SENATE BILL REPORT
SB 6031

As of March 24, 2003

Title: An act relating to ending public facility district tax credits.

Brief Description: Ending public facility district tax credits.

Sponsors: Senator Benton.

Brief History:
Committee Activity: Ways & Means: 3/25/03.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Catherine Suter (786-7442)

Background: Public facility districts (PFDs) are municipal corporations and independent taxing districts created by resolution of a county or city. They are authorized to build, expand, repair, own, and operate sports facilities, entertainment facilities, convention facilities, or regional centers that cost at least $10 million, including debt service. Regional centers include convention centers, special events centers, and related parking facilities.

PFDs may impose a sales and use tax of up to 0.033 percent for the construction of a new regional center or the rehabilitation or improvement of an existing regional center. The tax is credited against the state sales and use tax, so that the consumer does not see an additional tax in the district and the state bears the cost of the regional center. The district must have been established before July 31, 2002, and must begin construction before January 1, 2004. Taxes imposed expire when the bonds are retired, or after 25 years of collection, whichever is first. Revenue from this tax must be matched by other public or private sources, not including other public facility district fees and charges, at 33 percent of the amount of tax revenues.

Summary of Bill: The 0.033 percent sales and use tax for PFDs may not be collected after July 1, 2003, unless bonds based on this tax have been sold by April 1, 2003.

Appropriation: None.

Fiscal Note: Available.

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