

HOUSE BILL REPORT

HB 2297

As Reported by House Committee On: Local Government

Title: An act relating to changing the definition of public facilities to include roadway, traffic, and way-finding signage.

Brief Description: Changing the definition of public facilities to include roadway, traffic, and way-finding signage.

Sponsors: Representatives Pike, Takko, Vick, Harris, Blake, Rodne and Farrell.

Brief History:

Committee Activity:

Local Government: 1/22/14 [DP].

Brief Summary of Bill

- Expands the definition of "public facilities" as defined in provisions governing the local sales and use tax to include roadway, traffic, and way-finding signage.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon, Pike and Taylor.

Minority Report: Do not pass. Signed by 3 members: Representatives Overstreet, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Springer.

Staff: Amanda Ondrick (786-7296).

Background:

A number of local option tax programs may be used to assist local jurisdictions in carrying out a variety of county and municipal purposes. One such program, enacted in 1997, is a local sales and use tax for public facilities in rural counties. Funds collected from this tax may only be used to finance public facilities serving economic development purposes. For

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purposes of this tax, "public facilities" is defined to include bridges, roads, water facilities, railroads, research testing, building, and transportation infrastructure.

To qualify as a public facility under provisions governing the public facilities in local sales and use tax, the facility must be listed as an item in a city or county's official economic development plans or capital facilities plans. The maximum allowable tax rate may not exceed 0.09 percent and is deducted from the amount of tax the state would otherwise receive in sales and use taxes. No county program can last for more than 25 years.

Summary of Bill:

The definition of "public facilities" as defined in provisions governing the local sales and use tax is expanded to include roadway, traffic, and way-finding signage.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a modest proposal that amends public facilities to include way-finding signage for the Rural Economic Development program. This bill allows counties to better direct tourism to historic downtowns and other facilities. This helps create economic vitality by letting potential customers know of the entertainment, retail, professional, and residential opportunities available. Grants from this program assist infrastructure improvements that attract employers, while also supporting efforts to rehabilitate downtowns. Experts tell us there is a need for signage. Economic development is a partnership between city officials, county officials, and the Legislature.

(Opposed) The existing uses of funds for public facilities are adequate and signage does not need to be added. Of particular concern is that local jurisdictions may use funds for signage, leaving fewer funds for original public facilities. Counties are struggling, but because sources of funds for economic development are dwindling, the original intent of public facilities needs to be upheld and not expanded.

Persons Testifying: (In support) Representative Pike, prime sponsor; and Dennis Weber, Cowlitz County Board of Commissioners.

(Opposed) Noah Reandeau, Washington Economic Development Association; and Ginger Eagle, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying: None.