SENATE BILL 5999

55th Legislature

1997 Regular Session

State of Washington By Senators Deccio and Kohl; by request of Governor Locke

Read first time 02/25/97. Referred to Committee on Ways & Means.

2 centers and education technology grants; amending RCW 36.100.010, 3 36.100.020, 36.32.235, 39.04.010, 36.38.010, 82.29A.130, 67.28.180, 67.70.240, 67.70.042, 39.10.120, 39.10.050, 39.10.902, and 82.14.049; 4 adding new sections to chapter 36.100 RCW; adding a new section to 5 chapter 39.30 RCW; adding a new section to chapter 36.38 RCW; adding a 6 new section to chapter 82.08 RCW; adding a new section to chapter 82.12 7 RCW; adding new sections to chapter 82.14 RCW; adding new sections to 8 chapter 67.70 RCW; adding a new chapter to Title 82 RCW; creating a new 9 section; providing for submission of sections 14 and 37 of this act to 10 a vote of the people; and declaring an emergency. 11

AN ACT Relating to a mechanism for financing stadium and exhibition

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

- 13 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 36.100 RCW 14 to read as follows:
- 15 The definitions in this section apply throughout sections 1, 3, 5,
- 9 through 11, 18, and 20 through 25 of this act unless the context 16
- 17 clearly requires otherwise.
- (1) "Design" includes architectural, engineering, and other related 18
- 19 professional services.

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- 1 (2) "Develop" means, generally, the process of planning, designing, 2 financing, constructing, owning, operating, and leasing a project such 3 as a stadium and exhibition center.
- (3) "Permanent seat license" means a transferable license sold to a third party that, subject to certain conditions, restrictions, and limitations, entitles the third party to purchase a season ticket to professional football games of the professional football team played in the stadium and exhibition center for so long as the team plays its games in that facility.
- (4) "Preconstruction" includes negotiations, including negotiations with any team affiliate, planning, studies, design, and other activities reasonably necessary before constructing a stadium and exhibition center.
- 14 (5) "Professional football team" means a team that is a member of 15 the national football league or similar professional football 16 association.
- 17 (6) "Public facilities district operation" means the formation and 18 ongoing operation of the public facilities district, including the 19 hiring of employees, attorneys, and other contractors, and the 20 acquisition and operation of office facilities.
- (7) "Site acquisition" means the purchase or other acquisition of any interest in real property including fee simple interests and easements, which property interests constitute the site for a stadium and exhibition center.
- 25 (8) "Site preparation" includes demolition of existing 26 improvements, environmental remediation, site excavation, shoring, and 27 construction and maintenance of temporary traffic and pedestrian 28 routing.
- (9) "Stadium and exhibition center" means an open-air stadium suitable for national football league football and for Olympic and world cup soccer, with adjacent exhibition facilities, together with associated parking facilities and other ancillary facilities.
- 33 (10) "Team affiliate" means a professional football team that will 34 use the stadium and exhibition center, and any affiliate of the team 35 designated by the team. An "affiliate of the team" means any person or 36 entity that controls, is controlled by, or is under common control with 37 the team.

- 1 **Sec. 2.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each 2 amended to read as follows:
- 3 (1) A public facilities district may be created in any county and 4 shall be coextensive with the boundaries of the county.
- 5 (2) A public facilities district shall be created: Upon adoption of a resolution providing for the creation of such a district by the 7 county legislative authority in which the proposed district is located: 8 or for a public facilities district created to develop a stadium and 9 exhibition center under section 5 of this act, as provided in section 10 3 of this act.
- 11 (3) A public facilities district is a municipal corporation, an 12 independent taxing "authority" within the meaning of Article VII, 13 section 1 of the state Constitution, and a "taxing district" within the 14 meaning of Article VII, section 2 of the state Constitution.
- 15 (4) No taxes authorized under this chapter may be assessed or 16 levied unless a majority of the voters of the public facilities 17 district has approved such tax at a general or special election. A 18 single ballot proposition may both validate the imposition of the sales 19 and use tax under RCW 82.14.048 and the excise tax under RCW 20 36.100.040.
- (5) A public facilities district shall constitute a body corporate and shall possess all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued.

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- (6) The county legislative authority or the city council may transfer property to the public facilities district created under this chapter. No property that is encumbered with debt or that is in need of major capital renovation may be transferred to the district without the agreement of the district and revenues adequate to retire the existing indebtedness. This subsection does not apply to a public facilities district created to develop a stadium and exhibition center under section 5 of this act.
- (7) Property encumbered by debt may be transferred by a county or city to a public facilities district created to develop a stadium and exhibition center under section 5 of this act, but obligation for payment of the debt may not be transferred. This subsection does not

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- 1 apply to a public facilities district, located in a county with a
- 2 population of one million or more, that constructs a baseball stadium.
- 3 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 36.100 RCW 4 to read as follows:
- 5 (1) A public facilities district is created in every county with a population of one million or more. However, if a car rental tax under 6 7 section 22 of this act is not adopted by June 24, 1997, then any county with a population of five hundred thousand or more may create a public 8 9 facilities district within the county for the purpose of developing a stadium and exhibition center under section 5 of this act upon adoption 10 of a resolution providing for the creation of such a district by the 11 12 county legislative authority.
- 13 (2) The boundaries of the public facilities district shall be 14 coextensive with the boundaries of the county in which the public 15 facilities district is created.
- 16 (3) This section applies beginning the effective date of section 14 17 of this act.
- 18 **Sec. 4.** RCW 36.100.020 and 1995 3rd sp.s. c 1 s 302 are each 19 amended to read as follows:
- 20 (1)(a) A public facilities district shall be governed by a board of directors consisting of five or seven members as provided in this 21 22 section. If the largest city in the county has a population that is at 23 least forty percent of the total county population, the board of 24 directors of the public facilities district shall consist of five 25 members selected as follows: $((\frac{1}{2}))$ (i) Two members appointed by the county legislative authority to serve for four-year staggered terms; 26 27 (((b))) <u>(ii)</u> two members appointed by the city council of the largest 28 city in the county to serve for four-year staggered terms; and (((c)))29 (iii) one person to serve for a four-year term who is selected by the other directors. If the largest city in the county has a population of 30 31 less than forty percent of the total county population, the county 32 legislative authority shall establish in the resolution creating the public facilities district whether the board of directors of the public 33 facilities district has either five or seven members, and the county 34 35 legislative authority shall appoint the members of the board of directors to reflect the interests of cities and towns in the county, 36 37 as well as the unincorporated area of the county. However, if the

- county has a population of one million or more, the largest city in the 2 county has a population of less than forty percent of the total county population, and the county operates under a county charter, which 3 4 provides for an elected county executive, three members shall be 5 appointed by the governor and the remaining members shall be appointed by the county executive subject to confirmation by the county 6 7 legislative authority. Of the members appointed by the governor, the 8 speaker of the house of representatives and the majority leader of the 9 senate shall each recommend to the governor a person to be appointed to 10 the board.
- (b) Notwithstanding (a) of this subsection, any public facilities district created to develop a stadium and exhibition center, as provided under section 5 of this act, shall have five members on its board of directors appointed by the governor. The speaker of the house of representatives and the majority leader of the senate shall each recommend to the governor a person to be appointed to the board.
- 17 (2) At least one member on the board of directors shall be 18 representative of the lodging industry in the public facilities 19 district before the public facilities district imposes the excise tax 20 under RCW 36.100.040.
- 21 (3) Members of the board of directors shall serve four-year terms 22 of office, except that two of the initial five board members or three 23 of the initial seven board members shall serve two-year terms of 24 office.
- 25 (4) A vacancy shall be filled in the same manner as the original 26 appointment was made and the person appointed to fill a vacancy shall 27 serve for the remainder of the unexpired term of the office for the 28 position to which he or she was appointed.
- (5) A director appointed by the governor may be removed from office 30 by the governor. Any other director may be removed from office by 31 action of at least two-thirds of the members of the legislative 32 authority which made the appointment.
- NEW SECTION. **Sec. 5.** A new section is added to chapter 36.100 RCW to read as follows:
- In addition to other powers and restrictions on a public facilities district, the following shall apply to a public facilities district, located in a county that has authorized a tax under section 22 of this

38 act, created to develop a stadium and exhibition center:

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- 1 (1) The public facilities district, in consultation with the team 2 affiliate, shall have the authority to determine the stadium and 3 exhibition center site;
- 4 (2) The public facilities district, in consultation with the team 5 affiliate, shall have the authority to establish the overall scope of 6 the stadium and exhibition center project, including, but not limited 7 to, the stadium and exhibition center itself, associated exhibition 8 facilities, associated parking facilities, associated retail and office 9 development that are part of the stadium and exhibition center, and 10 ancillary services or facilities;
- 11 (3) The public facilities district, in consultation with the team 12 affiliate, shall have the final authority to make the final 13 determination of the stadium and exhibition center design and 14 specifications;
- 15 (4) The public facilities district shall have the authority to contract with a team affiliate for the provision of architectural, engineering, environmental, and other professional services related to the stadium and exhibition center site, design options, required environmental studies, and necessary permits for the stadium and exhibition center. RCW 36.32.235 and chapters 39.04 and 39.30 RCW do not apply to this subsection;
- (5) The public facilities district, in consultation with the team affiliate, shall have the authority to establish the project budget on the stadium and exhibition center project;
- 25 (6) The public facilities district, in consultation with the team 26 affiliate, shall have the authority to structure the financing of the 27 stadium and exhibition center project;
- (7) The public facilities district shall have the authority to 28 enter into a development agreement with a team affiliate whereby the 29 30 team affiliate may control the development of the stadium and 31 exhibition center project, consistent with subsections (1) through (6) of this section, in consideration of which the team affiliate assumes 32 the risks of costs of development that are in excess of the project 33 budget established under subsection (5) of this section. Under the 34 development agreement, the team affiliate shall determine bidding 35 specifications and requirements, and other aspects of development. RCW 36 37 36.32.235 and chapters 39.04 and 39.30 RCW do not apply to this 38 subsection;

- (8) The public facilities district shall have the authority to 1 2 enter into a long-term lease agreement with a team affiliate whereby, 3 in consideration of the payment of rent and assumption of certain 4 operating and maintenance responsibilities, risks, and costs associated with the stadium and exhibition center, the team affiliate becomes the 5 sole master tenant of the stadium and exhibition center. The master 6 7 tenant shall have the power to sublease and enter into use, license, 8 and concession agreements with various users of the stadium and 9 exhibition center including the professional football team, and the 10 master tenant has the right to name the stadium and exhibition center, subject to section 9 of this act. The master tenant shall have the 11 right to retain all revenues derived from the operations of the stadium 12 and exhibition center, including revenues from the subleases and use, 13 14 license and concession agreements including revenues from suite 15 licenses, permanent seat licenses, concessions, long-term naming rights 16 subject to section 9 of this act, and parking revenues. The amounts, 17 sources, and uses of any payments received by the county, the public facilities district, or any related governmental entity for the use or 18 19 in respect of the stadium and exhibition center shall be structured and 20 limited in such a manner as to permit the interest on any bonds or other obligations issued to finance the stadium and exhibition center 21 to be treated as tax exempt to the fullest extent permitted by federal 22 23 law; and
 - (9) The public facilities district shall have the authority, upon the agreement of the team affiliate, to sell permanent seat licenses as part of the money to be raised by the team affiliate contemplated in section 23 of this act, and the team affiliate may act as the sales agent for this purpose.

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- 29 **Sec. 6.** RCW 36.32.235 and 1996 c 219 s 2 are each amended to read 30 as follows:
- (1) In each county with a population of one million or more which 31 establishes a county purchasing department, the 32 resolution purchasing department shall enter into leases of personal property on 33 34 a competitive basis and purchase all supplies, materials, and equipment on a competitive basis, for all departments of the county, as provided 35 36 in this chapter and chapter 39.04 RCW, except that the county purchasing department is not required to make purchases that are paid 37 38 from the county road fund or equipment rental and revolving fund.

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- 1 (2) As used in this section, "public works" has the same definition 2 as in RCW 39.04.010.
- 3 (3) Except as otherwise specified in this chapter or in chapter 4 36.77 RCW, all counties subject to these provisions shall contract on a competitive basis for all public works after bids have been submitted to the county upon specifications therefor. Such specifications shall be in writing and shall be filed with the clerk of the county 8 legislative authority for public inspection.
- 9 (4) An advertisement shall be published in the county official 10 newspaper stating the time and place where bids will be opened, the time after which bids will not be received, the character of the work 11 to be done, the materials and equipment to be furnished, and that 12 specifications therefor may be seen at the office of the clerk of the 13 county legislative authority. An advertisement shall also be published 14 15 in a legal newspaper of general circulation in or as near as possible 16 to that part of the county in which such work is to be done. 17 county official newspaper is a newspaper of general circulation covering at least forty percent of the residences in that part of the 18 19 county in which such public works are to be done, then the publication 20 of an advertisement of the applicable specifications in the county official newspaper is sufficient. Such advertisements shall be 21 22 published at least once at least thirteen days prior to the last date 23 upon which bids will be received.
 - (5) The bids shall be in writing, shall be filed with the clerk, shall be opened and read in public at the time and place named therefor in the advertisements, and after being opened, shall be filed for public inspection. No bid may be considered for public work unless it is accompanied by a bid deposit in the form of a surety bond, postal money order, cash, cashier's check, or certified check in an amount equal to five percent of the amount of the bid proposed.
 - (6) The contract for the public work shall be awarded to the lowest responsible bidder. Any or all bids may be rejected for good cause. The county legislative authority shall require from the successful bidder for such public work a contractor's bond in the amount and with the conditions imposed by law.
- 36 (7) If the bidder to whom the contract is awarded fails to enter 37 into the contract and furnish the contractor's bond as required within 38 ten days after notice of the award, exclusive of the day of notice, the 39 amount of the bid deposit shall be forfeited to the county and the

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contract awarded to the next lowest and best bidder. The bid deposit of all unsuccessful bidders shall be returned after the contract is awarded and the required contractor's bond given by the successful bidder is accepted by the county legislative authority. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry.

 (8) As limited by subsection (10) of this section, a county subject to these provisions may have public works performed by county employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period.

Whenever a county subject to these provisions has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works except emergency work under subsection (12) of this section within that budget period shall be done by contract pursuant to public notice and call for competitive bids as specified in subsection (3) of this section. The state auditor shall report to the state treasurer any county subject to these provisions that exceeds this amount and the extent to which the county has or has not reduced the amount of public works it has performed by public employees in subsequent years.

(9) If a county subject to these provisions has public works performed by public employees in any budget period that are in excess of this ten percent limitation, the amount in excess of the permitted amount shall be reduced from the otherwise permitted amount of public works that may be performed by public employees for that county in its next budget period. Ten percent of the motor vehicle fuel tax distributions to that county shall be withheld if two years after the year in which the excess amount of work occurred, the county has failed to so reduce the amount of public works that it has performed by public employees. The amount withheld shall be distributed to the county when it has demonstrated in its reports to the state auditor that the amount of public works it has performed by public employees has been reduced as required.

(10) In addition to the percentage limitation provided in subsection (8) of this section, counties subject to these provisions containing a population of one million or more shall not have public

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employees perform a public works project in excess of seventy thousand dollars if more than a single craft or trade is involved with the public works project, or a public works project in excess of twenty-five thousand dollars if only a single craft or trade is involved with the public works project. A public works project means a complete The restrictions in this subsection do not permit the division of the project into units of work or classes of work to avoid the restriction on work that may be performed by public employees on a single project.

The cost of a separate public works project shall be the costs of materials, supplies, equipment, and labor on the construction of that project. The value of the public works budget shall be the value of all the separate public works projects within the budget.

(11) In addition to the accounting and recordkeeping requirements contained in chapter 39.04 RCW, any county which uses public employees to perform public works projects under RCW 36.32.240(1) shall prepare a year-end report to be submitted to the state auditor indicating the total dollar amount of the county's public works construction budget and the total dollar amount for public works projects performed by public employees for that year.

The year-end report submitted pursuant to this subsection to the state auditor shall be in accordance with the standard form required by RCW 43.09.205.

(12) Notwithstanding any other provision in this section, counties may use public employees without any limitation for emergency work performed under an emergency declared pursuant to RCW 36.32.270, and any such emergency work shall not be subject to the limitations of this section. Publication of the description and estimate of costs relating to correcting the emergency may be made within seven days after the commencement of the work. Within two weeks of the finding that such an emergency existed, the county legislative authority shall adopt a resolution certifying the damage to public facilities and costs incurred or anticipated relating to correcting the emergency. Additionally this section shall not apply to architectural and engineering or other technical or professional services performed by public employees in connection with a public works project.

37 (13) In lieu of the procedures of subsections (3) through (11) of 38 this section, a county may use a small works roster process and award 39 contracts for public works projects with an estimated value of ten

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- thousand dollars up to one hundred thousand dollars as provided in RCW 39.04.155.
- 3 Whenever possible, the county shall invite at least one proposal
- 4 from a minority or woman contractor who shall otherwise qualify under
- 5 this section.
- 6 (14) The allocation of public works projects to be performed by
- 7 county employees shall not be subject to a collective bargaining
- 8 agreement.
- 9 (15) This section does not apply to performance-based contracts, as
- 10 defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A
- 11 RCW.
- 12 (16) Nothing in this section prohibits any county from allowing for
- 13 preferential purchase of products made from recycled materials or
- 14 products that may be recycled or reused.
- 15 (17) This section does not apply to contracts entered into under
- 16 section 5(4) of this act or development agreements entered into under
- 17 <u>section 5(7) of this act.</u>
- 18 **Sec. 7.** RCW 39.04.010 and 1993 c 174 s 1 are each amended to read
- 19 as follows:
- 20 The term state shall include the state of Washington and all
- 21 departments, supervisors, commissioners and agencies thereof.
- The term municipality shall include every city, county, town,
- 23 district or other public agency thereof which is authorized by law to
- 24 require the execution of public work, except drainage districts, diking
- 25 districts, diking and drainage improvement districts, drainage
- 26 improvement districts, diking improvement districts, consolidated
- 27 diking and drainage improvement districts, consolidated drainage
- 28 improvement districts, consolidated diking improvement districts,
- 29 irrigation districts or any such other districts as shall from time to
- 30 time be authorized by law for the reclamation or development of waste
- 31 or undeveloped lands.
- 32 The term public work shall include all work, construction,
- 33 alteration, repair, or improvement other than ordinary maintenance,
- 34 executed at the cost of the state or of any municipality, or which is
- 35 by law a lien or charge on any property therein. All public works,
- 36 including maintenance when performed by contract shall comply with the
- 37 provisions of RCW 39.12.020. The term does not include works done

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- 1 under contracts entered into under section 5(4) of this act or under
- 2 <u>development agreements entered into under section 5(7) of this act.</u>
- 3 The term contract shall mean a contract in writing for the
- 4 execution of public work for a fixed or determinable amount duly
- 5 awarded after advertisement and competitive bid. However, a contract
- 6 which is awarded from a small works roster under the authority of RCW
- 7 39.04.150, 35.22.620, 28B.10.355, 35.82.075, and 57.08.050 need not be
- 8 advertised.
- 9 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 39.30 RCW
- 10 to read as follows:
- 11 This chapter does not apply to contracts entered into under section
- 12 5(4) of this act or development agreements entered into under section
- 13 5(7) of this act.
- 14 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 36.100 RCW
- 15 to read as follows:
- 16 Revenues from the sales of naming rights of a stadium and
- 17 exhibition center developed under section 5 of this act may only be
- 18 used for costs associated with capital maintenance and operations of
- 19 the stadium and exhibition center. The sales of naming rights are
- 20 subject to the reasonable approval of the public facilities district.
- 21 <u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 36.100
- 22 RCW to read as follows:
- 23 A public facilities district may accept and expend moneys that may
- 24 be donated for the purpose of a stadium and exhibition center.
- NEW SECTION. Sec. 11. A new section is added to chapter 36.100
- 26 RCW to read as follows:
- 27 (1) The public facilities district, the county, and the city, if
- 28 any, in which the stadium and exhibition center is to be located shall
- 29 enter into one or more agreements regarding the construction of a
- 30 stadium and exhibition center. The agreements shall address, but not
- 31 be limited to:
- 32 (a) Expedited permit processing for the design and construction of
- 33 the project;
- 34 (b) Expedited environmental review processing;

- 1 (c) Expedited processing of requests for street, right of way, or 2 easement vacations, if necessary for the construction of the project; 3 and
- 4 (d) Other items deemed necessary for the design and construction of the project.
- (2) The county shall assemble such real property as the public 6 7 facilities district determines to be necessary as a site for the 8 stadium and exhibition center. Property that is necessary for this 9 purpose that is owned by the county on the effective date of this 10 section shall be contributed to the district, and property that is necessary for this purpose that is acquired by the county on or after 11 12 the effective date of this section shall be conveyed to the district. 13 Property that is encumbered by debt may be transferred by the county to the district, but obligation for payment of the debt may not be 14 15 transferred.
- 16 **Sec. 12.** RCW 36.38.010 and 1995 3rd sp.s. c 1 s 203 are each 17 amended to read as follows:

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- (1) Any county may by ordinance enacted by its county legislative authority, levy and fix a tax of not more than one cent on twenty cents or fraction thereof to be paid for county purposes by persons who pay an admission charge to any place, including a tax on persons who are admitted free of charge or at reduced rates to any place for which other persons pay a charge or a regular higher charge for the same or similar privileges or accommodations; and require that one who receives any admission charge to any place shall collect and remit the tax to the county treasurer of the county: PROVIDED, No county shall impose such tax on persons paying an admission to any activity of any elementary or secondary school.
- 29 (2) As used in this chapter, the term "admission charge" includes a charge made for season tickets or subscriptions, a cover charge, or 30 a charge made for use of seats and tables, reserved or otherwise, and 31 other similar accommodations; a charge made for food and refreshments 32 33 in any place where any free entertainment, recreation, or amusement is 34 provided; a charge made for rental or use of equipment or facilities for purpose of recreation or amusement, and where the rental of the 35 36 equipment or facilities is necessary to the enjoyment of a privilege 37 for which a general admission is charged, the combined charges shall be 38 considered as the admission charge. It shall also include any

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- 1 automobile parking charge where the amount of such charge is determined 2 according to the number of passengers in any automobile.
- 3 (3) <u>Subject to subsections (4) and (5) of this section, the tax</u>
 4 herein authorized shall not be exclusive and shall not prevent any city
 5 or town within the taxing county, when authorized by law, from imposing
 6 within its corporate limits a tax of the same or similar kind:
 7 PROVIDED, That whenever the same or similar kind of tax is imposed by
 8 any such city or town, no such tax shall be levied within the corporate
 9 limits of such city or town by the county((, except that)).
- (4) Notwithstanding subsection (3) of this section, the legislative authority of a county with a population of one million or more may exclusively levy taxes on events in <u>baseball</u> stadiums constructed on or after January 1, 1995, that are owned by a public facilities district under chapter 36.100 RCW and that have seating capacities over forty thousand at the rates of:
- 16 (a) Not more than one cent on twenty cents or fraction thereof, to 17 be used for the purpose of paying the principal and interest payments on bonds issued by a county to construct a baseball stadium as defined 18 19 in RCW 82.14.0485. If the revenue from the tax exceeds the amount 20 needed for that purpose, the excess shall be placed in a contingency fund which may only be used to pay unanticipated capital costs on the 21 22 baseball stadium, excluding any cost overruns on initial construction; 23 and
 - (b) Not more than one cent on twenty cents or fraction thereof, to be used for the purpose of paying the principal and interest payments on bonds issued by a county to construct a baseball stadium as defined in RCW 82.14.0485. The tax imposed under this subsection $((\frac{3}{2}))$ $(\frac{4}{2})$ (b) shall expire when the bonds issued for the construction of the baseball stadium are retired, but not later than twenty years after the tax is first collected.
- 31 (5) Notwithstanding subsections (3) and (4) of this section, the legislative authority of a county that has authorized a tax under 32 section 22 of this act may levy and fix a tax on charges for admission 33 34 to events in a stadium and exhibition center, as defined in section 1 of this act, constructed in the county on or after January 1, 1998, 35 that is owned by a public facilities district under chapter 36.100 RCW. 36 37 The tax shall be exclusive and shall preclude the county, city, or town within which the stadium and exhibition center is located from imposing 38 39 a tax of the same or similar kind on charges for admission to events in

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the stadium and exhibition center. For the purposes of this 1 subsection, "charges for admission to events" means only the actual 2 admission charge, exclusive of taxes and service charges and the value 3 4 of any other benefit conferred by the admission. The tax authorized under this section shall be at the rate of not more than one cent on 5 twenty cents or fraction thereof, shall be used exclusively for the 6 7 uses provided in section 23 of this act until the bonds issued for the 8 construction of the stadium and exhibition center are retired, and 9 shall be subject to the conditions of section 25 of this act. After the bonds issued for the construction of the stadium and exhibition 10 center are retired, the tax authorized under this section shall be used 11 exclusively to fund repair, reequipping, and capital improvement of the 12 stadium and exhibition center. The tax under this subsection may be 13 levied upon the first use of any part of the stadium and exhibition 14 15 center, as defined in section 1 of this act, but shall not be collected 16 at any facility already in operation as of the effective date of this 17 section.

NEW SECTION. **Sec. 13.** A new section is added to chapter 36.38 RCW to read as follows:

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The legislative authority of a county that has authorized a tax under section 22 of this act may levy and fix a tax on any vehicle parking charges imposed at any parking facility that is part of a stadium and exhibition center, as defined in section 1 of this act. The tax shall be exclusive and shall prevent the county, city, or town within which the stadium and exhibition center is located from imposing within its corporate limits a tax of the same or similar kind. For the purposes of this section, "vehicle parking charges" means only the actual parking charges exclusive of taxes and service charges and the value of any other benefit conferred. The tax authorized under this section shall be at the rate of not more than one cent on ten cents or fraction thereof, shall be used exclusively for the uses provided in section 23 of this act until the bonds issued for the construction of the stadium and exhibition center are retired, and shall be subject to the conditions of section 25 of this act. After the bonds issued for the construction of the stadium and exhibition center are retired, the tax authorized under this section shall be used exclusively to fund repair, reequipping, and capital improvement of the stadium and exhibition center. The tax under this section may be levied upon the

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- 1 first use of any part of the stadium and exhibition center, as defined
- 2 in section 1 of this act, but shall not be collected at any facility
- 3 already in operation as of the effective date of this section.
- 4 <u>NEW SECTION.</u> **Sec. 14.** (1) A tax is imposed on each sale at
- 5 wholesale of sports memorabilia or sports-licensed goods in this state.
- 6 The rate of the tax shall be ten percent of the sales price.
- 7 (a) This tax shall be paid by the buyer to the wholesaler and each
- 8 wholesaler shall collect from the buyer the full amount of the tax
- 9 payable in respect to each taxable sale, unless the wholesaler is
- 10 prohibited from collecting the tax from the buyer under the state
- 11 Constitution or the Constitution or laws of the United States.
- 12 (b) The tax shall be stated separately from the selling price in
- 13 any sales invoice or any instrument of sale. Failure to separately
- 14 state the tax shall create a conclusive presumption that the tax has
- 15 not been collected.
- 16 (c) This tax is in addition to all other taxes imposed by any other
- 17 chapter of this title.
- 18 (2) If the tax under subsection (1) of this section has not been
- 19 paid, a tax is imposed on the possession for sale or use of sports
- 20 memorabilia or sports-licensed goods in this state. The rate of the
- 21 tax shall be equal to the tax imposed under subsection (1) of this
- 22 section and shall be collected from the possessor of the items.
- 23 (3) The tax imposed by this section does not apply to any
- 24 successive sale in which the tax was previously imposed and collected
- 25 on the same sports memorabilia or sports-licensed goods in this state.
- 26 (4) The tax imposed by this section does not apply to any sale of
- 27 sports memorabilia or sports-licensed goods that is transferred to a
- 28 point outside the state for use or sale outside the state.
- 29 (5) As used in this section, "sports memorabilia or sports-licensed
- 30 goods" means items that can be available for sale to members of the
- 31 public such as: One-of-a-kind items related to sports figures, teams,
- 32 or events; sports trading cards; sports photographs; league and
- 33 individual-athlete licensed items; collegiate-sports licensed items;
- 34 and sports-event licensed items. It does not include items licensed by
- of and sports event freeinsed reems. It does not include reems freeinsed by
- 35 a sports-regulating authority for purposes of proving that the item
- 36 meets the standards of the sport.
- 37 (6) Moneys collected under this section shall be distributed under
- 38 section 23 of this act.

- (7) This section applies beginning January 1, 1998, and thereafter.
- Sec. 15. The secretary of state shall submit 2 NEW SECTION. 3 sections 14 and 37 of this act to the people for their adoption and ratification, or rejection, at a special election to be held June 3, 4 1997, to be held in this state, in accordance with Article II, section 5 1 of the state Constitution and the laws adopted to facilitate its 6 7 operation. The ballot title shall be: "Shall the state of Washington 8 impose a ten percent tax on the wholesale value of sports memorabilia 9 or sports-licensed goods sold in this state as part of the public-10 private funding of a stadium and exhibition center and for the funding of a state-wide education technology grant program?" 11
- NEW SECTION. **Sec. 16.** A new section is added to chapter 82.08 RCW to read as follows:
- 14 (1) The tax levied by RCW 82.08.020 does not apply to:

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- (a) Retail sales made or incurred for the purpose of constructing a stadium and exhibition center authorized under section 5 of this act, including but not limited to the provision of labor or services, the acquisition and delivery of materials and supplies, the rental or leasing of equipment, machinery, or tools, and other retail transactions that are made or incurred for the purpose of constructing the stadium and exhibition center; and
- (b) Vehicle parking charges as defined in section 13 of this act, if taxed under section 13 of this act.
 - (2)(a) Upon application of the governing board of a public facilities district, the department shall issue a sales and use tax exemption certificate for state and local sales and use taxes due under this chapter and chapters 82.12 and 82.14 RCW on the stadium and exhibition center and permanent seat licenses. The use of the certificate shall be governed by rules adopted by the department.
- (b) Application for a sales and use tax exemption certificate under 30 31 this subsection shall be made to the department in a form and manner 32 prescribed by the department. The application shall contain 33 information regarding the location of the public facility, estimated or actual costs, time schedules for completion and operation, and other 34 35 information required by the department. The department shall approve the application within sixty days if the application meets the 36 37 requirements of this section. Applications and other information

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- 1 received by the department under this section are not confidential and
- 2 are subject to disclosure. Chapter 82.32 RCW applies to the
- 3 administration of this section.
- 4 NEW SECTION. Sec. 17. A new section is added to chapter 82.12 RCW
- 5 to read as follows:
- 6 (1) The provisions of this chapter do not apply in respect to the 7 use of:
- 8 (a) Goods or services used for the purpose of constructing a
- 9 stadium and exhibition center authorized under section 5 of this act,
- 10 including but not limited to the provision of labor or services, the
- 11 acquisition and delivery of materials and supplies, the rental or
- 12 leasing of equipment, machinery, or tools, and other goods or services
- 13 used for the purpose of constructing the stadium and exhibition center;
- 14 (b) Vehicle parking charges as defined in section 13 of this act,
- 15 if taxed under section 13 of this act.
- 16 (2) Section 16(2) of this act applies to this section.
- 17 <u>NEW SECTION.</u> **Sec. 18.** A new section is added to chapter 82.14 RCW
- 18 to read as follows:
- 19 (1) The taxes levied by RCW 82.14.030 and 82.14.045 do not apply
- 20 to:
- 21 (a) Retail sales and use made or incurred for the purpose of
- 22 constructing a stadium and exhibition center authorized under section
- 23 5 of this act, including but not limited to the provision of labor or
- 24 services, the acquisition and delivery of materials and supplies, the
- 25 rental or leasing of equipment, machinery, or tools, and other retail
- 26 transactions that are made or incurred for the purpose of constructing
- 27 the stadium and exhibition center;
- 28 (b) Vehicle parking charges as defined in section 13 of this act,
- 29 if taxed under section 13 of this act.
- 30 (2) Section 16(2) of this act applies to this section.
- 31 **Sec. 19.** RCW 82.29A.130 and 1995 3rd sp.s. c 1 s 307 are each
- 32 amended to read as follows:
- 33 The following leasehold interests shall be exempt from taxes
- 34 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

- (1) All leasehold interests constituting a part of the operating 1 properties of any public utility which is assessed and taxed as a 2 3 public utility pursuant to chapter 84.12 RCW.
- 4 (2) All leasehold interests in facilities owned or used by a school, college or university which leasehold provides housing for 5 students and which is otherwise exempt from taxation under provisions 6 7 of RCW 84.36.010 and 84.36.050.
- 8 (3) All leasehold interests of subsidized housing where the fee 9 ownership of such property is vested in the government of the United 10 States, or the state of Washington or any political subdivision thereof but only if income qualification exists for such housing. 11
- (4) All leasehold interests used for fair purposes of a nonprofit 12 fair association that sponsors or conducts a fair or fairs which 13 receive support from revenues collected pursuant to RCW 67.16.100 and 14 15 allocated by the director of the department of agriculture where the 16 fee ownership of such property is vested in the government of the 17 United States, the state of Washington or any of its political subdivisions: PROVIDED, That this exemption shall not apply to the 18 19 leasehold interest of any sublessee of such nonprofit fair association 20 if such leasehold interest would be taxable if it were the primary 21 lease.
- (5) All leasehold interests in any property of any public entity 22 used as a residence by an employee of that public entity who is 23 24 required as a condition of employment to live in the publicly owned property.

- 26 (6) All leasehold interests held by enrolled Indians of lands owned or held by any Indian or Indian tribe where the fee ownership of such 27 property is vested in or held in trust by the United States and which 28 29 are not subleased to other than to a lessee which would qualify 30 pursuant to this chapter, RCW 84.36.451 and 84.40.175.
- 31 (7) All leasehold interests in any real property of any Indian or Indian tribe, band, or community that is held in trust by the United 32 States or is subject to a restriction against alienation imposed by the 33 34 United States: PROVIDED, That this exemption shall apply only where it 35 is determined that contract rent paid is greater than or equal to ninety percent of fair market rental, to be determined by the 36 37 department of revenue using the same criteria used to establish taxable rent in RCW 82.29A.020(2)(b). 38

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- (8) All leasehold interests for which annual taxable rent is less 1 2 than two hundred fifty dollars per year. For purposes of this subsection leasehold interests held by the same lessee in contiguous 3 4 properties owned by the same lessor shall be deemed a single leasehold 5 interest.
- (9) All leasehold interests which give use or possession of the 6 7 leased property for a continuous period of less than thirty days: 8 PROVIDED, That for purposes of this subsection, successive leases or 9 lease renewals giving substantially continuous use of possession of the 10 same property to the same lessee shall be deemed a single leasehold interest: PROVIDED FURTHER, That no leasehold interest shall be deemed 11 to give use or possession for a period of less than thirty days solely 12 13 by virtue of the reservation by the public lessor of the right to use the property or to allow third parties to use the property on an 14 occasional, temporary basis. 15
- (10) All leasehold interests under month-to-month leases in 16 17 residential units rented for residential purposes of the lessee pending destruction or removal for the purpose of constructing a public highway 18 19 or building.
- 20 (11) All leasehold interests in any publicly owned real or personal property to the extent such leasehold interests arises solely by virtue 21 22 of a contract for public improvements or work executed under the public works statutes of this state or of the United States between the public 23 24 owner of the property and a contractor.
- 25 (12) All leasehold interests that give use or possession of state 26 adult correctional facilities for the purposes of operating 27 correctional industries under RCW 72.09.100.
- (13) All leasehold interests used to provide organized and 28 supervised recreational activities for disabled persons of all ages in 29 30 a camp facility and for public recreational purposes by a nonprofit organization, association, or corporation that would be exempt from property tax under RCW 84.36.030(1) if it owned the property. 32 33 publicly owned property is used for any taxable purpose, the leasehold 34 excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be imposed and shall be apportioned accordingly.
- (14) All leasehold interests in the public or entertainment areas 36 of a baseball stadium with natural turf and a retractable roof or 37 canopy that is in a county with a population of over one million, that 38 has a seating capacity of over forty thousand, and that is constructed 39

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on or after January 1, 1995. "Public or entertainment areas" include 2 ticket sales areas, ramps and stairs, lobbies and concourses, parking areas, concession areas, restaurants, hospitality and stadium club 3 4 areas, kitchens or other work areas primarily servicing other public or entertainment areas, public rest room areas, press and media areas, 5 control booths, broadcast and production areas, retail sales areas, 6 7 museum and exhibit areas, scoreboards or other public displays, storage 8 areas, loading, staging, and servicing areas, seating areas and suites, 9 the playing field, and any other areas to which the public has access 10 or which are used for the production of the entertainment event or 11 other public usage, and any other personal property used for these purposes. "Public or entertainment areas" does not include locker 12 13 rooms or private offices exclusively used by the lessee.

14 (15) All leasehold interests in the public or entertainment areas 15 of a stadium and exhibition center, as defined in section 1 of this 16 act, that is constructed on or after January 1, 1998.

For the purposes of subsections (14) and (15) of this section, 17 "public or entertainment areas" include ticket sales areas, ramps and 18 19 stairs, lobbies and concourses, exhibition areas, parking areas, concession areas, restaurants, hospitality and stadium club areas, 20 kitchens or other work areas primarily servicing other public or 21 entertainment areas, public restroom areas, press and media areas, 22 23 control booths, broadcast and production areas, retail sales areas, 24 museum and exhibit areas, scoreboards or other public displays, storage 25 areas, loading, staging, and servicing areas, seating areas and suites, 26 the playing field, any other areas to which the public has access or that are used for the production of the entertainment event or other 27 public usage, and any other personal property used for these purposes. 28 29 "Public or entertainment areas" does not include locker rooms and 30 private offices exclusively used by the lessee.

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

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(1) Beginning January 1, 1998, the legislative authority of a county that has authorized a tax under section 22 of this act may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable

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- 1 event within the county. The rate of tax shall not exceed 0.016 2 percent of the selling price in the case of a sales tax or value of the 3 article used in the case of a use tax.
- 4 (2) The tax imposed under subsection (1) of this section shall be 5 deducted from the amount of tax otherwise required to be collected or 6 paid over to the department of revenue under chapter 82.08 or 82.12 7 RCW. The department of revenue shall perform the collection of such 8 taxes on behalf of the county at no cost to the county.
- 9 (3) The tax imposed under this section shall be used exclusively 10 for the uses provided in section 23 of this act, shall be subject to 11 the conditions of section 25 of this act, and shall expire when the 12 bonds issued for the construction of the stadium and exhibition center 13 are retired, but not later than twenty-three years after the tax is 14 first collected.
- NEW SECTION. **Sec. 21.** A new section is added to chapter 82.14 RCW to read as follows:
- Sections 14 through 17, 19, and 20, chapter . . ., Laws of 1997 (sections 14 through 17, 19, and 20 of this act) and 67.70.240(5) constitute the entire state contribution for a stadium and exhibition center, as defined in section 1 of this act. The state will not make any additional contributions based on revised cost or revenue estimates, cost overruns, unforeseen circumstances, or any other reason.
- NEW SECTION. **Sec. 22.** A new section is added to chapter 82.14 RCW to read as follows:
- (1) Between June 4, 1997, and June 23, 1997, the legislative 26 27 authority of a county with a population of one million or more may 28 authorize a special stadium and exhibition center sales and use tax 29 upon retail car rentals within the county that are taxable by the state under chapters 82.08 and 82.12 RCW. The tax shall not be imposed 30 before January 1, 1998. The rate of the tax shall not exceed two and 31 32 one-half percent of the selling price in the case of a sales tax, or of the rental value of the vehicle in the case of a use tax. 33 34 imposed under this subsection is in addition to any other taxes 35 authorized by law and shall not be credited against any other tax imposed upon the same taxable event. If the legislative authority of 36 37 a county with a population of one million or more has not authorized

- the tax under this section by June 23, 1997, then the legislative authority of a county with a population of five hundred thousand or more that has created a public facilities district under section 3 of this act may authorize a tax under this section by September 1, 1998.
- 5 (2) Any sales or use taxes imposed under this section shall be used 6 exclusively for the uses provided in section 23 of this act, shall be 7 subject to the conditions of section 25 of this act, and shall expire 8 when the bonds issued for the construction of the stadium and 9 exhibition center are retired, but not later than twenty-three years 10 after the tax is first collected.
- NEW SECTION. Sec. 23. A new section is added to chapter 36.100 RCW to read as follows:
- 13 (1) The revenue collected by the state from the taxes imposed under RCW 36.38.010(5), sections 13, 14, and 22 of this act and the revenue 15 from the lottery account collected under RCW 67.70.240(5) shall be distributed to the stadium and exhibition center account created in section 24 of this act.
- (2) All revenues collected on behalf of the county under section 20 of this act shall be transferred by the county to the public facilities district created to develop a stadium and exhibition center under section 5 of this act upon receipt by the county, to be used only for predevelopment costs and debt service.

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- (3) The public facilities district created to develop a stadium and exhibition center under section 5 of this act shall issue bonds in an amount necessary for the district to pay for public facilities district operation, preconstruction, site acquisition, design, site preparation, construction, owning, leasing, and equipping the stadium and exhibition center and to reimburse the county or the public facilities district under this chapter for its direct or indirect expenditures or to repay other indebtedness incurred under subsection (1) of this section.
- NEW SECTION. Sec. 24. A new section is added to chapter 36.100 RCW to read as follows:
- 33 The stadium and exhibition center account is created in the custody 34 of the state treasurer. All receipts from section 23(1) of this act 35 must be deposited into the account. Only the treasurer or the 36 treasurer's designee may authorize expenditures from the account, not 37 to exceed the amount available in the account. The account is subject

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- to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account may be made only as follows:
- 4 (1) For fiscal year 1998, all revenues shall be distributed to the 5 public facilities district created to develop a stadium and exhibition 6 center under section 5 of this act for predevelopment costs of the 7 district for the stadium and exhibition center;
- 8 (2) For any fiscal year after fiscal year 1998 and through the 9 fiscal year in which the bonds under section 23(3) of this act are 10 issued:
- 11 (a) Fifteen million dollars shall be distributed to the district 12 for predevelopment costs of the district for the stadium and exhibition 13 center and payment of debt service if the bonds are issued in that 14 fiscal year; and
- 15 (b) Any revenues in excess of fifteen million dollars shall be 16 distributed to the technology grant account created in subsection (4) 17 of this section.
- 18 (3) For each fiscal year after the fiscal year in which the bonds 19 under section 23(3) of this act are issued:
- (a) Such revenues shall be distributed to the district as are 20 needed by the district beyond those collected under section 20 of this 21 act for direct or indirect payment of, repayment of principal and 22 23 interest payments on bonds issued by the public facilities district to 24 fund payment of, or repayment of principal and interest payments on 25 other indebtedness incurred by the public facilities district to fund 26 payment of, any costs or expenses incurred by the public facilities 27 district under this chapter for public facilities district operation, acquisition, 28 preconstruction, site design, site preparation, construction, owning, leasing, remodeling, maintaining, equipping, 29 30 reequipping, repairing, and operation of a stadium and exhibition center. The authority to use the revenue under this subsection (3)(a) 31 is not conditioned upon whether the public facilities district ever 32 enters into any agreement with a professional football team that will 33 use the stadium and exhibition center, or whether the stadium and 34 35 exhibition center is ever constructed, so long as the public facilities district had a good faith intent to enter into an agreement with the 36 37 professional football team that proposes to use the stadium and exhibition center or to construct a stadium and exhibition center at 38 the time of the use of the revenue. 39

- 1 (b) Any revenues in excess of those needed for the purposes of (a) 2 of this subsection shall be distributed to the technology grant account 3 in subsection (4) of this section.
- 4 (4)(a) The technology grant account is created in the custody of 5 the state treasurer. All designated receipts from subsections (2) and (3) of this section must be deposited into the account. Only the 6 7 superintendent of public instruction, or the superintendent's designee, 8 may authorize expenditures from the account. The account is subject to 9 allotment procedures under chapter 43.88 RCW, but an appropriation is 10 not required for expenditures. Expenditures from the account may be used only for the purposes of technology grants to school districts for 11 use in the acquisition of K-12 classroom computer hardware and 12 13 software, on-line access services and equipment, and teacher training with respect to the acquisitions. A district is eligible for a grant 14 15 if it either has ongoing programs emphasizing specific approaches to learning assisted by technology or it is identified by the center for 16 17 the improvement of student learning based on best practices, and the district has plans and means for evaluating the improvement in student 18 19 learning resulting from the technology-based strategies of the 20 district.
- 21 (b) The technology grant account funds may be supplemented by a 22 combination of:
 - (i) Private financial contributions;

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- (ii) In-kind contributions through partnerships with technology companies, educational service districts, institutions of higher education, community and technical colleges, or any other organization with expertise in applications of technology to learning that are willing to assist school districts in applying technology to the learning process through in-kind assistance; and
- 30 (iii) Other school district funds.
- (c) School districts must submit proposals for grants from the technology grant account. To the extent that funds are available, school districts that meet the eligibility criteria of this subsection shall be provided grants under this subsection in the order they are prioritized by the technology education committee serving under section 501(2)(p)(iii), chapter 283, Laws of 1996, based on a competitive application process.
- 38 (5) Notwithstanding anything seemingly to the contrary in this 39 section, the amounts and uses of the revenues received by the county,

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- 1 the public facilities district, or any related governmental entity,
- 2 from any taxes levied in respect of the stadium and exhibition center
- 3 shall be structured and limited in such a manner that their present
- 4 value shall not exceed the amount that would permit the interest on any
- 5 bonds or other obligations issued to finance the stadium and exhibition
- 6 center to be treated as tax exempt to the fullest extent permitted by
- 7 federal law.
- 8 <u>NEW SECTION.</u> **Sec. 25.** A new section is added to chapter 36.100 9 RCW to read as follows:
- 10 (1) The taxes imposed under RCW 36.38.010(5) and section 13 of this
- 11 act are effective upon the first use of any part of the stadium and
- 12 exhibition center, but shall not be collected at any facility already
- 13 in operation as of the effective date of this section.
- 14 (2) Collection of the revenues distributed under section 23 (1) and
- 15 (2) of this act is subject to the conditions that:
- 16 (a) By December 31, 1997, the citizens of the state have approved
- 17 the taxes under section 14 of this act;
- 18 (b) On December 31, 1997, the professional football team that will
- 19 use the stadium and exhibition center is at least majority-owned and
- 20 controlled by, directly or indirectly, one or more persons who are each
- 21 residents of the state of Washington and who have been residents of the
- 22 state of Washington continuously since at least January 1, 1993; and
- 23 (c) The county in which the stadium and exhibition center is to be
- 24 constructed has created a public facilities district under this chapter
- 25 to acquire property, construct, own, remodel, maintain, equip, reequip,
- 26 repair, and operate a stadium and exhibition center.
- 27 (3) Bonds shall not be issued under section 23 of this act unless
- 28 the public facilities district has certified to the department of
- 29 revenue that:
- 30 (a) A professional football team has made a binding and legally
- 31 enforceable contractual commitment to play all of its regular season
- 32 and playoff home games in the stadium and exhibition center for a
- 33 period of time not shorter than the term of the bonds issued or to be
- 34 issued to finance the initial construction of the stadium and
- 35 exhibition center;
- 36 (b) If a team affiliate has entered into a development agreement
- 37 with a public facilities district under section 5 of this act, the
- 38 agreement includes a binding and legally enforceable contractual

commitment by the team affiliate to assume the risks of cost overruns, which are the costs of development that are in excess of the project budget established under section 5 of this act.

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- 4 (c) A team affiliate has made a binding and legally enforceable 5 contractual commitment to raise at least one hundred million dollars, including through an equity contribution of a team affiliate and sale 6 7 licenses, toward the reasonably necessary permanent seat 8 preconstruction, site acquisition, design, site preparation, 9 construction, and equipping of the stadium and exhibition center, or to 10 any associated public purpose separate from bond-financed property, 11 purposes related to parking facilities, infrastructure, or other similar costs associated with the project, 12 13 which shall be raised and paid before the completion of construction of the stadium and exhibition center. No part of the payment may be made 14 15 without the consent of the public facilities district. To the extent possible, contributions shall be structured in a manner that would 16 17 allow for the issuance of bonds to construct the stadium and exhibition center that are exempt from federal income taxes; 18
- (d) At least seven percent of the seats in the stadium must be considered affordable. For the purposes of this subsection (3)(d), "affordable" means that the price is an average of the lowest ticket prices charged by all national football league teams that are not the team that uses the stadium and exhibition center;
- (e) One luxury box must be made available, on a lottery basis, as a free upgrade, every game, to purchasers of certain specified tickets; and
 - (f) If the professional football team is sold, twenty-five percent of the amount above the seller's original purchase price must be used to retire the public debt of the stadium and exhibition center. If the debt is retired at the time of the sale, then the twenty-five percent must be used for future stadium and exhibition center maintenance. For the purposes of this subsection (3)(f), "seller's original purchase price" means the price paid by the seller for the acquisition of the professional football team, but does not include any costs associated with the ownership or operation of the team, such as operating losses, contributions to stadium and exhibition center construction, predevelopment costs, maintenance, and operation, the additional expenses attributable to a purchase option, and any other costs not included in the stated sale price under the purchase contract.

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- 1 **Sec. 26.** RCW 67.28.180 and 1995 1st sp.s. c 14 s 10 are each 2 amended to read as follows:
- 3 (1) Subject to the conditions set forth in subsections (2) and (3) 4 of this section, the legislative body of any county or any city, is 5 authorized to levy and collect a special excise tax of not to exceed two percent on the sale of or charge made for the furnishing of lodging 6 7 by a hotel, rooming house, tourist court, motel, trailer camp, and the 8 granting of any similar license to use real property, as distinguished 9 from the renting or leasing of real property: PROVIDED, That it shall be presumed that the occupancy of real property for a continuous period 10 11 of one month or more constitutes a rental or lease of real property and 12 not a mere license to use or to enjoy the same.
- 13 (2) Any levy authorized by this section shall be subject to the 14 following:
- 15 (a) Any county ordinance or resolution adopted pursuant to this 16 section shall contain, in addition to all other provisions required to 17 conform to this chapter, a provision allowing a credit against the 18 county tax for the full amount of any city tax imposed pursuant to this 19 section upon the same taxable event.
- 20 (b) In the event that any county has levied the tax authorized by this section and has, prior to June 26, 1975, either pledged the tax 21 revenues for payment of principal and interest on city revenue or 22 general obligation bonds authorized and issued pursuant to RCW 23 24 67.28.150 through 67.28.160 or has authorized and issued revenue or 25 general obligation bonds pursuant to the provisions of RCW 67.28.150 26 through 67.28.160, such county shall be exempt from the provisions of 27 (a) of this subsection, to the extent that the tax revenues are pledged for payment of principal and interest on bonds issued at any time 28 29 pursuant to the provisions of RCW 67.28.150 through 67.28.160: 30 PROVIDED, That so much of such pledged tax revenues, together with any 31 investment earnings thereon, not immediately necessary for actual payment of principal and interest on such bonds may be used: 32 any county with a population of one million or more, for repayment 33 34 either of limited tax levy general obligation bonds or of any county 35 fund or account from which a loan was made, the proceeds from the bonds or loan being used to pay for constructing, installing, improving, and 36 37 equipping stadium capital improvement projects, and to pay for any engineering, planning, financial, legal and professional services 38 39 incident to the development of such stadium capital improvement

projects, regardless of the date the debt for such capital improvement 2 projects was or may be incurred; ((or)) (ii) in any county with a population of one million or more, for repayment or refinancing of 3 4 bonded indebtedness incurred prior to January 1, 1997, for any purpose authorized by this section or relating to stadium repairs or 5 rehabilitation, including but not limited to the cost of settling legal 6 claims, reimbursing operating funds, interest payments on short-term 7 8 loans, and any other purpose for which such debt has been incurred if 9 the county has authorized the tax under section 22 of this act; or 10 (iii) in other counties, for county-owned facilities for agricultural promotion. A county is exempt under this subsection in respect to city 11 12 revenue or general obligation bonds issued after April 1, 1991, only if 13 such bonds mature before January 1, 2013.

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

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- (c) No city within a county exempt under subsection (2)(b) of this section may levy the tax authorized by this section so long as said county is so exempt: PROVIDED, That in the event that any city in such county has levied the tax authorized by this section and has, prior to June 26, 1975, authorized and issued revenue or general obligation bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160, such city may levy the tax so long as the tax revenues are pledged for payment of principal and interest on bonds issued at any time pursuant to the provisions of RCW 67.28.150 through 67.28.160.
- (3) Any levy authorized by this section by a county that has levied the tax authorized by this section and has, prior to June 26, 1975, 33 either pledged the tax revenues for payment of principal and interest on city revenue or general obligation bonds authorized and issued 34 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and issued revenue or general obligation bonds pursuant to the provisions 36 of RCW 67.28.150 through 67.28.160 shall be subject to the following: 37

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- 1 (a) Taxes collected under this section in any calendar year in 2 excess of five million three hundred thousand dollars shall only be 3 used as follows:
- (i) Seventy-five percent from January 1, 1992, through December 31, 2000, and seventy percent from January 1, 2001, through December 31, 2012, or through December 31, 2015, if the county authorized a tax under section 22 of this act, for art museums, cultural museums, heritage museums, the arts, and the performing arts. Moneys spent under this subsection (3)(a)(i) shall be used for the purposes of this subsection (3)(a)(i) in all parts of the county.
- (ii) Twenty-five percent from January 1, 1992, through December 31, 11 2000, and thirty percent from January 1, 2001, through December 31, 12 2012, or through December 31, 2015, if the county authorized a tax 13 under section 22 of this act, for the following purposes and in a 14 15 manner reflecting the following order of priority: Stadium capital 16 improvements, as defined in subsection (2)(b) of this section; acquisition of open space lands; youth sports activities; and tourism 17 18 promotion.
- 19 (b) At least seventy percent of moneys spent under (a)(i) of this subsection for the period January 1, 1992, through December 31, 2000, 20 shall be used only for the purchase, design, construction, and 21 remodeling of performing arts, visual arts, heritage, and cultural 22 facilities, and for the purchase of fixed assets that will benefit art, 23 24 heritage, and cultural organizations. For purposes of this subsection, 25 fixed assets are tangible objects such as machinery and other equipment intended to be held or used for ten years or more. Moneys received 26 27 under this subsection (3)(b) may be used for payment of principal and 28 on bonds issued for capital projects. interest Oualifying 29 organizations receiving moneys under this subsection (3)(b) must be 30 financially stable and have at least the following:
- 31 (i) A legally constituted and working board of directors;
- 32 (ii) A record of artistic, heritage, or cultural accomplishments;
- (iii) Been in existence and operating for at least two years;
- (iv) Demonstrated ability to maintain net current liabilities at less than thirty percent of general operating expenses;
- (v) Demonstrated ability to sustain operational capacity subsequent to completion of projects or purchase of machinery and equipment; and (vi) Evidence that there has been independent financial review of the organization.

- (c) At least forty percent of the revenues distributed pursuant to 1 2 (a)(i) of this subsection for the period January 1, 2001, through December 31, 2012, or through December 31, 2015, if the county 3 4 authorized a tax under section 22 of this act, shall be deposited in an account and shall be used to establish an endowment. Principal in the 5 account shall remain permanent and irreducible. The earnings from 6 7 investments of balances in the account may only be used for the 8 purposes of (a)(i) of this subsection.
- 9 (d) School districts and schools shall not receive revenues 10 distributed pursuant to (a)(i) of this subsection.
- (e) Moneys distributed to art museums, cultural museums, heritage museums, the arts, and the performing arts, and moneys distributed for tourism promotion shall be in addition to and may not be used to replace or supplant any other funding by the legislative body of the county.
- 16 (f) As used in this section, "tourism promotion" 17 activities intended to attract visitors for overnight stays, arts, heritage, and cultural events, and recreational, professional, and 18 19 amateur sports events. Moneys allocated to tourism promotion in a 20 class AA county shall be allocated to nonprofit organizations formed for the express purpose of tourism promotion in the county. 21 organizations shall use moneys from the taxes to promote events in all 22 23 parts of the class AA county.

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- (g) No taxes collected under this section may be used for the operation or maintenance of a public stadium that is financed directly or indirectly by bonds to which the tax is pledged. Expenditures for operation or maintenance include all expenditures other than expenditures that directly result in new fixed assets or that directly increase the capacity, life span, or operating economy of existing fixed assets.
- 31 (h) No ad valorem property taxes may be used for debt service on 32 bonds issued for a public stadium that is financed by bonds to which 33 the tax is pledged, unless the taxes collected under this section are 34 or are projected to be insufficient to meet debt service requirements 35 on such bonds.
 - (i) If a substantial part of the operation and management of a public stadium that is financed directly or indirectly by bonds to which the tax is pledged is performed by a nonpublic entity or if a public stadium is sold that is financed directly or indirectly by bonds

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- 1 to which the tax is pledged, any bonds to which the tax is pledged
- 2 shall be retired. This subsection (3)(i) does not apply in respect to
- 3 a public stadium, or a stadium and exhibition center, transferred to,
- 4 owned by, or constructed by a public facilities district under chapter
- 5 36.100 RCW.
- 6 (j) The county shall not lease a public stadium that is financed
- 7 directly or indirectly by bonds to which the tax is pledged to, or
- 8 authorize the use of the public stadium by, a professional major league
- 9 sports franchise unless the sports franchise gives the right of first
- 10 refusal to purchase the sports franchise, upon its sale, to local
- 11 government. This subsection (3)(j) does not apply to contracts in
- 12 existence on April 1, 1986.
- 13 If a court of competent jurisdiction declares any provision of this
- 14 subsection (3) invalid, then that invalid provision shall be null and
- 15 void and the remainder of this section is not affected.
- 16 <u>NEW SECTION.</u> **Sec. 27.** A new section is added to chapter 67.70 RCW
- 17 to read as follows:
- 18 The lottery commission shall conduct new games with themes related
- 19 to activities that will take place at the stadium and exhibition center
- 20 as defined in section 1 of this act. These games are in addition to
- 21 any games conducted under RCW 67.70.042 and are intended to generate
- 22 additional moneys sufficient to cover the distributions under RCW
- 23 67.70.240(5). For purposes of this section, the lottery may accept and
- 24 market prize promotions provided in conjunction with private-sector
- 25 marketing efforts.
- NEW SECTION. Sec. 28. A new section is added to chapter 67.70 RCW
- 27 to read as follows:
- 28 The person or entity responsible for operating a stadium and
- 29 exhibition center as defined in section 1 of this act shall provide the
- 30 lottery with any combination of in-kind advertising, sponsorship, or
- 31 prize promotions, valued at one million dollars annually for the
- 32 purpose of increasing lottery sales of games authorized under section
- 33 27 of this act. The content and value of the advertising sponsorship
- 34 or prize promotions must be approved in advance by the lottery
- 35 commission.

1 **Sec. 29.** RCW 67.70.240 and 1995 3rd sp.s. c 1 s 105 are each 2 amended to read as follows:

The moneys in the state lottery account shall be used only:

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- 4 (1) For the payment of prizes to the holders of winning lottery 5 tickets or shares;
 - (2) For purposes of making deposits into the reserve account created by RCW 67.70.250 and into the lottery administrative account created by RCW 67.70.260;
 - (3) For purposes of making deposits into the state's general fund;
- 10 (4) ((for purposes of making deposits into the housing trust fund under the provisions of section 7 of this 1987 act; (5))) For 11 distribution to a county for the purpose of paying the principal and 12 13 interest payments on bonds issued by the county to construct a baseball 14 stadium, as defined in RCW 82.14.0485, including reasonably necessary 15 preconstruction costs((; (6) for the purchase and promotion of lottery games and game-related services; and (7) for the payment of agent 16 17 compensation)). Three million dollars shall be distributed under this subsection (((5)) of this section)) during calendar year 1996. During 18 19 subsequent years, such distributions shall equal the prior year's distributions increased by four percent. Distributions under this 20 subsection $((\frac{5}{1})$ of this section)) shall cease when the bonds issued 21 for the construction of the baseball stadium are retired, but not more 22 than twenty years after the tax under RCW 82.14.0485 is first imposed. 23 24 The office of financial management shall require the allotment of all 25 expenses paid from the account and shall report to the ways and means committees of the senate and house of representatives any changes in 26 27 the allotments:
- 28 (5) For distribution to the stadium and exhibition center account, created in section 24 of this act, for the purposes described in 29 30 section 23 of this act. Subject to the conditions of section 25 of 31 this act, commencing January 1, 1998, six million dollars shall be distributed under this subsection during the calendar year 1998. 32 During subsequent years, such distribution shall equal the prior year's 33 34 distributions increased by four percent. Distributions under this subsection shall cease when the bonds issued for the construction of 35 the stadium and exhibition center, as defined in section 1 of this act, 36 are retired, but not later than December 31, 2020. The office of 37 38 financial management shall require the allotment of all expenses paid 39 from the account and shall report to the ways and means committees of

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- 1 the senate and the house of representatives any changes in the
- 2 <u>allotments;</u>
- 3 (6) For the purchase and promotion of lottery games and game-
- 4 related services; and
- 5 (7) For the payment of agent compensation.
- 6 **Sec. 30.** RCW 67.70.042 and 1995 3rd sp.s. c 1 s 104 are each 7 amended to read as follows:
- 8 The lottery commission shall conduct at least two but not more than
- 9 four scratch games with sports themes per year. These games are
- 10 intended to generate additional moneys sufficient to cover the
- 11 distributions under RCW 67.70.240(((5))) (4).
- 12 **Sec. 31.** RCW 39.10.120 and 1995 3rd sp.s. c 1 s 305 are each
- 13 amended to read as follows:
- 14 (1) Except as provided in subsection (2) of this section, the
- 15 alternative public works contracting procedures authorized under this
- 16 chapter are limited to public works contracts signed before July 1,
- 17 1997. Methods of public works contracting authorized by RCW 39.10.050
- 18 and 39.10.060 shall remain in full force and effect until completion of
- 19 contracts signed before July 1, 1997.
- 20 (2) For the purposes of a baseball stadium as defined in RCW
- 21 82.14.0485, the design-build contracting procedures under RCW 39.10.050
- 22 shall remain in full force and effect until completion of contracts
- 23 signed before December 31, 1997.
- 24 (3) For the purposes of a stadium and exhibition center, as defined
- 25 <u>in section 1 of this act, the design-build contracting procedures under</u>
- 26 RCW 39.10.050 shall remain in full force and effect until completion of
- 27 contracts signed before December 31, 2000.
- 28 **Sec. 32.** RCW 39.10.050 and 1994 c 132 s 5 are each amended to read
- 29 as follows:
- 30 (1) Notwithstanding any other provision of law, and after complying
- 31 with RCW 39.10.030, the following public bodies may utilize the design-
- 32 build procedure of public works contracting for public works projects
- 33 authorized under this section: The state department of general
- 34 administration; the University of Washington; Washington State
- 35 University; every city with a population greater than one hundred fifty
- 36 thousand; and every county with a population greater than four hundred

- 1 fifty thousand. For the purposes of this section, "design-build
- 2 procedure" means a contract between a public body and another party in
- 3 which the party agrees to both design and build the structure,
- 4 facility, or other item specified in the contract.
- 5 (2) Public bodies authorized under this section may utilize the
- 6 design-build procedure for public works projects valued over ten
- 7 million dollars where:
- 8 (a) The construction activities are highly specialized and a
- 9 design-build approach is critical in developing the construction
- 10 methodology;
- 11 (b) The project design is repetitive in nature and is an incidental
- 12 part of the installation or construction; or
- 13 (c) The program elements of the project design are simple and do
- 14 not involve complex functional interrelationships.
- 15 (3) The state department of general administration may use the
- 16 design-build procedure authorized in subsection (2)(c) of this section
- 17 for one project.
- 18 (4) Contracts for design-build services shall be awarded through a
- 19 competitive process utilizing public solicitation of proposals for
- 20 design-build services. The public body shall publish at least once in
- 21 a legal newspaper of general circulation published in or as near as
- 22 possible to that part of the county in which the public work will be
- 23 done, a notice of its request for proposals for design-build services
- 24 and the availability and location of the request for proposal
- 25 documents. The request for proposal documents shall include:
- 26 (a) A detailed description of the project including programmatic,
- 27 performance, and technical requirements and specifications, functional
- 28 and operational elements, and minimum and maximum net and gross areas
- 29 of any building;
- 30 (b) The reasons for using the design-build procedure;
- 31 (c) A description of the qualifications, if any, to be required of
- 32 the proposer;
- 33 (d) A description of the process the public body will use to
- 34 evaluate qualifications and proposals, including evaluation factors and
- 35 the relative weight of factors. Evaluation factors shall include, but
- 36 not be limited to: Proposal price; ability of professional personnel;
- 37 past performance on similar projects; ability to meet time and budget
- 38 requirements; ability to provide a performance and payment bond for the

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1 project; recent, current, and projected work loads of the firm; and the 2 concept of the proposal;

(e) The form of the contract to be awarded;

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- 4 (f) The maximum allowable construction cost and minority and women 5 enterprise total project goals;
- 6 (g) The amount to be paid to finalists submitting best and final 7 proposals who are not awarded a design-build contract; and
 - (h) Other information relevant to the project.
- 9 (5) The public body shall establish a committee to evaluate the 10 proposals based on the factors, weighting, and process identified in the request for proposals. Based on its evaluation, the public body 11 shall select not fewer than three nor more than five finalists to 12 13 submit best and final proposals. Best and final proposals shall be evaluated and scored based on the factors, weighting, and process 14 15 identified in the initial request for proposals. Final proposals may not be considered if the proposal cost is greater than the maximum 16 17 allowable construction cost identified in the initial request for 18 proposals.
 - (6) The public body shall initiate negotiations with the firm submitting the highest scored final proposal. If the public body is unable to execute a contract with that firm, negotiations with that firm may be suspended or terminated and the public body may proceed to negotiate with the next highest scored firm. Public bodies shall continue in accordance with this procedure until a contract agreement is reached or the selection process is terminated. The public body may, in its sole discretion, reject all proposals. The finalist awarded the contract shall provide a performance and payment bond for the contracted amount. The public body shall provide appropriate honorarium payments to finalists submitting best and final proposals who are not awarded a design-build contract. Honorarium payments shall be sufficient to generate meaningful competition among potential proposers on design-build projects.
- 33 (7) Beginning July 1, 1997, this section applies only for the 34 purposes of a stadium and exhibition center, as defined in section 1 of 35 this act and has no effect beyond the completion of contracts signed 36 before December 31, 2000.
- 37 **Sec. 33.** RCW 39.10.902 and 1995 3rd sp.s. c 1 s 306 are each 38 amended to read as follows:

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The following acts or parts of acts, as now existing or hereafter
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    amended, are each repealed, effective July 1, 1997:
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         (1) RCW 39.10.010 and 1994 c 132 s 1;
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         (2) RCW 39.10.020 and 1994 c 132 s 2;
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         (3) RCW 39.10.030 and 1994 c 132 s 3;
        (4) RCW 39.10.040 and 1994 c 132 s 4;
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 7
        (5) ((RCW 39.10.050 and 1994 c 132 s 5;
 8
        (6))) RCW 39.10.060 and 1994 c 132 s 6;
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         ((\frac{1}{1})) (6) RCW 39.10.070 and 1994 c 132 s 7;
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         ((\frac{8}{(8)})) (7) RCW 39.10.080 and 1994 c 132 s 8;
         ((\frac{9}{1})) (8) RCW 39.10.090 and 1994 c 132 s 9;
11
         ((\frac{10}{10})) (9) RCW 39.10.100 and 1994 c 132 s 10;
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         (((\frac{11}{11}))) (10) RCW 39.10.110 and 1994 c 132 s 11;
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14
        ((\frac{12}{12})) (11) RCW 39.10.900 and 1994 c 132 s 13;
15
        (((13))) (12) RCW 39.10.901 and 1994 c 132 s 14; and
16
        ((\frac{14}{14})) (13) RCW 39.10.902 and 1994 c 132 s 15.
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- 17 **Sec. 34.** RCW 82.14.049 and 1992 c 194 s 3 are each amended to read 18 as follows:
- The legislative authority of any county may impose a sales and use 19 tax, in addition to the tax authorized by RCW 82.14.030, upon retail 20 car rentals within the county that are taxable by the state under 21 22 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of 23 the selling price in the case of a sales tax or rental value of the 24 vehicle in the case of a use tax. Proceeds of the tax shall not be used to subsidize any professional sports team and shall be used solely 25 26 for the following purposes:
- 27 (1) Acquiring, constructing, maintaining, or operating public 28 sports stadium facilities;
- 29 (2) Engineering, planning, financial, legal, or professional 30 services incidental to public sports stadium facilities; ((or))
- 31 (3) Youth or amateur sport activities or facilities; or
- 32 <u>(4) Refinancing debt issued for the purposes of subsection (1) of</u> 33 this section.
- NEW SECTION. **Sec. 35.** A new section is added to chapter 82.14 RCW to read as follows:
- The definitions in section 1 of this act apply to sections 18 and 20 through 22 of this act.

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- 1 <u>NEW SECTION.</u> **Sec. 36.** If any provision of this act or its
- 2 application to any person or circumstance is held invalid, the
- 3 remainder of the act or the application of the provision to other
- 4 persons or circumstances is not affected.
- 5 <u>NEW SECTION.</u> **Sec. 37.** Section 14 of this act constitutes a new
- 6 chapter in Title 82 RCW.
- 7 NEW SECTION. Sec. 38. Sections 1 through 13 and 15 through 36 of
- 8 this act are necessary for the immediate preservation of the public
- 9 peace, health, or safety, or support of the state government and its
- 10 existing public institutions, and take effect immediately.

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