

2 **ESSB 6049 - H COMM AMD NOT ADOPTED 4/14/95**

3 By Committee on Trade & Economic Development

4

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

7 "Sec. 1. RCW 36.100.010 and 1989 1st ex.s. c 8 s 1 are each
8 amended to read as follows:

9 (1) A public facilities district may be created in any county
10 (~~((with three hundred thousand or more population that is located more~~
11 ~~than one hundred miles from any county in which the state has~~
12 ~~constructed and owns a convention center. A public facilities~~
13 ~~district))~~ and shall be coextensive with the boundaries of the county.

14 (2) A public facilities district shall be created upon adoption of
15 a resolution providing for the creation of such a district by the
16 county legislative authority in which the proposed district is located
17 (~~((and the city council of the largest city within such county))~~).

18 (3) A public facilities district is a municipal corporation, an
19 independent taxing "authority" within the meaning of Article VII,
20 section 1 of the state Constitution, and a "taxing district" within the
21 meaning of Article VII, section 2 of the state Constitution.

22 (4) No taxes authorized under this chapter may be assessed or
23 levied unless a majority of the voters of the public facilities
24 district has validated the creation of the public facilities district
25 at a general or special election. A single ballot proposition may both
26 authorize the creation of a public facilities district and the
27 imposition of the sales and use tax under RCW 82.14.048 or both the
28 creation of a public facilities district and the imposition of the
29 excise tax under RCW 36.100.040.

30 (5) A public facilities district shall constitute a body corporate
31 and shall possess all the usual powers of a corporation for public
32 purposes as well as all other powers that may now or hereafter be
33 specifically conferred by statute, including, but not limited to, the
34 authority to hire employees, staff, and services, to enter into
35 contracts, and to sue and be sued.

1 **Sec. 2.** RCW 36.100.020 and 1989 1st ex.s. c 8 s 2 are each amended
2 to read as follows:

3 A public facilities district shall be governed by a board of
4 directors consisting of five or seven members as provided in this
5 section. If the largest city in the county has a population that is at
6 least forty percent of the total county population, the board of
7 directors of the public facilities district shall consist of five
8 members selected as follows: (1) Two members appointed by the county
9 legislative authority to serve for four-year staggered terms; (2) two
10 members appointed by the city council of the largest city in the county
11 to serve for four-year staggered terms; and (3) one person to serve for
12 a four-year term who is selected by the other directors. If the
13 largest city in the county has a population of less than forty percent
14 of the total county population, the county legislative authority shall
15 establish in the resolution creating the public facilities district
16 whether the board of directors of the public facilities district have
17 either five or seven members, and the county legislative authority
18 shall appoint the members of the board of directors to reflect the
19 interests of cities and towns in the county, as well as the
20 unincorporated area of the county.

21 At least one member on the board of directors shall be
22 representative of the lodging industry in the public facilities
23 district before the public facilities district imposes the excise tax
24 under RCW 36.100.040.

25 ~~((One of the initial members appointed by the county legislative~~
26 ~~authority shall have a term of office of two years and the other~~
27 ~~initial member appointed by the county legislative authority shall have~~
28 ~~a term of four years. One of the initial members appointed by the city~~
29 ~~council shall have a term of two years and the other initial member~~
30 ~~appointed by the city council shall have a term of four years.))~~
31 Members of the board of directors shall serve four-year terms of
32 office, except that two of the initial five board members or three of
33 the initial seven board members shall serve two-year terms of office.

34 **Sec. 3.** RCW 36.100.030 and 1989 1st ex.s. c 8 s 3 are each amended
35 to read as follows:

36 A public facilities district is authorized to acquire, construct,
37 own, remodel, maintain, equip, reequip, repair, and operate sports
38 ((and)) facilities, entertainment facilities, or convention facilities,

1 or any combination of such facilities, together with contiguous parking
2 facilities. The taxes that are provided for in this chapter may only
3 be imposed for these purposes.

4 A public facilities district may enter into agreements under
5 chapter 39.34 RCW for the joint provision and operation of such
6 facilities and may enter into contracts under chapter 39.34 RCW where
7 any party to the contract provides and operates such facilities for the
8 other party or parties to the contract.

9 A public facilities district may impose charges and fees for the
10 use of its facilities, and may accept and expend or use gifts, grants,
11 and donations. ~~((The taxes that are provided for in this chapter may
12 only be imposed for such purposes.))~~

13 **Sec. 4.** RCW 36.100.040 and 1989 1st ex.s. c 8 s 4 are each amended
14 to read as follows:

15 A public facilities district may impose an excise tax on the sale
16 of or charge made for the furnishing of lodging by a hotel, rooming
17 house, tourist court, motel, or trailer camp, and the granting of any
18 similar license to use real property, as distinguished from the renting
19 or leasing of real property, except that no such tax may be levied on
20 any premises having fewer than forty lodging units. However, if a
21 public facilities district has not imposed such an excise tax prior to
22 December 31, 1995, the public facilities district may only impose the
23 excise tax if a ballot proposition authorizing the imposition of the
24 tax has been approved by a simple majority vote of voters of the public
25 facilities district voting on the proposition.

26 The rate of the tax shall not exceed two percent and the proceeds
27 of the tax shall only be used for the acquisition, design, ~~((and))~~
28 construction, remodeling, maintenance, equipping, reequipping,
29 repairing, and operation of ~~((sports and entertainment))~~ its public
30 facilities. This excise tax shall not be imposed until the district
31 has approved the proposal to acquire, design, and construct the public
32 facilities.

33 **Sec. 5.** RCW 36.100.060 and 1989 1st ex.s. c 8 s 5 are each amended
34 to read as follows:

35 (1) To carry out the purpose of this chapter, a public facilities
36 district may issue general obligation bonds, not to exceed an amount,
37 together with any outstanding nonvoter approved general obligation

1 indebtedness, equal to three-eighths of one percent of the value of
2 taxable property within the district, as the term "value of taxable
3 property" is defined in RCW 39.36.015. A facilities district
4 additionally may issue general obligation bonds for capital purposes
5 only, together with any outstanding general obligation indebtedness,
6 not to exceed an amount equal to one and one-fourth percent of the
7 value of the taxable property within the district, as the term "value
8 of taxable property" is defined in RCW 39.36.015, when authorized by
9 the voters of the public facilities district pursuant to Article VIII,
10 section 6 of the state Constitution, and to provide for the retirement
11 thereof by excess property tax levies as provided in this chapter.

12 (2) General obligation bonds may be issued with a maturity of up to
13 thirty years, and shall be issued and sold in accordance with the
14 provisions of chapter 39.46 RCW.

15 (3) The general obligation bonds may be payable from the operating
16 revenues of the public facilities district in addition to the tax
17 receipts of the district.

18 (4) The excise tax imposed pursuant to RCW 36.100.040 shall
19 terminate upon final payment of all bonded indebtedness for (~~the~~
20 ~~sports and entertainment facility~~) its public facilities.

21 **Sec. 6.** RCW 82.14.048 and 1991 c 207 s 1 are each amended to read
22 as follows:

23 The governing board of a public facilities district under chapter
24 36.100 RCW may submit an authorizing proposition to the voters of the
25 district, and if the proposition is approved by a majority of persons
26 voting, fix and impose a sales and use tax in accordance with the terms
27 of this chapter.

28 The tax authorized in this section shall be in addition to any
29 other taxes authorized by law and shall be collected from those persons
30 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
31 the occurrence of any taxable event within the public facilities
32 district. The rate of tax shall equal one-tenth of one percent of the
33 selling price in the case of a sales tax, or value of the article used,
34 in the case of a use tax.

35 Moneys received from any tax imposed under this section shall be
36 used for the purpose of providing funds for the costs associated with
37 the financing, design, acquisition, construction, equipping, operating,
38 maintaining, remodeling, repairing, and reequipping of (~~sports or~~

1 entertainment)) its public facilities (~~and contiguous parking~~)).

2 NEW SECTION. **Sec. 7.** The treasurer of the county in which a
3 public facilities district is located shall be the ex officio treasurer
4 of the district.

5 NEW SECTION. **Sec. 8.** The board of directors of the public
6 facilities district shall adopt a resolution that may be amended from
7 time to time that shall establish the basic requirements governing
8 methods and amounts of reimbursement payable to such district officials
9 and employees for travel and other business expenses incurred on behalf
10 of the district. The resolution shall, among other things, establish
11 procedures for approving such expenses; the form of the travel and
12 expense voucher; and requirements governing the use of credit cards
13 issued in the name of the district. The resolution may also establish
14 procedures for payment of per diem to board members. The state auditor
15 shall, as provided by general law, cooperate with the public facilities
16 district in establishing adequate procedures for regulating and
17 auditing the reimbursement of all such expenses.

18 NEW SECTION. **Sec. 9.** The board of directors of the public
19 facilities district may authorize payment of actual and necessary
20 expenses of officers and employees for lodging, meals, and travel-
21 related costs incurred in attending meetings or conferences on behalf
22 of the public facilities district and strictly in the public interest
23 and for public purposes. Officers and employees may be advanced
24 sufficient sums to cover their anticipated expenses in accordance with
25 rules adopted by the state auditor, which shall substantially conform
26 to the procedures provided in RCW 43.03.150 through 43.03.210.

27 NEW SECTION. **Sec. 10.** Each member of the board of directors of
28 the public facilities district may receive compensation of fifty
29 dollars per day for attending meetings or conferences on behalf of the
30 district, not to exceed three thousand dollars per year. A director
31 may waive all or a portion of his or her compensation under this
32 section as to a month or months during his or her term of office, by a
33 written waiver filed with the public facilities district. The
34 compensation provided in this section is in addition to reimbursement
35 for expenses paid to the directors by the public facilities district.

1 NEW SECTION. **Sec. 11.** The board of directors of the public
2 facilities district may purchase liability insurance with such limits
3 as the directors may deem reasonable for the purpose of protecting and
4 holding personally harmless district officers and employees against
5 liability for personal or bodily injuries and property damage arising
6 from their acts or omissions while performing or in good faith
7 purporting to perform their official duties.

8 NEW SECTION. **Sec. 12.** Whenever an action, claim, or proceeding is
9 instituted against a person who is or was an officer or employee of the
10 public facilities district arising out of the performance of duties for
11 or employment with the district, the public facilities district may
12 grant a request by the person that the attorney of the district's
13 choosing be authorized to defend the claim, suit, or proceeding, and
14 the costs of defense, attorneys' fees, and obligation for payments
15 arising from the action may be paid from the district's funds. Costs
16 of defense or judgment or settlement against the person shall not be
17 paid in a case where the court has found that the person was not acting
18 in good faith or within the scope of employment with or duties for the
19 public facilities district.

20 NEW SECTION. **Sec. 13.** The board of directors of the public
21 facilities district shall have authority to authorize the expenditure
22 of funds for the public purposes of preparing and distributing
23 information to the general public and promoting, advertising,
24 improving, developing, operating, and maintaining facilities of the
25 district. Nothing contained in this section may be construed to
26 authorize preparation and distribution of information to the general
27 public for the purpose of influencing the outcome of a district
28 election.

29 NEW SECTION. **Sec. 14.** The public facilities district shall have
30 authority to create and fill positions, fix wages, salaries, and bonds
31 therefor, pay costs involved in securing or arranging to secure
32 employees, and establish benefits for employees, including holiday pay,
33 vacations or vacation pay, retirement benefits, medical, life,
34 accident, or health disability insurance, as approved by the board.
35 Public facilities district board members, at their own expense, shall
36 be entitled to medical, life, accident, or health disability insurance.

1 Insurance for employees and board members shall not be considered
2 compensation. District coverage for the board is not to exceed that
3 provided public facilities district employees.

4 NEW SECTION. **Sec. 15.** The public facilities district may secure
5 services by means of an agreement with a service provider. The public
6 facilities district shall publish notice, establish criteria, receive
7 and evaluate proposals, and negotiate with respondents under
8 requirements set forth by district resolution.

9 NEW SECTION. **Sec. 16.** In addition to provisions contained in
10 chapter 39.04 RCW, the public facilities district is authorized to
11 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all
12 purchases, contracts for purchase, and sales.

13 NEW SECTION. **Sec. 17.** (1) A public facilities district may issue
14 revenue bonds to fund revenue generating facilities, or portions of
15 facilities, which it is authorized to provide or operate. Whenever
16 revenue bonds are to be issued, the board of directors of the district
17 shall create or have created a special fund or funds from which, along
18 with any reserves created pursuant to RCW 39.44.140, the principal and
19 interest on such revenue bonds shall exclusively be payable. The board
20 may obligate the district to set aside and pay into the special fund or
21 funds a fixed proportion or a fixed amount of the revenues from the
22 public improvements, projects, or facilities, and all related
23 additions, that are funded by the revenue bonds. This amount or
24 proportion shall be a lien and charge against these revenues, subject
25 only to operating and maintenance expenses. The board shall have due
26 regard for the cost of operation and maintenance of the public
27 improvements, projects, or facilities, or additions, that are funded by
28 the revenue bonds, and shall not set aside into the special fund or
29 funds a greater amount or proportion of the revenues that in its
30 judgment will be available over and above the cost of maintenance and
31 operation and the amount or proportion, if any, of the revenue so
32 previously pledged. The board may also provide that revenue bonds
33 payable out of the same source or sources of revenue may later be
34 issued on a parity with any revenue bonds being issued and sold.

35 (2) Revenue bonds issued pursuant to this section shall not be an
36 indebtedness of the district issuing the bonds, and the interest and

1 principal on the bonds shall only be payable from the revenues lawfully
2 pledged to meet the principal and interest requirements and any
3 reserves created pursuant to RCW 39.44.140. The owner or bearer of a
4 revenue bond or any interest coupon issued pursuant to this section
5 shall not have any claim against the district arising from the bond or
6 coupon except for payment from the revenues lawfully pledged to meet
7 the principal and interest requirements and any reserves created
8 pursuant to RCW 39.44.140. The substance of the limitations included
9 in this subsection shall be plainly printed, written, or engraved on
10 each bond issued pursuant to this section.

11 (3) Revenue bonds with a maturity in excess of thirty years shall
12 not be issued. The board of directors of the district shall by
13 resolution determine for each revenue bond issue the amount, date,
14 form, terms, conditions, denominations, maximum fixed or variable
15 interest rate or rates, maturity or maturities, redemption rights,
16 registration privileges, manner of execution, manner of sale, callable
17 provisions, if any, and covenants including the refunding of existing
18 revenue bonds. Facsimile signatures may be used on the bonds and any
19 coupons. Refunding revenue bonds may be issued in the same manner as
20 revenue bonds are issued.

21 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.21C
22 RCW to read as follows:

23 The construction of a new major league baseball stadium that is
24 located in a county with a population of one million or more is
25 exempted from compliance with this chapter.

26 NEW SECTION. **Sec. 19.** A new section is added to chapter 67.28 RCW
27 to read as follows:

28 The legislative authority of a county with a population of one
29 million or more may by resolution or ordinance impose a sales and use
30 tax upon retail car rentals within the county that are taxable by the
31 state under chapters 82.08 and 82.12 RCW. The rate of tax shall be two
32 percent of the selling price in the case of a sales tax or rental value
33 of the vehicle in the case of a use tax. Any seller, as defined in RCW
34 82.08.010, who is required to collect any tax under this section for
35 any county shall pay over such tax to the county as provided in RCW
36 67.28.200 and such tax shall be deducted from the amount of tax such
37 seller would otherwise be required to collect and pay over to the

1 department of revenue under RCW 82.14.030 and 82.14.049. All taxes
2 levied and collected under this section shall be deposited into the
3 baseball stadium account created in section 22 of this act.

4 NEW SECTION. **Sec. 20.** A new section is added to chapter 82.14 RCW
5 to read as follows:

6 The legislative authority of a county with a population of one
7 million may by resolution or ordinance impose a sales tax upon sales of
8 food, beverages, souvenirs, scorecards, and programs at sport events
9 within the county. The rate of tax shall be five percent of the
10 selling price. Any seller, as defined in RCW 82.08.010, who is
11 required to collect any tax under this section for any county shall pay
12 over such tax to the county as provided in RCW 67.28.200 and such tax
13 shall be deducted from the amount of tax such seller would otherwise be
14 required to collect and pay over to the department of revenue under RCW
15 82.08.020. All taxes levied and collected under this section shall be
16 deposited into the baseball stadium account created in section 22 of
17 this act.

18 NEW SECTION. **Sec. 21.** A new section is added to chapter 82.04 RCW
19 to read as follows:

20 In computing tax there may be deducted from the measure of tax by
21 those engaged in banking, loan, security, or other financial
22 businesses, amounts derived from interest received on loans for the
23 siting, acquisition, or construction of a major league baseball stadium
24 in a county with a population of one million or more.

25 NEW SECTION. **Sec. 22.** A new section is added to chapter 67.28 RCW
26 to read as follows:

27 The baseball stadium account is created in the state treasury. The
28 account shall include revenue from the sources established by sections
29 19 and 20 of this act, appropriations by the legislature, private
30 contributions, and all other sources. Expenditures from the fund may
31 be used only for the purpose of paying all or part of the cost of the
32 siting, acquisition, and construction of a major league baseball
33 stadium by a county with a population of one million or more. To be
34 eligible to receive disbursements from the fund, a county must evidence
35 intent to build a stadium through the adoption of a resolution and must
36 establish that it is obligated and committed to the project. Only the

1 director of revenue or the director's designee may authorize
2 expenditures from the account. The account is subject to allotment
3 procedures under chapter 43.88 RCW, but no appropriation is required
4 for expenditures.

5 NEW SECTION. **Sec. 23.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Applicant" means a person applying for a tax deferral under
9 this chapter.

10 (2) "Certificate holder" means an applicant to whom a tax deferral
11 certificate has been issued.

12 (3) "Department" means the department of revenue.

13 (4) "Initiation of construction" means that date upon which on-site
14 construction commences.

15 (5) "Investment project" means construction of buildings, site
16 preparation, and the acquisition of related machinery and equipment
17 when the buildings, machinery, and equipment are to be used in the
18 siting, acquisition, and construction of a major league baseball
19 stadium, including services and labor rendered and tangible personal
20 property consumed.

21 (6) "Machinery and equipment" means all fixtures, equipment, and
22 support facilities that are an integral and necessary part of a major
23 league baseball stadium.

24 (7) "Major league baseball stadium" means a site for major league
25 baseball that is located in a county with a population of one million
26 or more on which construction is commenced after the effective date of
27 this act and prior to July 1, 1999.

28 (8) "Operationally complete" means constructed or improved to the
29 point of being functionally useable for major league baseball.

30 (9) "Person" has the meaning given in RCW 82.04.030.

31 (10) "Recipient" means a person receiving a tax deferral under this
32 chapter.

33 NEW SECTION. **Sec. 24.** Application for deferral of taxes under
34 this chapter shall be made before initiation of construction of the
35 major league baseball stadium or acquisition of machinery and
36 equipment. The application shall be made to the department in a form
37 and manner prescribed by the department. The application shall contain

1 information regarding the location of the investment project, estimated
2 or actual costs, time schedules for completion and operation, and other
3 information required by the department. The department shall rule on
4 the application within sixty days.

5 NEW SECTION. **Sec. 25.** (1) The department shall issue a sales and
6 use tax deferral certificate for state and local sales and use taxes
7 due under chapters 82.08, 82.12, and 82.14 RCW on each investment
8 project. The use of the certificate shall be governed by rules
9 established by the department.

10 (2) This section shall expire July 1, 1999.

11 NEW SECTION. **Sec. 26.** (1) The recipient shall begin paying the
12 deferred taxes in the fifth year after the date certified by the
13 department as the date on which the investment project is operationally
14 complete. The first payment is due on December 31st of the fifth
15 calendar year after such certified date, with subsequent annual
16 payments due on December 31st of the following nine years with amounts
17 of payment scheduled as follows:

18	Repayment Year	% of Deferred Tax Repaid
19	1	10%
20	2	10%
21	3	10%
22	4	10%
23	5	10%
24	6	10%
25	7	10%
26	8	10%
27	9	10%
28	10	10%

29 (2) The department may authorize an accelerated repayment schedule
30 upon request of the recipient.

31 (3) Interest shall not be charged on any taxes deferred under this
32 chapter for the period of deferral, although all other penalties and
33 interest applicable to delinquent excise taxes may be assessed and
34 imposed for delinquent payments under this chapter. The debt for
35 deferred taxes is not extinguished by insolvency or other failure of
36 the recipient.

1 NEW SECTION. **Sec. 27.** Chapter 82.32 RCW applies to the
2 administration of this chapter.

3 NEW SECTION. **Sec. 28.** Applications and any other information
4 received by the department under this chapter is not confidential and
5 is subject to disclosure.

6 NEW SECTION. **Sec. 29.** (1) Sections 7 through 17 of this act are
7 each added to chapter 36.100 RCW.

8 (2) Sections 23 through 28 of this act shall constitute a new
9 chapter in Title 82 RCW.

10 NEW SECTION. **Sec. 30.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 NEW SECTION. **Sec. 31.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and shall take
17 effect July 1, 1995."

18 **ESSB 6049** - H COMM AMD
19 By Committee on Trade & Economic Development

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21 On page 1, line 2 of the title, after "teams;" strike the remainder
22 of the title and insert "amending RCW 36.100.010, 36.100.020,
23 36.100.030, 36.100.040, 36.100.060, and 82.14.048; adding new sections
24 to chapter 36.100 RCW; adding a new section to chapter 43.21C RCW;
25 adding new sections to chapter 67.28 RCW; adding a new section to
26 chapter 82.14 RCW; adding a new section to chapter 82.04 RCW; adding a
27 new chapter to Title 82 RCW; providing an effective date; and declaring
28 an emergency."

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