

1 2093.E AAS 4/17/91

2 EHB 2093 - S COMM AMD  
3 By Committee on Ways & Means

4 ADOPTED AS AMENDED 4/17/91 - Voice Vote

5 Strike everything after the enacting clause and insert the  
6 following:

7 "Sec. 1. RCW 67.28.180 and 1987 c 483 s 1 are each amended to read  
8 as follows:

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

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

21 (a) Any county ordinance or resolution adopted pursuant to this  
22 section shall contain, in addition to all other provisions required to  
23 conform to this chapter, a provision allowing a credit against the  
24 county tax for the full amount of any city tax imposed pursuant to this  
25 section upon the same taxable event.

26 (b) In the event that any county has levied the tax authorized by  
27 this section and has, prior to June 26, 1975, either pledged the tax  
28 revenues for payment of principal and interest on city revenue or

1 general obligation bonds authorized and issued pursuant to RCW  
2 67.28.150 through 67.28.160 or has authorized and issued revenue or  
3 general obligation bonds pursuant to the provisions of RCW 67.28.150  
4 through 67.28.160, such county shall be exempt from the provisions of  
5 subsection (a), to the extent that the tax revenues are pledged for  
6 payment of principal and interest on bonds issued at any time and, for  
7 class AA counties, maturing before January 1, 2013, pursuant to the  
8 provisions of RCW 67.28.150 through 67.28.160: PROVIDED, That so much  
9 of such pledged tax revenues, together with any investment earnings  
10 thereon, not immediately necessary for actual payment of principal and  
11 interest on such bonds may be used: (i) In class AA counties, for  
12 repayment either of limited tax levy general obligation bonds or of any  
13 county fund or account from which a loan was made, the proceeds from  
14 the bonds or loan being used to pay for constructing, installing,  
15 improving, and equipping stadium capital improvement projects, and to  
16 pay for any engineering, planning, financial, legal and professional  
17 services incident to the development of such stadium capital  
18 improvement projects, regardless of the date the debt for such capital  
19 improvement projects was or may be incurred; or (ii) in counties other  
20 than class AA counties, for county-owned facilities for agricultural  
21 promotion.

22 As used in this subsection (2)(b), "capital improvement projects"  
23 may include, but not be limited to a stadium restaurant facility,  
24 restroom facilities, artificial turf system, seating facilities,  
25 parking facilities and scoreboard and information system adjacent to or  
26 within a county owned stadium, together with equipment, utilities,  
27 accessories and appurtenances necessary thereto. The stadium  
28 restaurant authorized by this subsection (2)(b) shall be operated by a  
29 private concessionaire under a contract with the county.

1 (c) No city within a county exempt under subsection (2)(b) of this  
2 section may levy the tax authorized by this section so long as said  
3 county is so exempt: PROVIDED, That in the event that any city in such  
4 county has levied the tax authorized by this section and has, prior to  
5 June 26, 1975, authorized and issued revenue or general obligation  
6 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,  
7 such city may levy the tax so long as and to the extent that the tax  
8 revenues are pledged for payment of principal and interest on bonds  
9 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

10 (3) Any levy authorized by this section by a county that has levied  
11 the tax authorized by this section and has, prior to June 26, 1975,  
12 either pledged the tax revenues for payment of principal and interest  
13 on city revenue or general obligation bonds authorized and issued  
14 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and  
15 issued revenue or general obligation bonds pursuant to the provisions  
16 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

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

20 (i) For art museums, cultural museums, heritage activities and  
21 projects, the arts, ((and/or)) and the performing arts((-  
22 (b))), including performing arts facilities constructed by  
23 municipalities with consideration to the proportional location of  
24 lodging facilities generating revenues under this section: Seventy-  
25 five percent from January 1, 1991, through December 31, 2000, and  
26 seventy percent from January 1, 2001, through December 31, 2012;

27 (ii) For stadium capital improvement projects, as defined in  
28 subsection (2)(b) of this section: Nineteen percent from January 1,  
29 1991, through December 31, 2000, and twenty-six and five-tenths percent  
30 from January 1, 2001, through December 31, 2012; and

1 (iii) For tourism promotion: Six percent from January 1, 1991,  
2 through December 31, 2000, and three and five-tenths percent from  
3 January 1, 2001, through December 31, 2012.

4 (b) At least seventy percent of moneys spent under (a)(i) of this  
5 subsection for the period January 1, 1991, through December 31, 2000,  
6 shall be used only for the purchase, design, construction, and  
7 remodeling of performing arts, visual arts, heritage, and cultural  
8 facilities, and for the purchase of fixed assets that will benefit art,  
9 heritage, and cultural organizations. For purposes of this subsection,  
10 fixed assets are tangible objects such as machinery and other equipment  
11 intended to be held or used for ten years or more. Qualifying  
12 organizations receiving moneys under this subsection must be  
13 financially stable and have at least the following:

14 (i) A legally constituted and working board of directors;

15 (ii) A record of artistic, heritage, or cultural accomplishments;

16 (iii) Been in existence and operating for at least two years;

17 (iv) Demonstrated ability to maintain net current liabilities at  
18 less than thirty percent of general operating expenses;

19 (v) Demonstrated ability to sustain operational capacity subsequent  
20 to completion of projects or purchase of machinery and equipment; and

21 (vi) Evidence that there has been independent financial review of  
22 the organization.

23 Only qualifying organizations under this subsection and general  
24 purpose local governments are eligible to receive the remaining moneys  
25 spent under (a)(i) of this subsection.

26 From the taxes distributed each year under (a)(ii) of this  
27 subsection, five hundred thousand dollars shall be used by the county  
28 to fund the capital and operating costs of youth sport facilities owned  
29 and operated by a local governmental entity. No youth sport facility  
30 is eligible for funding of capital costs under this subparagraph unless

1 (A) the local governmental entity provides matching funds equal to  
2 twenty-five percent of the total amount of funding required and (B) the  
3 local governmental entity applies the funds to expanding the use of the  
4 facilities by persons under eighteen years of age. Funds received for  
5 operating costs may also be used to extend the hours in which the  
6 facilities are open for use and may be used to provide referees and  
7 umpires for youth sports activities. As used in this subparagraph,  
8 capital costs include the design, acquisition, construction,  
9 maintenance, and improvement of fields and facilities for youth sports  
10 activities.

11 (c) At least nineteen and five-tenths percent of the revenues  
12 distributed pursuant to (a)(i) of this subsection for the period  
13 January 1, 2001, through December 31, 2012, shall be deposited in an  
14 account and shall be used to establish an endowment. Principal in the  
15 account shall remain permanent and irreducible. The earnings from  
16 investments of balances in the account may only be used for the  
17 purposes of (a)(i) of this subsection.

18 (d) Moneys distributed to art museums, cultural museums, heritage  
19 activities and projects, the arts, and the performing arts, and moneys  
20 distributed for tourism promotion shall be in addition to and may not  
21 be used to replace or supplant any other funding by the legislative  
22 body of the county.

23 (e) As used in this section, "tourism promotion" includes  
24 activities intended to attract visitors for overnight stays, arts,  
25 heritage, and cultural events, and recreational, professional, and  
26 amateur sports events. Moneys allocated to tourism promotion shall be  
27 allocated to nonprofit organizations formed for the express purpose of  
28 tourism promotion in a class AA county. Such organizations shall use  
29 moneys from the taxes to promote events in all parts of the class AA  
30 county.

1        (f) No taxes collected under this section may be used for the  
2 operation or maintenance of a public stadium that is financed directly  
3 or indirectly by bonds to which the tax is pledged. Expenditures for  
4 operation or maintenance include all expenditures other than  
5 expenditures that directly result in new fixed assets or that directly  
6 increase the capacity, life span, or operating economy of existing  
7 fixed assets.

8        ~~((e))~~ (g) No ad valorem property taxes may be used for debt  
9 service on bonds issued for a public stadium that is financed by bonds  
10 to which the tax is pledged, unless the taxes collected under this  
11 section are or are projected to be insufficient to meet debt service  
12 requirements on such bonds.

13        ~~((d))~~ (h) If a substantial part of the operation and management  
14 of a public stadium that is financed directly or indirectly by bonds to  
15 which the tax is pledged is performed by a nonpublic entity or if a  
16 public stadium is sold that is financed directly or indirectly by bonds  
17 to which the tax is pledged, any bonds to which the tax is pledged  
18 shall be retired.

19        ~~((e))~~ (i) The county shall not lease a public stadium that is  
20 financed directly or indirectly by bonds to which the tax is pledged  
21 to, or authorize the use of the public stadium by, a professional major  
22 league sports franchise unless the sports franchise gives the right of  
23 first refusal to purchase the sports franchise, upon its sale, to local  
24 government. This subsection (3)~~((e))~~(i) does not apply to contracts  
25 in existence on April 1, 1986.

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

