent taxing authority and may acquire, construct, own, and operate sports and entertainment facilities with contiguous parking. After plans for a facility have been approved, the district may levy a hotel/motel tax, not to exceed 2 percent, to acquire, design, or construct a facility. With 60 percent voter approval, the district may levy a property tax in excess of the 1 percent limitation to be used for the capital and operating expenses of a sports and entertainment facility.

The district may also issue general obligation bonds. Bonds may be issued without voter approval up to an amount equal to three-eighths of 1 percent of the value of taxable property within the district. With voter approval, the district may issue general obligation bonds, for capital purposes only, up to an amount equal to 1 and one-fourth percent of the value of taxable property within the district. With 60 percent voter approval, the district may also levy a property tax in excess of 1 percent in order to retire voter-approved general obligation bonds.

Currently, only Spokane county has a public facilities district. The district was created in 1988. The Legislature appropriated \$500,000 for a site and for engineering and design work for a facility. The district has issued bonds to finance the construction of a coliseum and is using a hotel/motel tax to cover debt service for the bonds.

Summary: The governing board of a public facilities district may submit a sales and use tax authorizing proposition to the voters for majority approval. Moneys from the tax shall be used for sports or entertainment facilities. The rate of the tax is set at one-tenth of one percent of the selling price in the case of a sales tax, or the value of the article used, in the case of a use tax.

Votes on Final Passage:

House	84	14
Senate	38	9

Effective: July 28, 1991