
SENATE BILL 6165

State of Washington 52nd Legislature 1992 Regular Session

By Senators Talmadge, Snyder, Moore, Niemi and Pelz

Read first time 01/20/92. Referred to Committee on Ways & Means.

1 AN ACT Relating to acquisition of a professional sports franchise
2 in King county; adding a new chapter to Title 67 RCW; making an
3 appropriation; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature finds and declares as
6 the express purpose of this chapter:

7 (1) Professional sports franchises provide both direct and indirect
8 civic and economic benefits to the people of the state of Washington.

9 (2) The acquisition of a professional sports franchise in King
10 county will particularly benefit and increase the occupancy of hotels
11 and other lodging facilities in King county.

12 (3) Imposing a special excise tax on the price of lodging in King
13 county is an appropriate method of paying for a substantial part of the
14 cost of acquiring a professional sports franchise.

1 NEW SECTION. **Sec. 2.** (1) The governor shall form a public
2 nonprofit corporation in the same manner as a private nonprofit
3 corporation is formed under chapter 24.03 RCW. The public corporation
4 shall be an instrumentality of the state and have all the powers and be
5 subject to the same restrictions as are permitted or prescribed to
6 private nonprofit corporations, but shall exercise those powers only
7 for carrying out the purposes of this chapter and those purposes
8 necessarily implied therefrom. The governor shall appoint a board of
9 nine directors for the corporation who shall serve terms of six years,
10 except that two of the original directors shall serve for two years and
11 two of the original directors shall serve for four years. The
12 directors may provide for the payment of their expenses. Members of
13 the board shall be compensated in accordance with RCW 43.03.250 and
14 shall be reimbursed for travel expenses under RCW 43.03.050 and
15 43.03.060.

16 (2) The corporation is authorized to enter into a limited
17 partnership as a limited partner for the acquisition of a professional
18 sports franchise in King county. The corporation may accept gifts or
19 grants, request the financing provided in section 3 of this act, and do
20 whatever is necessary or appropriate to carry out these purposes.

21 (3) To allow the corporation flexibility in its personnel policies,
22 the corporation is exempt from RCW 43.01.040 through 43.01.044, and
23 chapters 41.06, 41.05, 41.04, and 41.40 RCW.

24 NEW SECTION. **Sec. 3.** For the purpose of providing funds for
25 the purposes of this chapter, the state finance committee is authorized
26 to issue, upon request of the corporation formed under section 2 of
27 this act, in one or more offerings, general obligation bonds of the
28 state of Washington in the sum of one hundred million dollars, or as
29 much thereof as may be required, to finance this acquisition and all

1 costs incidental thereto, and to reimburse the general fund for
2 expenditures in support of the acquisition. The state finance
3 committee may make such bond covenants as it deems necessary to carry
4 out the purposes of this chapter. No bonds authorized in this section
5 may be offered for sale without prior legislative appropriation.

6 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of the
7 bonds authorized in section 3 of this act, proceeds of the tax imposed
8 under section 9 of this act, and all other moneys received by the
9 corporation from any public or private source which are intended to
10 fund the acquisition of a professional sports franchise in King county,
11 shall be deposited in the state sports franchise account hereby created
12 in the state treasury.

13 (2) Moneys in the account, including unanticipated revenues under
14 RCW 43.79.270, shall be used exclusively for the following purposes in
15 the following priority:

16 (a) For reimbursement of the state general fund under section 6 of
17 this act;

18 (b) After appropriation by statute:

19 (i) For payment of expenses incurred in the issuance and sale of
20 the bonds issued under section 3 of this act;

21 (ii) To enter into a limited partnership to acquire a professional
22 sports franchise in King county; and

23 (iii) For reimbursement of any expenditures from the state general
24 fund in support of the corporation.

25 NEW SECTION. **Sec. 5.** The moneys deposited pursuant to section
26 4 of this act in the state sports franchise account shall be
27 administered by the corporation formed under section 2 of this act,
28 subject to legislative appropriation.

1 NEW SECTION. **Sec. 6.** The state general obligation bond
2 retirement fund shall be used for the payment of the principal of and
3 interest on the bonds authorized in section 3 of this act.

4 The state finance committee shall, on or before June 30th of each
5 year, certify to the state treasurer the amount needed in the ensuing
6 twelve months to meet the bond retirement and interest requirements.
7 Not less than thirty days prior to the date on which any interest or
8 principal and interest payment is due, the state treasurer shall
9 withdraw from any general state revenues received in the state treasury
10 and deposit in the state general obligation bond retirement fund an
11 amount equal to the amount certified by the state finance committee to
12 be due on that payment date. On each date on which any interest or
13 principal and interest is due, the state treasurer shall cause an
14 identical amount to be paid out of the state sports franchise account
15 from the proceeds of the special excise tax imposed under section 9 of
16 this act, income from the partnership, and bond proceeds and earnings
17 on the investment of bond proceeds, for deposit in the general fund of
18 the state treasury. Any deficiency in such transfer shall be made up
19 as soon as special excise taxes are available for transfer and shall
20 constitute a continuing obligation of the state sports franchise
21 account until all deficiencies are fully paid.

22 Bonds issued under section 3 of this act shall state that they are
23 a general obligation of the state of Washington, shall pledge the full
24 faith and credit of the state to the payment of the principal thereof
25 and the interest thereon, and shall contain an unconditional promise to
26 pay the principal and interest as the same shall become due.

27 The owner and holder of each of the bonds or the trustee for the
28 owner and holder of any of the bonds may by mandamus or other
29 appropriate proceeding require the transfer and payment of funds as
30 directed in this section.

1 NEW SECTION. **Sec. 7.** The legislature may increase the rate of
2 tax imposed in section 9 of this act or may provide additional means
3 for raising moneys for the payment of the principal of and interest on
4 the bonds authorized in section 3 of this act, and section 6 of this
5 act shall not be deemed to provide an exclusive method for the payment.

6 NEW SECTION. **Sec. 8.** The bonds authorized in section 3 of
7 this act shall be a legal investment for all state funds or funds under
8 state control and for all funds of any other public body.

9 NEW SECTION. **Sec. 9.** (1) Commencing on the first day of the
10 next month that is at least thirty days after the sale of bonds
11 authorized in section 3 of this act, there is imposed, and the
12 department of revenue shall collect, in King county, a special excise
13 tax on the sale of or charge made for the furnishing of lodging by a
14 hotel, rooming house, tourist court, motel, or trailer camp, and the
15 granting of any similar license to use real property, as distinguished
16 from the renting or leasing of real property. It shall be presumed
17 that the occupancy of real property for a continuous period of one
18 month or more constitutes rental or lease of real property and not a
19 mere license to use or enjoy the same. The legislature on behalf of
20 the state pledges to maintain and continue this tax until the bonds
21 authorized by this chapter are fully redeemed, both principal and
22 interest.

23 (2) If the full amount of bonds authorized in section 3 of this act
24 are issued, the rate of tax shall equal two and four-tenths percent.
25 This rate shall be reduced by a rate of one-tenth of one percent on
26 January 1st of each year the tax is in effect but not below one-tenth
27 of one percent. No tax may be imposed after the bonds are retired.

1 If less than the full amount of bonds are issued, the rate of tax
2 shall be reduced proportionately by the department of revenue. If some
3 of the bonds are issued or retired at different times, the rate of tax
4 shall be adjusted proportionately by the department of revenue
5 effective on the first day of the next month that is at least thirty
6 days after the sale or retirement.

7 (3) The proceeds of the special excise tax shall be deposited in
8 the state sports franchise account.

9 (4) Chapter 82.32 RCW applies to the tax imposed under this
10 section.

11 NEW SECTION. **Sec. 10.** (1) The tax levied by section 9 of this
12 act shall not apply to emergency lodging provided for homeless persons
13 for a period of less than thirty consecutive days under a shelter
14 voucher program administered by an eligible organization.

15 (2) For the purposes of this exemption, an eligible organization
16 includes only cities, towns, and counties, or their respective
17 agencies, and groups providing emergency food and shelter services.

18 NEW SECTION. **Sec. 11.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 12.** The sum of one hundred million dollars,
23 or as much thereof as may be necessary, is appropriated from the state
24 sports franchise account fund to the corporation formed under section
25 2 of this act for the biennium ending June 30, 1993, to carry out the
26 purposes of this act.

1 NEW SECTION. **Sec. 13.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect immediately.

5 NEW SECTION. **Sec. 14.** Sections 1 through 11 of this act shall
6 constitute a new chapter in Title 67 RCW.