

SENATE BILL REPORT

SB 5184

As Reported By Senate Committee On:
Economic Development, Trade & Management, February 7, 2007
Ways & Means, March 5, 2007

Title: An act relating to public facilities districts.

Brief Description: Modifying sales and use tax provisions for public facilities districts.

Sponsors: Senators Hatfield, Clements and Rasmussen.

Brief History:

Committee Activity: Economic Development, Trade & Management: 1/26/07, 2/07/07 [DPS-WM].

Ways & Means: 2/13/07, 3/05/07 [DPS(EDTM), DNP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: That Substitute Senate Bill No. 5184 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jacob White (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5184 as recommended by Committee on Economic Development, Trade & Management be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Oemig, Rasmussen, Regala and Schoesler.

Minority Report: Do not pass.

Signed by Senator Rockefeller.

Staff: Dean Carlson (786-7305)

Background: A public facilities district (PFD) may be created by a city or county. A PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate

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sports facilities, entertainment facilities, convention facilities, or regional centers, together with contiguous parking facilities.

The PFDs formed prior to July 31, 2002, or in certain small PFDs prior to July 1, 2006, may impose a 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers.

If both a city-created and a county-created PFD assess this sales tax, the city-created PFD tax is credited against the county-created PFD tax, and the combined total may not be greater than 0.033 percent.

Summary of Bill: The July 31, 2002, deadline for formation of a PFD, required for eligibility for imposition of the 0.033 percent sales tax, is changed to June 30, 2009.

The requirement that the total tax imposed for both a city and a county cannot be greater than 0.033 percent will not apply after July 1, 2007, in the case of a PFD that is a new regional center with 2,000 or fewer permanent seats or if the PFD is an existing regional center that is being improved or renovated and is in a county with a population of less than 300,000 and has 2,000 or fewer permanent seats.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Economic Development, Trade & Management): The scope of the bill is narrowed so that it only pertains to Yakima and Longview.

The regional center has to be used for community events, and artistic musical, theatrical presentations having two thousand or fewer permanent seats.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony (Economic Development, Trade & Management): PRO: This bill is directed at providing funds to renovate and add on to the Columbia Theatre of Longview and the Capitol Theatre of Yakima. These theaters are both integral parts of downtown revitalization in their respective cities. Studies have shown that the culture and arts life of a city is an important factor in attracting a skilled workforce.

The fiscal note for this bill is high because there was an error in the language of the bill. The 300,000 population requirement was meant to apply to not only rehabilitation projects but also to new projects. An amendment should make it so that this bill only applies to the Columbia Theatre in Longview and the Capitol Theatre in Yakima.

Persons Testifying (Economic Development, Trade & Management): PRO: Sarah Koss, Columbia Theatre Board Member; Dennis Weber, Mayor, City of Longview; Steve Cafferty, Ex-Director Capital Theatre; Barbra Greco, For a Better Tomorrow.

Staff Summary of Public Testimony (Ways & Means): PRO: This bill will help the arts and economic development in Longview and Yakima. This legislation will authorize a

partnership to renovate our Columbia Theatre in Longview. We have faced mill closures and have moved ahead in diversifying our economy. This is a combination renovation and expansion. This will also be a small conference center. This will help redevelop Longview core business district. The Capitol Theatre is a catalyst for downtown economic development. The capitol Theatre is the only thing that can bring economic vitality back. It is a proven economic tool.

Persons Testifying (Ways & Means): PRO: Senator Hatfield, prime sponsor; Senator Clements, co-sponsor; Mayor Dennis Weber, City of Longview; Joan Landau, Columbia Theatre Board; Rick Winsman, Kelso-Longview Chamber of Commerce; Steve Cafferty, Betty Ingham, Capitol Theatre.