

# SENATE BILL REPORT

## SB 5001

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As Reported by Senate Committee On:  
Local Government, Land Use & Tribal Affairs, January 24, 2023

**Title:** An act relating to public facilities districts created by at least two city or county legislative authorities.

**Brief Description:** Concerning public facility districts created by at least two city or county legislative authorities.

**Sponsors:** Senators Hawkins, Hunt, Nguyen and Wilson, J..

**Brief History:**

**Committee Activity:** Local Government, Land Use & Tribal Affairs: 1/12/23, 1/24/23 [DPS-TRAN, w/oRec].

**Brief Summary of First Substitute Bill**

- Allows the legislative authority of two or more contiguous towns or cities or the legislative authority of two or more contiguous towns or cities and of the county or counties in which the towns or cities are located, each of which previously created a public facilities district (PFD), to create an additional PFD.
- Authorizes the PFD to construct, remodel, and operate regional aquatics and sports facilities.
- Allows the PFD to impose a local sales and use tax at a rate of not more than 0.2 percent.

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**SENATE COMMITTEE ON LOCAL GOVERNMENT, LAND USE & TRIBAL AFFAIRS**

**Majority Report:** That Substitute Senate Bill No. 5001 be substituted therefor, and the substitute bill do pass and be referred to Committee on Transportation.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Signed by Senators Lovelett, Chair; Salomon, Vice Chair; Kauffman.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Torres, Ranking Member; Short.

**Staff:** Karen Epps (786-7424)

**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 a city, group of cities, county, or a group of cities and a county. PFDs are authorized to acquire, build, own, and operate regional centers. Regional centers include a convention, conference, or special events center, or any combination of facilities, and its related parking facilities. 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. A PFD is governed by an appointed board of directors with varying composition and appointing authority.

There are several types of local PFDs that can be created, including:

- a single-town or city PFD—created by any town or city located in a county with a population of less than 1 million;
- contiguous group of towns/cities PFD—created when any contiguous group of towns or cities located in a county or counties each with a population of less than 1 million enter an interlocal agreement for the PFD's creation and joint operation;
- city/county joint PFD—created and jointly operated via an interlocal agreement by a town or city, or any contiguous group of towns or cities located in a county with a population of 1 million; and a contiguous county, or the county or counties in which the town or cities are located;
- regional city PFD—created by a city located in a county with a population greater than 1 million, when the city has a total population of less than 115,000 but greater than 80,000 and commences construction of a regional center prior to July 1, 2008;
- multi-city/town PFD—a new multi-city PFD may only be created by a group of at least three contiguous cities or towns, with a combined population of at least 160,000, each of which must have already established a PFD, and must obtain voter approval to fund the project; and
- local PFD, single town or city PFD—created by a city or town that has also participated in the creation of an additional regional PFD, with three or more contiguous cities or towns, and must obtain voter approval to fund the project.

All types of PFDs may charge fees for the use of its facilities. Each PFD may also impose a variety of taxes to fund its regional center or recreational facility, including an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, a local sales and use tax of up to 0.033 percent to finance regional centers, a voter-approved local sales and use tax of up to 0.2 percent, and, if applicable, a voter-approved 2 percent lodging excise tax.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (First Substitute):** The legislative authority of two or more contiguous towns or cities, or the legislative authority of two or more contiguous towns or cities and the legislative authority of the county or counties in which the towns or cities are located, each of which previously created a PFD, may create an additional PFD. The previously created districts may continue their full corporate existence and activities notwithstanding the creation and existence of the additional district within the same geographic area.

The PFD is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate regional aquatics and sports facilities, including the purchase, acquisition, construction, repairing, remodeling, and operation of community pools within the district. The PFD may provide funding for transportation improvements directly associated with facilitating motor vehicle and pedestrian access to regional aquatics and sports facilities, which includes funding for new construction, reconstruction, and expansion of pedestrian trails, city streets, county roads, and state highways.

The PFD may impose a local sales and use tax at a rate of not more than 0.2 percent regardless of other local sales and use taxes by any other public facilities district within its boundaries.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on First Substitute:** PRO: This bill utilizes the public facilities district statute to allow local governments to have an opportunity to partner together under the statute. Each city council or county commission would need to affirmatively bond together to form a public facility district under an interlocal cooperative agreement, and only after that can they ask the voters to request a sales tax increase to fund the facility. Jurisdictions that have already formed a public facilities district are not allowed to form another public facilities district and this bill would allow this on a limited basis. Construction of a regional aquatics center and sports complex would be a boost for the local economy and provide a valuable community asset with access to exercise opportunities. Not having a public pool is an unmet need in some communities, particularly for folks who cannot afford membership to private facilities. This bill provides a tool to allow local governments to work together to provide quality of life options for citizens and safe recreational facilities for citizens. This bill provides an opportunity to enhance the economic viability of rural communities and is a tool in the economic toolbox to create a unique opportunity that will have far-reaching impacts. An aquatics center will enhance tourism

and support under-served populations in small towns in the area. This bill will provide funding sources that the regional community can vote on. Wenatchee has refinanced its debt and is now operating its public facilities district very well and believes they can handle a second one some time in the future.

**Persons Testifying:** PRO: Senator Brad Hawkins, Prime Sponsor; Jerrilea Crawford, City of East Wenatchee; Blake Baldwin, Chelan Douglas Regional Port Authority; Jim Kuntz, Chelan Douglas Regional Port Authority; Paul Simmons, City of Olympia; Kevin Overbay, Chelan County Commission; Frank Kuntz, City of Wenatchee.

**Persons Signed In To Testify But Not Testifying:** No one.