
SUBSTITUTE SENATE BILL 5452

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Bauer, Deccio, Benton, Goings, Winsley, Rasmussen, Franklin, Eide, Zarelli, Wojahn and Hale)

Read first time 03/03/1999.

1 AN ACT Relating to funding for regional convention, conference, or
2 special events centers; amending RCW 82.14.048, 82.14.050, 36.100.060,
3 36.100.030, 35.21.280, 36.38.010, and 82.29A.130; adding a new section
4 to chapter 82.14 RCW; adding new sections to chapter 36.100 RCW; adding
5 a new chapter to Title 35 RCW; providing an effective date; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** (1) The legislative authority of any town or
9 city located in a county with a population of less than one million may
10 create a public facilities district. The legislative authorities of
11 any contiguous group of towns or cities located in a county or counties
12 each with a population of less than one million may enter an agreement
13 under chapter 39.34 RCW for the creation and joint operation of a
14 public facilities district.

15 (2) A public facilities district shall be coextensive with the
16 boundaries of the city or town or contiguous group of cities or towns
17 that created the district.

18 (3) A public facilities district created by a single city or town
19 shall be governed by a board of directors consisting of the members of

1 the legislative body of the city that created the district. A district
2 created by a contiguous group of cities or towns shall be governed by
3 a board of directors appointed in accordance with the terms of the
4 agreement under chapter 39.34 RCW for the joint operation of the
5 district.

6 (4) A public facilities district is a municipal corporation, an
7 independent taxing "authority" within the meaning of Article VII,
8 section 1 of the state Constitution, and a "taxing district" within the
9 meaning of Article VII, section 2 of the state Constitution.

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

16 (6) A public facilities district may acquire and transfer real and
17 personal property by lease, sublease, purchase, or sale. No direct or
18 collateral attack on any metropolitan facilities district purported to
19 be authorized or created in conformance with this chapter may be
20 commenced more than thirty days after creation by the city legislative
21 authority.

22 NEW SECTION. **Sec. 2.** (1) A public facilities district is
23 authorized to acquire, construct, own, remodel, maintain, equip,
24 reequip, repair, finance, and operate one or more regional centers.
25 For purposes of this chapter, "regional center" means a convention,
26 conference, or special events center, or any combination of facilities,
27 and related parking facilities, serving a regional population
28 constructed, improved, or rehabilitated after the effective date of
29 this act at a cost of at least ten million dollars, including debt
30 service. "Regional center" also includes an existing convention,
31 conference, or special events center, and related parking facilities,
32 serving a regional population, that is improved or rehabilitated after
33 the effective date of this act where the costs of improvement or
34 rehabilitation are at least ten million dollars, including debt
35 service. A regional center is conclusively presumed to serve a
36 regional population if state and local government investment in the
37 construction, improvement, or rehabilitation of the regional center is
38 equal to or greater than ten million dollars.

1 (2) A public facilities district may impose charges and fees for
2 the use of its facilities, and may accept and expend or use gifts,
3 grants, and donations for the purpose of a regional center.

4 (3) A public facilities district may impose charges, fees, and
5 taxes authorized in section 5 of this act, and use revenues derived
6 therefrom for the purpose of paying principal and interest payments on
7 bonds issued by the public facilities district to construct a regional
8 center.

9 (4) Notwithstanding the establishment of a career, civil, or merit
10 service system, a public facilities district may contract with a public
11 or private entity for the operation or management of its public
12 facilities.

13 (5) A public facilities district is authorized to use the
14 supplemental alternative public works contracting procedures set forth
15 in chapter 39.10 RCW in connection with the design, construction,
16 reconstruction, remodel, or alteration of any regional center.

17 NEW SECTION. **Sec. 3.** (1) A public facilities district may apply
18 for deferral of taxes on site preparation, construction of buildings or
19 other structures, and acquisition of related machinery and equipment,
20 for a regional center. Application shall be made to the department of
21 revenue in a form and manner prescribed by the department of revenue.
22 The application shall contain information regarding the location of the
23 regional center, estimated or actual costs, time schedules for
24 completion and operation, and other information required by the
25 department of revenue. The department of revenue shall approve the
26 application within sixty days if it meets the requirements of this
27 section.

28 (2) The department of revenue shall issue a sales and use tax
29 deferral certificate for state and local sales and use taxes due under
30 chapters 82.08, 82.12, and 82.14 RCW on the public facility. The use
31 of the certificate shall be governed by rules established by the
32 department of revenue.

33 (3) The public facilities district shall begin paying the deferred
34 taxes in the fifth year after the date certified by the department of
35 revenue as the date on which the regional center is operationally
36 complete. The first payment is due on December 31st of the fifth
37 calendar year after such certified date, with subsequent annual

1 payments due on December 31st of the following nine years. Each
2 payment shall equal ten percent of the deferred tax.

3 (4) The department of revenue may authorize an accelerated
4 repayment schedule upon request of the public facilities district.

5 (5) Interest shall not be charged on any taxes deferred under this
6 section for the period of deferral, although all other penalties and
7 interest applicable to delinquent excise taxes may be assessed and
8 imposed for delinquent payments under this section. The debt for
9 deferred taxes is not extinguished by insolvency or other failure of
10 the public facilities district.

11 (6) Applications and any other information received by the
12 department of revenue under this section are not confidential and are
13 subject to disclosure. Chapter 82.32 RCW applies to the administration
14 of this section.

15 NEW SECTION. **Sec. 4.** (1) To carry out the purpose of this
16 chapter, a public facilities district may issue general obligation
17 bonds, not to exceed an amount, together with any outstanding nonvoter-
18 approved general obligation indebtedness, equal to one-half of one
19 percent of the value of the taxable property within the district, as
20 the term "value of the taxable property" is defined in RCW 39.36.015.
21 A facilities district additionally may issue general obligation bonds
22 for capital purposes only, together with any outstanding general
23 obligation indebtedness, not to exceed an amount equal to one and one-
24 fourth percent of the value of the taxable property within the
25 district, as the term "value of the taxable property" is defined in RCW
26 39.36.015, when authorized by the voters of the public facilities
27 district pursuant to Article VIII, section 6 of the state Constitution,
28 and to provide for the retirement thereof by taxes authorized in this
29 act.

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

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

1 NEW SECTION. **Sec. 5.** (1) The board of directors of the public
2 facilities district may impose the following for the purpose of funding
3 a regional center:

4 (a) Charges and fees for the use of any of its facilities;

5 (b) Admission charges under section 11 of this act;

6 (c) Vehicle parking charges under section 12 of this act; and

7 (d) Sales and use taxes authorized under RCW 82.14.048 and section
8 14 of this act.

9 (2) The board may accept and expend or use gifts, grants, and
10 donations for the purpose of a regional center. The revenue from the
11 charges, fees, and taxes imposed under this section shall be used only
12 for the purposes authorized by this chapter.

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

26 NEW SECTION. **Sec. 7.** The board of directors of the public
27 facilities district shall have authority to authorize the expenditure
28 of funds for the public purposes of preparing and distributing
29 information to the general public and promoting, advertising,
30 improving, developing, operating, and maintaining a regional center.
31 Nothing contained in this section may be construed to authorize
32 preparation and distribution of information to the general public for
33 the purpose of influencing the outcome of a district election.

34 NEW SECTION. **Sec. 8.** The public facilities district may secure
35 services by means of an agreement with a service provider. The public
36 facilities district shall publish notice, establish criteria, receive

1 and evaluate proposals, and negotiate with respondents under
2 requirements set forth by district resolution.

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

7 NEW SECTION. **Sec. 10.** (1) A public facilities district may issue
8 revenue bonds to fund revenue-generating facilities, or portions of
9 facilities, which it is authorized to provide or operate. Whenever
10 revenue bonds are to be issued, the board of directors of the district
11 shall create or have created a special fund or funds from which, along
12 with any reserves created pursuant to RCW 39.44.140, the principal and
13 interest on such revenue bonds shall exclusively be payable. The board
14 may obligate the district to set aside and pay into the special fund or
15 funds a fixed proportion or a fixed amount of the revenues from the
16 public improvements, projects, or facilities, and all related
17 additions, that are funded by the revenue bonds. This amount or
18 proportion shall be a lien and charge against these revenues, subject
19 only to operating and maintenance expenses. The board shall have due
20 regard for the cost of operation and maintenance of the public
21 improvements, projects, or facilities, or additions, that are funded by
22 the revenue bonds, and shall not set aside into the special fund or
23 funds a greater amount or proportion of the revenues that in its
24 judgment will be available over and above the cost of maintenance and
25 operation and the amount or proportion, if any, of the revenue so
26 previously pledged. The board may also provide that revenue bonds
27 payable out of the same source or sources of revenue may later be
28 issued on a parity with any revenue bonds being issued and sold.

29 (2) Revenue bonds issued under this section shall not be an
30 indebtedness of the district issuing the bonds, and the interest and
31 principal on the bonds shall only be payable from the revenues lawfully
32 pledged to meet the principal and interest requirements and any
33 reserves created under RCW 39.44.140. The owner or bearer of a revenue
34 bond or any interest coupon issued under this section shall not have
35 any claim against the district arising from the bond or coupon except
36 for payment from the revenues lawfully pledged to meet the principal
37 and interest requirements and any reserves created under RCW 39.44.140.

1 The substance of the limitations included in this subsection shall be
2 plainly printed, written, or engraved on each bond issued under this
3 section.

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

14 NEW SECTION. **Sec. 11.** A public facility district may levy and fix
15 a tax of not more than one cent on twenty cents or fraction thereof to
16 be paid by the person who pays an admission charge to a regional
17 center. This includes a tax on persons who are admitted free of charge
18 or at reduced rates if other persons pay a charge or a regular higher
19 charge for the same privileges or accommodations.

20 The term "admission charge" includes:

21 (1) A charge made for season tickets or subscriptions;

22 (2) A cover charge, or a charge made for use of seats and tables
23 reserved or otherwise, and other similar accommodations;

24 (3) A charge made for food and refreshment if free entertainment,
25 recreation, or amusement is provided;

26 (4) A charge made for rental or use of equipment or facilities for
27 purposes of recreation or amusement; if the rental of the equipment or
28 facilities is necessary to the enjoyment of a privilege for which a
29 general admission is charged, the combined charges shall be considered
30 as the admission charge;

31 (5) Automobile parking charges if the amount of the charge is
32 determined according to the number of passengers in the automobile.

33 NEW SECTION. **Sec. 12.** A public facility district may levy and fix
34 a tax on any vehicle parking charges imposed at any parking facility
35 that is owned or leased by the public facility district as part of a
36 regional center. No county or city or town within which the regional
37 center is located may impose a tax of the same or similar kind on any

1 vehicle parking charges at the facility. For the purposes of this
2 section, "vehicle parking charges" means only the actual parking
3 charges exclusive of taxes and service charges and the value of any
4 other benefit conferred. The tax authorized under this section shall
5 be at the rate of not more than ten percent.

6 **Sec. 13.** RCW 82.14.048 and 1995 c 396 s 6 are each amended to read
7 as follows:

8 The governing board of a public facilities district under chapter
9 36.100 RCW or chapter 35.--- RCW (sections 1 through 12 of this act)
10 may submit an authorizing proposition to the voters of the district,
11 and if the proposition is approved by a majority of persons voting, fix
12 and impose a sales and use tax in accordance with the terms of this
13 chapter.

14 The tax authorized in this section shall be in addition to any
15 other taxes authorized by law and shall be collected from those persons
16 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
17 the occurrence of any taxable event within the public facilities
18 district. The rate of tax shall (~~equal one-tenth~~) not exceed two-
19 tenths of one percent of the selling price in the case of a sales tax,
20 or value of the article used, in the case of a use tax.

21 Moneys received from any tax imposed under this section shall be
22 used for the purpose of providing funds for the costs associated with
23 the financing, design, acquisition, construction, equipping, operating,
24 maintaining, remodeling, repairing, and reequipping of its public
25 facilities.

26 No tax may be collected under this section by a public facilities
27 district under chapter 35.-- RCW (sections 1 through 12 of this act)
28 before August 1, 2000, and no tax in excess of one-tenth of one percent
29 may be collected under this section by a public facilities district
30 under chapter 36.100 RCW before August 1, 2000.

31 NEW SECTION. **Sec. 14.** A new section is added to chapter 82.14 RCW
32 to read as follows:

33 (1) The governing body of a public facilities district created
34 under chapter 35.--- RCW (sections 1 through 12 of this act) or chapter
35 36.100 RCW that commences construction of a new regional facility, or
36 improvement or rehabilitation of an existing new regional facility,
37 before January 1, 2003, may impose a sales and use tax in accordance

1 with the terms of this chapter. The tax is in addition to other taxes
2 authorized by law and shall be collected from those persons who are
3 taxable by the state under chapters 82.08 and 82.12 RCW upon the
4 occurrence of any taxable event within the public facilities district.
5 The rate of tax shall not exceed 0.033 percent of the selling price in
6 the case of a sales tax or value of the article used in the case of a
7 use tax.

8 (2) The tax imposed under subsection (1) of this section shall be
9 deducted from the amount of tax otherwise required to be collected or
10 paid over to the department of revenue under chapter 82.08 or 82.12
11 RCW. The department of revenue shall perform the collection of such
12 taxes on behalf of the county at no cost to the public facilities
13 district.

14 (3) No tax may be collected under this section before August 1,
15 2000. The tax imposed in this section shall expire when the bonds
16 issued for the construction of the regional center and related parking
17 facilities are retired, but not more than twenty-five years after the
18 tax is first collected.

19 (4) Moneys collected under this section shall only be used for the
20 purposes set forth in section 2 of this act.

21 (5) The combined total tax levied under this section shall not be
22 greater than 0.05 percent. If both a public facilities district
23 created under chapter 35.-- RCW (sections 1 through 12 of this act) and
24 a public facilities district created under chapter 36.100 RCW impose a
25 tax under this section, the tax imposed by a public facilities district
26 created under chapter 35.-- RCW (sections 1 through 12 of this act)
27 shall be credited against the tax imposed by a public facilities
28 district created under chapter 36.100 RCW.

29 **Sec. 15.** RCW 82.14.050 and 1991 sp.s. c 13 s 34 are each amended
30 to read as follows:

31 The counties, cities, and transportation authorities under RCW
32 82.14.045 and public facilities districts under chapter 36.100 RCW and
33 chapter 35.--- RCW (sections 1 through 12 of this act) shall contract,
34 prior to the effective date of a resolution or ordinance imposing a
35 sales and use tax, the administration and collection to the state
36 department of revenue, which shall deduct a percentage amount, as
37 provided by contract, not to exceed two percent of the taxes collected
38 for administration and collection expenses incurred by the department.

1 The remainder of any portion of any tax authorized by this chapter
2 which is collected by the department of revenue shall be deposited by
3 the state department of revenue in the local sales and use tax account
4 hereby created in the state treasury. Moneys in the local sales and
5 use tax account may be spent only for distribution to counties, cities,
6 transportation authorities, and public facilities districts imposing a
7 sales and use tax. All administrative provisions in chapters 82.03,
8 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be
9 amended, shall, insofar as they are applicable to state sales and use
10 taxes, be applicable to taxes imposed pursuant to this chapter. Except
11 as provided in RCW 43.08.190, all earnings of investments of balances
12 in the local sales and use tax account shall be credited to the local
13 sales and use tax account and distributed to the counties, cities,
14 transportation authorities, and public facilities districts monthly.

15 **Sec. 16.** RCW 36.100.060 and 1995 1st sp.s. c 14 s 4 are each
16 amended to read as follows:

17 (1) To carry out the purpose of this chapter, a public facilities
18 district may issue general obligation bonds, not to exceed an amount,
19 together with any outstanding nonvoter approved general obligation
20 indebtedness, equal to one-half of one percent of the value of taxable
21 property within the district, as the term "value of taxable property"
22 is defined in RCW 39.36.015. A facilities district additionally may
23 issue general obligation bonds for capital purposes only, together with
24 any outstanding general obligation indebtedness, not to exceed an
25 amount equal to one and one-fourth percent of the value of the taxable
26 property within the district, as the term "value of taxable property"
27 is defined in RCW 39.36.015, when authorized by the voters of the
28 public facilities district pursuant to Article VIII, section 6 of the
29 state Constitution, and to provide for the retirement thereof by excess
30 property tax levies as provided in this chapter.

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

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

37 (4) The excise tax imposed pursuant to RCW 36.100.040 shall
38 terminate upon final payment of all bonded indebtedness for its public

1 facilities, except that the excise tax may be reauthorized by a public
2 vote, in the same manner as originally authorized, for funding of
3 additional public facilities or a regional center.

4 **Sec. 17.** RCW 36.100.030 and 1995 1st sp.s. c 14 s 3 are each
5 amended to read as follows:

6 (1) A public facilities district is authorized to acquire,
7 construct, own, remodel, maintain, equip, reequip, repair, and operate
8 sports facilities, entertainment facilities, ~~((or))~~ convention
9 facilities, or ~~((any combination of such facilities))~~ regional centers
10 as defined in section 2 of this act, together with contiguous parking
11 facilities. The taxes that are provided for in this chapter may only
12 be imposed for these purposes.

13 (2) A public facilities district may enter into agreements under
14 chapter 39.34 RCW for the joint provision and operation of such
15 facilities and may enter into contracts under chapter 39.34 RCW where
16 any party to the contract provides and operates such facilities for the
17 other party or parties to the contract.

18 (3) Notwithstanding the establishment of a career, civil, or merit
19 service system, a public facility [facilities] district may contract
20 with a public or private entity for the operation or management of its
21 public facilities.

22 (4) A public facilities district is authorized to use the
23 supplemental alternative public works contracting procedures set forth
24 in chapter 39.10 RCW in connection with the design, construction,
25 reconstruction, remodel, or alteration of any of its public facilities.

26 (5) A public facilities district may impose charges and fees for
27 the use of its facilities, and may accept and expend or use gifts,
28 grants, and donations.

29 NEW SECTION. **Sec. 18.** A new section is added to chapter 36.100
30 RCW to read as follows:

31 A public facility district may levy and fix a tax of not more than
32 one cent on twenty cents or fraction thereof to be paid by the person
33 who pays an admission charge to a regional center, as defined in
34 section 2 of this act. This includes a tax on persons who are admitted
35 free of charge or at reduced rates if other persons pay a charge or a
36 regular higher charge for the same privileges or accommodations.

37 The term "admission charge" includes:

- 1 (1) A charge made for season tickets or subscriptions;
- 2 (2) A cover charge, or a charge made for use of seats and tables
3 reserved or otherwise, and other similar accommodations;
- 4 (3) A charge made for food and refreshment if free entertainment,
5 recreation, or amusement is provided;
- 6 (4) A charge made for rental or use of equipment or facilities for
7 purposes of recreation or amusement; if the rental of the equipment or
8 facilities is necessary to the enjoyment of a privilege for which a
9 general admission is charged, the combined charges shall be considered
10 as the admission charge;
- 11 (5) Automobile parking charges if the amount of the charge is
12 determined according to the number of passengers in the automobile.

13 NEW SECTION. **Sec. 19.** A new section is added to chapter 36.100
14 RCW to read as follows:

15 A public facility district may levy and fix a tax on any vehicle
16 parking charges imposed at any parking facility that is owned or leased
17 by the public facility district as part of a regional center, as
18 defined in section 2 of this act. No county or city or town within
19 which the regional center is located may impose a tax of the same or
20 similar kind on any vehicle parking charges at the facility. For the
21 purposes of this section, "vehicle parking charges" means only the
22 actual parking charges exclusive of taxes and service charges and the
23 value of any other benefit conferred. The tax authorized under this
24 section shall be at the rate of not more than ten percent.

25 **Sec. 20.** RCW 35.21.280 and 1995 3rd sp.s. c 1 s 202 are each
26 amended to read as follows:

27 Every city and town may levy and fix a tax of not more than one
28 cent on twenty cents or fraction thereof to be paid by the person who
29 pays an admission charge to any place: PROVIDED, No city or town shall
30 impose such tax on persons paying an admission to any activity of any
31 elementary or secondary school or any public facility of a public
32 facility district under chapter 35.-- RCW (sections 1 through 12 of
33 this act) or chapter 36.100 RCW for which a tax is imposed under
34 section 11 or 18 of this act. This includes a tax on persons who are
35 admitted free of charge or at reduced rates to any place for which
36 other persons pay a charge or a regular higher charge for the same
37 privileges or accommodations. A city that is located in a county with

1 a population of one million or more may not levy a tax on events in
2 stadia constructed on or after January 1, 1995, that are owned by a
3 public facilities district under chapter 36.100 RCW and that have
4 seating capacities over forty thousand. The city or town may require
5 anyone who receives payment for an admission charge to collect and
6 remit the tax to the city or town.

7 The term "admission charge" includes:

8 (1) A charge made for season tickets or subscriptions;

9 (2) A cover charge, or a charge made for use of seats and tables
10 reserved or otherwise, and other similar accommodations;

11 (3) A charge made for food and refreshment in any place where free
12 entertainment, recreation or amusement is provided;

13 (4) A charge made for rental or use of equipment or facilities for
14 purposes of recreation or amusement; if the rental of the equipment or
15 facilities is necessary to the enjoyment of a privilege for which a
16 general admission is charged, the combined charges shall be considered
17 as the admission charge;

18 (5) Automobile parking charges if the amount of the charge is
19 determined according to the number of passengers in the automobile.

20 **Sec. 21.** RCW 36.38.010 and 1997 c 220 s 301 (Referendum Bill No.
21 48) are each amended to read as follows:

22 (1) Any county may by ordinance enacted by its county legislative
23 authority, levy and fix a tax of not more than one cent on twenty cents
24 or fraction thereof to be paid for county purposes by persons who pay
25 an admission charge to any place, including a tax on persons who are
26 admitted free of charge or at reduced rates to any place for which
27 other persons pay a charge or a regular higher charge for the same or
28 similar privileges or accommodations; and require that one who receives
29 any admission charge to any place shall collect and remit the tax to
30 the county treasurer of the county: PROVIDED, No county shall impose
31 such tax on persons paying an admission to any activity of any
32 elementary or secondary school or any public facility of a public
33 facility district under chapter 35.-- RCW (sections 1 through 12 of
34 this act) or chapter 36.100 RCW for which a tax is imposed under
35 section 11 or 18 of this act.

36 (2) As used in this chapter, the term "admission charge" includes
37 a charge made for season tickets or subscriptions, a cover charge, or
38 a charge made for use of seats and tables, reserved or otherwise, and

1 other similar accommodations; a charge made for food and refreshments
2 in any place where any free entertainment, recreation, or amusement is
3 provided; a charge made for rental or use of equipment or facilities
4 for purpose of recreation or amusement, and where the rental of the
5 equipment or facilities is necessary to the enjoyment of a privilege
6 for which a general admission is charged, the combined charges shall be
7 considered as the admission charge. It shall also include any
8 automobile parking charge where the amount of such charge is determined
9 according to the number of passengers in any automobile.

10 (3) Subject to subsections (4) and (5) of this section, the tax
11 herein authorized shall not be exclusive and shall not prevent any city
12 or town within the taxing county, when authorized by law, from imposing
13 within its corporate limits a tax of the same or similar kind:
14 PROVIDED, That whenever the same or similar kind of tax is imposed by
15 any such city or town, no such tax shall be levied within the corporate
16 limits of such city or town by the county.

17 (4) Notwithstanding subsection (3) of this section, the legislative
18 authority of a county with a population of one million or more may
19 exclusively levy taxes on events in baseball stadiums constructed on or
20 after January 1, 1995, that are owned by a public facilities district
21 under chapter 36.100 RCW and that have seating capacities over forty
22 thousand at the rates of:

23 (a) Not more than one cent on twenty cents or fraction thereof, to
24 be used for the purpose of paying the principal and interest payments
25 on bonds issued by a county to construct a baseball stadium as defined
26 in RCW 82.14.0485. If the revenue from the tax exceeds the amount
27 needed for that purpose, the excess shall be placed in a contingency
28 fund which may only be used to pay unanticipated capital costs on the
29 baseball stadium, excluding any cost overruns on initial construction;
30 and

31 (b) Not more than one cent on twenty cents or fraction thereof, to
32 be used for the purpose of paying the principal and interest payments
33 on bonds issued by a county to construct a baseball stadium as defined
34 in RCW 82.14.0485. The tax imposed under this subsection (4)(b) shall
35 expire when the bonds issued for the construction of the baseball
36 stadium are retired, but not later than twenty years after the tax is
37 first collected.

38 (5) Notwithstanding subsection (3) of this section, the legislative
39 authority of a county that has created a public stadium authority to

1 develop a stadium and exhibition center under RCW 36.102.050 may levy
2 and fix a tax on charges for admission to events in a stadium and
3 exhibition center, as defined in RCW 36.102.010, constructed in the
4 county on or after January 1, 1998, that is owned by a public stadium
5 authority under chapter 36.102 RCW. The tax shall be exclusive and
6 shall preclude the city or town within which the stadium and exhibition
7 center is located from imposing a tax of the same or similar kind on
8 charges for admission to events in the stadium and exhibition center,
9 and shall preclude the imposition of a general county admissions tax on
10 charges for admission to events in the stadium and exhibition center.
11 For the purposes of this subsection, "charges for admission to events"
12 means only the actual admission charge, exclusive of taxes and service
13 charges and the value of any other benefit conferred by the admission.
14 The tax authorized under this subsection shall be at the rate of not
15 more than one cent on ten cents or fraction thereof. Revenues
16 collected under this subsection shall be deposited in the stadium and
17 exhibition center account under RCW 43.99N.060 until the bonds issued
18 under RCW 43.99N.020 for the construction of the stadium and exhibition
19 center are retired. After the bonds issued for the construction of the
20 stadium and exhibition center are retired, the tax authorized under
21 this section shall be used exclusively to fund repair, reequipping, and
22 capital improvement of the stadium and exhibition center. The tax
23 under this subsection may be levied upon the first use of any part of
24 the stadium and exhibition center but shall not be collected at any
25 facility already in operation as of July 17, 1997.

26 **Sec. 22.** RCW 82.29A.130 and 1997 c 220 s 202 (Referendum Bill No.
27 48) are each amended to read as follows:

28 The following leasehold interests shall be exempt from taxes
29 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

30 (1) All leasehold interests constituting a part of the operating
31 properties of any public utility which is assessed and taxed as a
32 public utility pursuant to chapter 84.12 RCW.

33 (2) All leasehold interests in facilities owned or used by a
34 school, college or university which leasehold provides housing for
35 students and which is otherwise exempt from taxation under provisions
36 of RCW 84.36.010 and 84.36.050.

37 (3) All leasehold interests of subsidized housing where the fee
38 ownership of such property is vested in the government of the United

1 States, or the state of Washington or any political subdivision thereof
2 but only if income qualification exists for such housing.

3 (4) All leasehold interests used for fair purposes of a nonprofit
4 fair association that sponsors or conducts a fair or fairs which
5 receive support from revenues collected pursuant to RCW 67.16.100 and
6 allocated by the director of the department of agriculture where the
7 fee ownership of such property is vested in the government of the
8 United States, the state of Washington or any of its political
9 subdivisions: PROVIDED, That this exemption shall not apply to the
10 leasehold interest of any sublessee of such nonprofit fair association
11 if such leasehold interest would be taxable if it were the primary
12 lease.

13 (5) All leasehold interests in any property of any public entity
14 used as a residence by an employee of that public entity who is
15 required as a condition of employment to live in the publicly owned
16 property.

17 (6) All leasehold interests held by enrolled Indians of lands owned
18 or held by any Indian or Indian tribe where the fee ownership of such
19 property is vested in or held in trust by the United States and which
20 are not subleased to other than to a lessee which would qualify
21 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

22 (7) All leasehold interests in any real property of any Indian or
23 Indian tribe, band, or community that is held in trust by the United
24 States or is subject to a restriction against alienation imposed by the
25 United States: PROVIDED, That this exemption shall apply only where it
26 is determined that contract rent paid is greater than or equal to
27 ninety percent of fair market rental, to be determined by the
28 department of revenue using the same criteria used to establish taxable
29 rent in RCW 82.29A.020(2)(b).

30 (8) All leasehold interests for which annual taxable rent is less
31 than two hundred fifty dollars per year. For purposes of this
32 subsection leasehold interests held by the same lessee in contiguous
33 properties owned by the same lessor shall be deemed a single leasehold
34 interest.

35 (9) All leasehold interests which give use or possession of the
36 leased property for a continuous period of less than thirty days:
37 PROVIDED, That for purposes of this subsection, successive leases or
38 lease renewals giving substantially continuous use of possession of the
39 same property to the same lessee shall be deemed a single leasehold

1 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed
2 to give use or possession for a period of less than thirty days solely
3 by virtue of the reservation by the public lessor of the right to use
4 the property or to allow third parties to use the property on an
5 occasional, temporary basis.

6 (10) All leasehold interests under month-to-month leases in
7 residential units rented for residential purposes of the lessee pending
8 destruction or removal for the purpose of constructing a public highway
9 or building.

10 (11) All leasehold interests in any publicly owned real or personal
11 property to the extent such leasehold interests arises solely by virtue
12 of a contract for public improvements or work executed under the public
13 works statutes of this state or of the United States between the public
14 owner of the property and a contractor.

15 (12) All leasehold interests that give use or possession of state
16 adult correctional facilities for the purposes of operating
17 correctional industries under RCW 72.09.100.

18 (13) All leasehold interests used to provide organized and
19 supervised recreational activities for disabled persons of all ages in
20 a camp facility and for public recreational purposes by a nonprofit
21 organization, association, or corporation that would be exempt from
22 property tax under RCW 84.36.030(1) if it owned the property. If the
23 publicly owned property is used for any taxable purpose, the leasehold
24 excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be
25 imposed and shall be apportioned accordingly.

26 (14) All leasehold interests in the public or entertainment areas
27 of a baseball stadium with natural turf and a retractable roof or
28 canopy that is in a county with a population of over one million, that
29 has a seating capacity of over forty thousand, and that is constructed
30 on or after January 1, 1995. "Public or entertainment areas" include
31 ticket sales areas, ramps and stairs, lobbies and concourses, parking
32 areas, concession areas, restaurants, hospitality and stadium club
33 areas, kitchens or other work areas primarily servicing other public or
34 entertainment areas, public rest room areas, press and media areas,
35 control booths, broadcast and production areas, retail sales areas,
36 museum and exhibit areas, scoreboards or other public displays, storage
37 areas, loading, staging, and servicing areas, seating areas and suites,
38 the playing field, and any other areas to which the public has access
39 or which are used for the production of the entertainment event or

1 other public usage, and any other personal property used for these
2 purposes. "Public or entertainment areas" does not include locker
3 rooms or private offices exclusively used by the lessee.

4 (15) All leasehold interests in the public or entertainment areas
5 of a stadium and exhibition center, as defined in RCW 36.102.010, that
6 is constructed on or after January 1, 1998. For the purposes of this
7 subsection, "public or entertainment areas" has the same meaning as in
8 subsection (14) of this section, and includes exhibition areas.

9 (16) All leasehold interests in public facilities districts, as
10 provided in chapter 36.100 RCW or chapter 35.--- RCW (sections 1
11 through 12 of this act).

12 NEW SECTION. Sec. 23. Sections 1 through 12 of this act
13 constitute a new chapter in Title 35 RCW.

14 NEW SECTION. Sec. 24. If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. Sec. 25. This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 July 1, 1999.

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