

# SENATE BILL REPORT

## ESSB 6230

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As Passed Senate, March 7, 2006

**Title:** An act relating to extending the state sales and use tax credit for public facilities districts created before September 1, 2006.

**Brief Description:** Extending the state sales and use tax credit for certain public facilities districts.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Parlette, Doumit, Zarelli, Prentice, Rasmussen and Mulliken).

**Brief History:**

**Committee Activity:** Ways & Means: 1/17/06, 1/30/06 [DPS].

Passed Senate: 3/7/06, 47-1.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6230 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Brandland, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Schoesler and Thibaudeau.

**Staff:** Terry Wilson (786-7433)

**Background:** A public facilities district may be created by either a city or a county. City public facilities districts may develop and operate regional centers. A regional center is a convention, conference, or special events center, or any combination, constructed, improved, or rehabilitated at a cost of at least ten million dollars. 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.

County public facilities districts may develop and operate sports facilities, entertainment facilities, convention facilities, and regional centers.

Public facilities districts may levy an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, a voter-approved 0.2 percent sales tax, and, for a county public facilities district, a voter-approved 2 percent lodging tax.

In addition to these taxes, public facilities districts formed prior to July 31, 2002, that commenced construction on a new regional center or improvement or rehabilitation of an existing regional center before January 1, 2004, may impose a 0.033 percent sales and use tax that is credited against the state sales and use tax. The monies collected from this tax must be matched with private or other public sources equal to 33 percent of the monies collected. The public source cannot include nonvoter-approved taxes authorized by the public facilities

district. If both a city public facilities district and a county public facilities district impose this tax, the city tax is credited against the county tax.

**Summary of Bill:** The 0.033 percent sales and use tax that is credited against the state tax for a regional center is extended to public facilities districts created before July 1, 2006, in a county or counties in which there are no other public facilities districts on the effective date of the bill and in which the total population in the public facilities district is greater than ninety thousand that commences construction of a new regional center before February 1, 2007.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Wenatchee is a regional hub for five counties with a lot of tourist activity and is in the process of animating its downtown core. Wenatchee needs a regional center but wasn't ready in 2004. State assistance is needed for economic development. This is a \$35 million investment in a 5,000 to 6,000 seat facility that will create full-time and part-time jobs. Wenatchee needs an indoor facility in which to host high school and regional tournaments. A planned opening in 2008 will allow European teams to use the facility to acclimate for the 2010 Olympics. Both Chelan and Douglas Counties support this project.

**Testimony Against:** None.

**Who Testified:** PRO: Dennis Johnson, City of Wenatchee; Linda Haglund, Wenatchee Valley Sports Council.