
SUBSTITUTE SENATE BILL 6126

State of Washington

53rd Legislature

1994 Regular Session

By Senate Committee on Ecology & Parks (originally sponsored by Senators McAuliffe, Drew, Talmadge, M. Rasmussen, Haugen and Winsley)

Read first time 02/04/94.

1 AN ACT Relating to enhancement of community facilities for youth
2 activities; and reenacting and amending RCW 67.28.180.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 67.28.180 and 1991 c 363 s 139 and 1991 c 336 s 1 are
5 each reenacted and amended to read as follows:

6 (1) Subject to the conditions set forth in subsections (2) and (3)
7 of this section, the legislative body of any county or any city, is
8 authorized to levy and collect a special excise tax of not to exceed
9 two percent on the sale of or charge made for the furnishing of lodging
10 by a hotel, rooming house, tourist court, motel, trailer camp, and the
11 granting of any similar license to use real property, as distinguished
12 from the renting or leasing of real property: PROVIDED, That it shall
13 be presumed that the occupancy of real property for a continuous period
14 of one month or more constitutes a rental or lease of real property and
15 not a mere license to use or to enjoy the same.

16 (2) Any levy authorized by this section shall be subject to the
17 following:

18 (a) Any county ordinance or resolution adopted pursuant to this
19 section shall contain, in addition to all other provisions required to

1 conform to this chapter, a provision allowing a credit against the
2 county tax for the full amount of any city tax imposed pursuant to this
3 section upon the same taxable event.

4 (b) (~~(In the event that any county has levied the tax authorized by~~
5 ~~this section and))~~ (i) A county with a population of one million or
6 more is exempt from (a) of this subsection if the county has, prior to
7 June 26, 1975, either pledged the tax revenues for payment of principal
8 and interest on city revenue or general obligation bonds authorized and
9 issued pursuant to RCW 67.28.150 through 67.28.160 or has authorized
10 and issued revenue or general obligation bonds pursuant to the
11 provisions of RCW 67.28.150 through 67.28.160(~~(, such county shall be~~
12 ~~exempt from the provisions of (a) of this subsection))~~), to the extent
13 that the tax revenues are pledged for payment of principal and interest
14 on bonds issued at any time pursuant to the provisions of RCW 67.28.150
15 through 67.28.160(~~(; PROVIDED, That))~~). So much of such pledged tax
16 revenues, together with any investment earnings thereon, not
17 immediately necessary for actual payment of principal and interest on
18 such bonds may be used(~~(; (i) In any county with a population of one~~
19 ~~million or more,))~~ for repayment either of limited tax levy general
20 obligation bonds or of any county fund or account from which a loan was
21 made, the proceeds from the bonds or loan being used to pay for
22 constructing, installing, improving, and equipping stadium capital
23 improvement projects, and to pay for any engineering, planning,
24 financial, legal and professional services incident to the development
25 of such stadium capital improvement projects, regardless of the date
26 the debt for such capital improvement projects was or may be
27 incurred(~~(; or (ii) in other counties, for county-owned facilities for~~
28 ~~agricultural promotion))~~). A county is exempt under this subsection
29 (2)(b)(i) in respect to city revenue or general obligation bonds issued
30 after April 1, 1991(~~(, only if such bonds mature before January 1,~~
31 ~~2013))~~).

32 (ii) A county other than a county with a population of one million
33 or more is exempt from (a) of this subsection if the county has, prior
34 to June 26, 1975, either pledged the tax revenues for payment of
35 principal and interest on city revenue or general obligation bonds
36 authorized and issued pursuant to RCW 67.28.150 through 67.28.160 or
37 has authorized and issued revenue or general obligation bonds pursuant
38 to the provisions of RCW 67.28.150 through 67.28.160, to the extent
39 that the tax revenues are pledged for payment of principal and interest

1 on bonds issued at any time pursuant to the provisions of RCW 67.28.150
2 through 67.28.160: PROVIDED, That so much of such pledged tax
3 revenues, together with any investment earnings thereon, not
4 immediately necessary for actual payment of principal and interest on
5 such bonds may be used for county-owned facilities for agricultural
6 promotion. A county is exempt under this subsection (2)(b)(ii) in
7 respect to city revenue or general obligation bonds issued after April
8 1, 1991, only if such bonds mature before January 1, 2013.

9 (iii) As used in this subsection (2)(b), "capital improvement
10 projects" may include, but not be limited to a stadium restaurant
11 facility, restroom facilities, artificial turf system, seating
12 facilities, parking facilities and scoreboard and information system
13 adjacent to or within a county owned stadium, together with equipment,
14 utilities, accessories and appurtenances necessary thereto. The
15 stadium restaurant authorized by this subsection (2)(b) shall be
16 operated by a private concessionaire under a contract with the county.

17 (c) No city within a county exempt under subsection (2)(b) of this
18 section may levy the tax authorized by this section so long as said
19 county is so exempt: PROVIDED, That in the event that any city in such
20 county has levied the tax authorized by this section and has, prior to
21 June 26, 1975, authorized and issued revenue or general obligation
22 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,
23 such city may levy the tax so long as and to the extent that the tax
24 revenues are pledged for payment of principal and interest on bonds
25 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

26 (3) Any levy authorized by this section by a county that has levied
27 the tax authorized by this section and has, prior to June 26, 1975,
28 either pledged the tax revenues for payment of principal and interest
29 on city revenue or general obligation bonds authorized and issued
30 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and
31 issued revenue or general obligation bonds pursuant to the provisions
32 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

33 (a) Taxes collected under this section in any calendar year in
34 excess of five million three hundred thousand dollars shall only be
35 used as follows:

36 (i) (~~Seventy-five~~) Sixty-five percent from January 1, (~~1992~~)
37 1995, through December 31, 2000, and (~~seventy percent from~~) sixty
38 percent on and after January 1, 2001, (~~through December 31, 2012,~~)
39 for art museums, cultural museums, heritage museums, the arts, and the

1 performing arts. Moneys spent under this subsection (3)(a)(i) shall be
2 used for the purposes of this subsection (3)(a)(i) in all parts of the
3 county.

4 (ii) Twenty-five percent from January 1, (~~1992~~) 1995, through
5 December 31, 2000, and thirty percent from January 1, 2001, through
6 December 31, 2012, for the following purposes and in a manner
7 reflecting the following order of priority: Stadium capital
8 improvements, as defined in subsection (2)(b) of this section;
9 acquisition of open space lands; (~~youth sports activities;~~) and
10 tourism promotion.

11 (iii) Ten percent after January 1, 1995, for youth sports and
12 cultural activities. Moneys received under this subsection (3)(a)(iii)
13 shall be deposited to an account created by ordinance, which shall
14 provide the criteria for distributions from the account.

15 (b) At least seventy percent of moneys spent under (a)(i) of this
16 subsection for the period January 1, 1992, through December 31, 2000,
17 shall be used only for the purchase, design, construction, and
18 remodeling of performing arts, visual arts, heritage, and cultural
19 facilities, and for the purchase of fixed assets that will benefit art,
20 heritage, and cultural organizations. For purposes of this subsection,
21 fixed assets are tangible objects such as machinery and other equipment
22 intended to be held or used for ten years or more. Moneys received
23 under this subsection (3)(b) may be used for payment of principal and
24 interest on bonds issued for capital projects. Qualifying
25 organizations receiving moneys under this subsection (3)(b) must be
26 financially stable and have at least the following:

- 27 (i) A legally constituted and working board of directors;
- 28 (ii) A record of artistic, heritage, or cultural accomplishments;
- 29 (iii) Been in existence and operating for at least two years;
- 30 (iv) Demonstrated ability to maintain net current liabilities at
31 less than thirty percent of general operating expenses;
- 32 (v) Demonstrated ability to sustain operational capacity subsequent
33 to completion of projects or purchase of machinery and equipment; and
- 34 (vi) Evidence that there has been independent financial review of
35 the organization.

36 (c) At least forty percent of the revenues distributed pursuant to
37 (a)(i) of this subsection for the period January 1, 2001, through
38 December 31, 2012, shall be deposited in an account and shall be used
39 to establish an endowment. Principal in the account shall remain

1 permanent and irreducible. The earnings from investments of balances
2 in the account may only be used for the purposes of (a)(i) of this
3 subsection.

4 (d) School districts and schools shall not receive revenues
5 distributed pursuant to (a)(i) of this subsection.

6 (e) Moneys distributed to art museums, cultural museums, heritage
7 museums, the arts, and the performing arts, and moneys distributed for
8 tourism promotion shall be in addition to and may not be used to
9 replace or supplant any other funding by the legislative body of the
10 county.

11 (f) As used in this section, "tourism promotion" includes
12 activities intended to attract visitors for overnight stays, arts,
13 heritage, and cultural events, and recreational, professional, and
14 amateur sports events. Moneys allocated to tourism promotion in a
15 class AA county shall be allocated to nonprofit organizations formed
16 for the express purpose of tourism promotion in the county. Such
17 organizations shall use moneys from the taxes to promote events in all
18 parts of the class AA county.

19 (g) No taxes collected under this section may be used for the
20 operation or maintenance of a public stadium that is financed directly
21 or indirectly by bonds to which the tax is pledged. Expenditures for
22 operation or maintenance include all expenditures other than
23 expenditures that directly result in new fixed assets or that directly
24 increase the capacity, life span, or operating economy of existing
25 fixed assets.

26 (h) No ad valorem property taxes may be used for debt service on
27 bonds issued for a public stadium that is financed by bonds to which
28 the tax is pledged, unless the taxes collected under this section are
29 or are projected to be insufficient to meet debt service requirements
30 on such bonds.

31 (i) If a substantial part of the operation and management of a
32 public stadium that is financed directly or indirectly by bonds to
33 which the tax is pledged is performed by a nonpublic entity or if a
34 public stadium is sold that is financed directly or indirectly by bonds
35 to which the tax is pledged, any bonds to which the tax is pledged
36 shall be retired.

37 (j) The county shall not lease a public stadium that is financed
38 directly or indirectly by bonds to which the tax is pledged to, or
39 authorize the use of the public stadium by, a professional major league

1 sports franchise unless the sports franchise gives the right of first
2 refusal to purchase the sports franchise, upon its sale, to local
3 government. This subsection (3)(j) does not apply to contracts in
4 existence on April 1, 1986.

5 If a court of competent jurisdiction declares any provision of this
6 subsection (3) invalid, then that invalid provision shall be null and
7 void and the remainder of this section is not affected.

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