
SENATE BILL 6554

State of Washington

55th Legislature

1998 Regular Session

By Senator Jacobsen

Read first time . Referred to Committee on .

1 AN ACT Relating to the use of lodging tax revenues; and amending
2 RCW 67.28.180.

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

4 **Sec. 1.** RCW 67.28.180 and 1997 c 220 s 501 (Referendum Bill No.
5 48) are each amended to read as follows:

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

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

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

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

4 (b) In the event that any county has levied the tax authorized by
5 this section and has, prior to June 26, 1975, either pledged the tax
6 revenues for payment of principal and interest on city revenue or
7 general obligation bonds authorized and issued pursuant to RCW
8 67.28.150 through 67.28.160 or has authorized and issued revenue or
9 general obligation bonds pursuant to the provisions of RCW 67.28.150
10 through 67.28.160, such county shall be exempt from the provisions of
11 (a) of this subsection, to the extent that the tax revenues are pledged
12 for payment of principal and interest on bonds issued at any time
13 pursuant to the provisions of RCW 67.28.150 through 67.28.160:
14 PROVIDED, That so much of such pledged tax revenues, together with any
15 investment earnings thereon, not immediately necessary for actual
16 payment of principal and interest on such bonds may be used: (i) In
17 any county with a population of one million or more, for repayment
18 either of limited tax levy general obligation bonds or of any county
19 fund or account from which a loan was made, the proceeds from the bonds
20 or loan being used to pay for constructing, installing, improving, and
21 equipping stadium capital improvement projects, and to pay for any
22 engineering, planning, financial, legal and professional services
23 incident to the development of such stadium capital improvement
24 projects, regardless of the date the debt for such capital improvement
25 projects was or may be incurred; (ii) in any county with a population
26 of one million or more, for repayment or refinancing of bonded
27 indebtedness incurred prior to January 1, 1997, for any purpose
28 authorized by this section or relating to stadium repairs or
29 rehabilitation, including but not limited to the cost of settling legal
30 claims, reimbursing operating funds, interest payments on short-term
31 loans, and any other purpose for which such debt has been incurred if
32 the county has created a public stadium authority to develop a stadium
33 and exhibition center under RCW 36.102.030; or (iii) in other counties,
34 for county-owned facilities for agricultural promotion. A county is
35 exempt under this subsection in respect to city revenue or general
36 obligation bonds issued after April 1, 1991, only if such bonds mature
37 before January 1, 2013.

38 As used in this subsection (2)(b), "capital improvement projects"
39 may include, but not be limited to a stadium restaurant facility,

1 restroom facilities, artificial turf system, seating facilities,
2 parking facilities and scoreboard and information system adjacent to or
3 within a county owned stadium, together with equipment, utilities,
4 accessories and appurtenances necessary thereto. The stadium
5 restaurant authorized by this subsection (2)(b) shall be operated by a
6 private concessionaire under a contract with the county.

7 (c)(i) No city within a county exempt under subsection (2)(b) of
8 this section may levy the tax authorized by this section so long as
9 said county is so exempt.

10 (ii) If bonds have been issued under RCW 43.99N.020 and any
11 necessary property transfers have been made under RCW 36.102.100, no
12 city within a county with a population of one million or more may levy
13 the tax authorized by this section before January 1, 2021.

14 (iii) However, in the event that any city in a county described in
15 (i) or (ii) of this subsection (2)(c) has levied the tax authorized by
16 this section and has, prior to June 26, 1975, authorized and issued
17 revenue or general obligation bonds pursuant to the provisions of RCW
18 67.28.150 through 67.28.160, such city may levy the tax so long as the
19 tax revenues are pledged for payment of principal and interest on bonds
20 issued at any time pursuant to the provisions of RCW 67.28.150 through
21 67.28.160.

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

29 (a) Taxes collected under this section in any calendar year before
30 2013 in excess of five million three hundred thousand dollars shall
31 only be used as follows:

32 (i) Seventy-five percent from January 1, 1992, through December 31,
33 2000, and seventy percent from January 1, 2001, through December 31,
34 2012, for art museums, cultural museums, heritage museums, heritage
35 activities and preservation, the arts, and the performing arts. Moneys
36 spent under this subsection (3)(a)(i) shall be used for the purposes of
37 this subsection (3)(a)(i) in all parts of the county.

38 (ii) Twenty-five percent from January 1, 1992, through December 31,
39 2000, and thirty percent from January 1, 2001, through December 31,

1 2012, for the following purposes and in a manner reflecting the
2 following order of priority: Stadium purposes as authorized under
3 subsection (2)(b) of this section; acquisition of open space lands;
4 youth sports activities; and tourism promotion. If all or part of the
5 debt on the stadium is refinanced, all revenues under this subsection
6 (3)(a)(ii) shall be used to retire the debt.

7 (b) From January 1, 2013, through December 31, 2015, in a county
8 with a population of one million or more, all revenues under this
9 section shall be used to retire the debt on the stadium, or deposited
10 in the stadium and exhibition center account under RCW 43.99N.060 after
11 the debt on the stadium is retired.

12 (c) From January 1, 2016, through December 31, 2020, in a county
13 with a population of one million or more, all revenues under this
14 section shall be deposited in the stadium and exhibition center account
15 under RCW 43.99N.060.

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

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

1 (e) At least forty percent of the revenues distributed pursuant to
2 (a)(i) of this subsection for the period January 1, 2001, through
3 December 31, 2012, shall be deposited in an account and shall be used
4 to establish an endowment. Principal in the account shall remain
5 permanent and irreducible. The earnings from investments of balances
6 in the account may only be used for the purposes of (a)(i) of this
7 subsection.

8 (f) School districts and schools shall not receive revenues
9 distributed pursuant to (a)(i) of this subsection.

10 (g) Moneys distributed to art museums, cultural museums, heritage
11 museums, the arts, and the performing arts, and moneys distributed for
12 tourism promotion shall be in addition to and may not be used to
13 replace or supplant any other funding by the legislative body of the
14 county.

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

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

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

35 (k) If a substantial part of the operation and management of a
36 public stadium that is financed directly or indirectly by bonds to
37 which the tax is pledged is performed by a nonpublic entity or if a
38 public stadium is sold that is financed directly or indirectly by bonds
39 to which the tax is pledged, any bonds to which the tax is pledged

1 shall be retired. This subsection (3)(k) does not apply in respect to
2 a public stadium under chapter 36.102 RCW transferred to, owned by, or
3 constructed by a public facilities district under chapter 36.100 RCW or
4 a stadium and exhibition center.

5 (1) The county shall not lease a public stadium that is financed
6 directly or indirectly by bonds to which the tax is pledged to, or
7 authorize the use of the public stadium by, a professional major league
8 sports franchise unless the sports franchise gives the right of first
9 refusal to purchase the sports franchise, upon its sale, to local
10 government. This subsection (3)(1) does not apply to contracts in
11 existence on April 1, 1986.

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

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