FINAL BILL REPORT
EHB 2299

C 533 L 09
Synopsis as Enacted

Brief Description: Concerning formation, operation, and nonstate funding of public facilities districts.

Sponsors: Representatives Klippert, Driscoll, Haler, Kenney and Grant-Herriot.

House Committee on Finance
Senate Committee on Government Operations & Elections

Background:

A Public Facilities District (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the State Constitution. A PFD may be created by either a city or a county. City PFDs 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 $10 million. 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 PFDs may develop and operate sports facilities, entertainment facilities, convention facilities, and regional centers. Districts formed after January 1, 2000, may develop and operate recreational facilities other than ski areas.

A PFD is governed by an appointed board of directors with varying composition and appointing authority.

A PFD may impose a variety of taxes to fund its regional facilities. For example, a PFD may levy an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, and a voter-approved 0.2 percent sales tax, as well as a voter-approved 2 percent lodging tax for a county PFD.

Summary:

Certain contiguous groups of cities or their counties may form an additional PFD, if one or more of the entities had previously formed a PFD. Such PFDs must be comprised of a minimum of two legislative authorities, up to a maximum of three contiguous cities, either

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separately or in combination with a maximum of two contiguous counties. Any existing PFD within the same geographic boundaries maintains its full corporate existence and activities notwithstanding the newly formed PFD.

This new PFD may acquire, construct, own, remodel, maintain, equip, re-equip, repair, finance, and operate one or more recreational facilities other than a ski area. The new PDFs must create a competitive solicitation process for personal service contracts of $150,000 or more.

The new PFDs may be governed and operated by a board of directors using the already established method of seven board members, or by a new method of up to nine board members. Membership on boards with nine members must be divided evenly between the legislative authorities that created the PFD. If an even number of legislative authorities creates a PFD, an additional board member must be appointed by the members.

If more than one PFD exists within the same geographic boundaries, the new PFD may not impose a voter-approved sales or use tax at a rate that exceeds 0.2 percent minus the rate of the highest tax already authorized by any other PFD within its boundaries.

In addition, any PDF that imposes a voter-approved sales or use tax is responsible for the payment of any costs incurred for the purpose of imposition or administering the provisions of the tax.

Votes on Final Passage:

House	93	3	
Senate	47	0	(Senate amended)
House	93	2	(House concurred)

Effective: July 26, 2009