

SENATE BILL REPORT

SB 5287

As of February 2, 2011

Title: An act relating to creating an independent four-year polytechnical college and authorizing an investment district to provide financing for the college.

Brief Description: Creating an independent four-year polytechnical college and an investment district to finance it.

Sponsors: Senators Hobbs, Shin and Haugen.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/01/11.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Aldo Melchiori (786-7439)

Background: The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail. Sales tax is paid by the purchaser and collected by the seller. The use tax is imposed on items used in the state that were not subject to the retail sales tax and includes purchases made in other states and from sellers who do not collect Washington sales tax. The retail sales and use tax is imposed at a 6.5 percent rate by the state. In addition, state law allows for 17 different local option sales and use taxes for purposes including but not limited to transportation, criminal justice, public safety, public facilities, zoos, and sports stadiums. Local retail sales tax rates range from 0.5 percent to 2.4 percent.

Summary of Bill: The county legislative authority of a county with a population between 600,000 and 750,000 persons may create a higher education investment district (district). The county may enter interlocal cooperation agreements with contiguous counties for the creation and operation of the district. The district is created by resolution of the county legislative authority. The district is a municipal corporation, an independent taxing authority, and a taxing district governed by a nine member board appointed by the county.

No taxes may be imposed without a majority vote of the voters of the district. If the voters approve, the district may impose a sales and use tax not to exceed two-tenths of 1 percent. Monies received from the tax must be used solely for providing funds for the costs associated

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with the financing, design, acquisition, construction, equipping, maintaining, and operations of an independent comprehensive four-year institution of higher education with a polytechnic focus, to be called Snohomish Polytechnical College.

As long as the tax is authorized, at least 50 percent of the enrollment at Snohomish Polytechnical College must be offered to students who reside within the district. The college is authorized to grant baccalaureate degrees.

The district dissolves when the capital facilities debt is paid in full. The capital assets are then leased or disposed of to the state. If the higher education investment district has not been created and a site chosen for the Snohomish Polytechnical College by October 1, 2012, the act expires.

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: PRO: Snohomish County is the most populated county in the state without a four-year institution of higher education. The Higher Education Coordinating Board found that the state needs an additional four-year college, but controversies remain over its location. The controversy would be shifted from the Legislature to the county. If the community wants the college, it should help pay for it. Private entities could help pay for ongoing operating costs. The university center is unsuitable because of its limited offerings.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; Briahna Taylor, Snohomish County Council.