

SENATE BILL REPORT

SB 5363

As Reported By Senate Committee On:
Government Operations & Elections, January 24, 2005

Title: An act relating to regional centers under the authority of certain public facilities districts.

Brief Description: Authorizing additional sales tax authority for public facilities districts.

Sponsors: Senators Kastama and Rasmussen.

Brief History:

Committee Activity: Government Operations & Elections: 1/24/05 [DP-WM].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline, Mulliken, Pridemore and Roach.

Staff: Mac Nicholson (786-7445)

Background: A public facilities district may be created via an ordinance or resolution by either a city or a county. A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, repair, and operate one or more regional centers. A regional center is defined in statute as a convention, conference, or special events center together with contiguous parking facilities, serving a regional population at a cost of at least \$10 million.

Districts formed prior to 2002 may impose a nonvoted 0.033 percent sales tax that is deducted from the state sales tax and is not an increase to taxpayers. Public facilities districts also may levy a 0.2 percent sales tax and a 2 percent lodging tax if approved by a majority of voters in the district.

Summary of Bill: A public facilities district created after July 1, 2006, and before June 30, 2008, may impose a sales and use tax for the construction, improvement, or rehabilitation of a regional center. Construction of a new regional center or the improvement or rehabilitation of an existing regional center must begin prior to January 1, 2009. The regional center must be located in a county with a population exceeding 700,000, must be used for community or cultural events or performances, and must have 2,000 or fewer permanent seats.

The public facilities sales and use tax may not exceed 0.033 percent and cannot be imposed prior to September 1, 2006. This public facilities sales and use tax must be deducted from the amount of sales and use tax due to the Department of Revenue. This sales and use tax expires when the bonds issued for the construction of the regional center and related parking garage are retired, after 20 years, or when the cumulative total of taxes collected exceeds \$18 million.

The moneys collected from the public facilities sales and use tax must be used for the construction, improvement, or rehabilitation of a regional center and be matched with private

or other public sources equal to 33 percent of the moneys collected by the public facilities sales and use tax. The public source cannot include nonvoter approved taxes authorized by the public facilities district.

If both a city public facilities district and a county public facilities district impose a sales and use tax for a regional center, then the city's tax must be credited against the county's tax.

If a county public facilities district in a county with a population of one million or more has imposed a sales and use tax for a baseball stadium or if a county created public stadium authority has imposed a sales and use tax to develop a stadium and exhibition center, then it cannot also impose the sales and use tax for the construction, improvement or rehabilitation of a regional center.

Appropriation: None.

Fiscal Note: Requested on January 21, 2005.

Committee/Commission/Task Force Created: No.

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

Testimony For: This bill would allow Puyallup and Pierce College to partner and develop a facility for arts and humanities. The facility will be used by both the college and the community to teach and host performance art events.

Testimony Against: None.

Who Testified: PRO: Steve Wall, Pierce College President; Jim Bacon, Puyallup City Manager