

CERTIFICATION OF ENROLLMENT  
**SECOND SUBSTITUTE SENATE BILL 5452**

56th Legislature  
1999 Regular Session

Passed by the Senate April 21, 1999  
YEAS 39 NAYS 7

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**President of the Senate**

Passed by the House April 14, 1999  
YEAS 86 NAYS 10

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**Speaker of the  
House of Representatives**

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**Speaker of the  
House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 5452** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SECOND SUBSTITUTE SENATE BILL 5452**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

**State of Washington**

**56th Legislature**

**1999 Regular Session**

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

Read first time 03/08/1999.

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; and  
5 adding a new chapter to Title 35 RCW.

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

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

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

17       (3)(a) A public facilities district created by a single city or  
18 town shall be governed by a board of directors consisting of five  
19 members selected as follows: (i) Two members appointed by the

1 legislative authority of the city or town; and (ii) three members  
2 appointed by legislative authority based on recommendations from local  
3 organizations. The members appointed under (a)(i) of this subsection,  
4 shall not be members of the legislative authority of the city or town.  
5 The members appointed under (a)(ii) of this subsection, shall be based  
6 on recommendations received from local organizations that may include,  
7 but are not limited to the local chamber of commerce, local economic  
8 development council, and local labor council. The members shall serve  
9 four-year terms. Of the initial members, one must be appointed for a  
10 one-year term, one must be appointed for a two-year term, one must be  
11 appointed for a three-year term, and the remainder must be appointed  
12 for four-year terms.

13 (b) A public facilities district created by contiguous group of  
14 cities and towns shall be governed by a board of directors consisting  
15 of seven members selected as follows: (i) Three members appointed by  
16 the legislative authorities of the cities and towns; and (ii) four  
17 members appointed by the legislative authority based on recommendations  
18 from local organizations. The members appointed under (b)(i) of this  
19 subsection shall not be members of the legislative authorities of the  
20 cities and towns. The members appointed under (b)(ii) of this  
21 subsection, shall be based on recommendations received from local  
22 organizations that include, but are not limited to the local chamber of  
23 commerce, local economic development council, local labor council, and  
24 a neighborhood organization that is directly affected by the location  
25 of the regional center in their area. The members of the board of  
26 directors shall be appointed in accordance with the terms of the  
27 agreement under chapter 39.34 RCW for the joint operation of the  
28 district and shall serve four-year terms. Of the initial members, one  
29 must be appointed for a one-year term, one must be appointed for a two-  
30 year term, one must be appointed for a three-year term, and the  
31 remainder must be appointed for four-year terms.

32 (4) A public facilities district is a municipal corporation, an  
33 independent taxing "authority" within the meaning of Article VII,  
34 section 1 of the state Constitution, and a "taxing district" within the  
35 meaning of Article VII, section 2 of the state Constitution.

36 (5) A public facilities district shall constitute a body corporate  
37 and shall possess all the usual powers of a corporation for public  
38 purposes as well as all other powers that may now or hereafter be  
39 specifically conferred by statute, including, but not limited to, the

1 authority to hire employees, staff, and services, to enter into  
2 contracts, and to sue and be sued.

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

9 NEW SECTION. **Sec. 2.** (1) A public facilities district is  
10 authorized to acquire, construct, own, remodel, maintain, equip,  
11 reequip, repair, finance, and operate one or more regional centers.  
12 For purposes of this chapter, "regional center" means a convention,  
13 conference, or special events center, or any combination of facilities,  
14 and related parking facilities, serving a regional population  
15 constructed, improved, or rehabilitated after the effective date of  
16 this section at a cost of at least ten million dollars, including debt  
17 service. "Regional center" also includes an existing convention,  
18 conference, or special events center, and related parking facilities,  
19 serving a regional population, that is improved or rehabilitated after  
20 the effective date of this section where the costs of improvement or  
21 rehabilitation are at least ten million dollars, including debt  
22 service. A regional center is conclusively presumed to serve a  
23 regional population if state and local government investment in the  
24 construction, improvement, or rehabilitation of the regional center is  
25 equal to or greater than ten million dollars.

26 (2) 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 for the purpose of a regional center.

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

34 (4) Notwithstanding the establishment of a career, civil, or merit  
35 service system, a public facilities district may contract with a public  
36 or private entity for the operation or management of its public  
37 facilities.

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

5 NEW SECTION. **Sec. 3.** (1) To carry out the purpose of this  
6 chapter, a public facilities district may issue general obligation  
7 bonds, not to exceed an amount, together with any outstanding nonvoter-  
8 approved general obligation indebtedness, equal to one-half of one  
9 percent of the value of the taxable property within the district, as  
10 the term "value of the taxable property" is defined in RCW 39.36.015.  
11 A facilities district additionally may issue general obligation bonds  
12 for capital purposes only, together with any outstanding general  
13 obligation indebtedness, not to exceed an amount equal to one and one-  
14 fourth percent of the value of the taxable property within the  
15 district, as the term "value of the taxable property" is defined in RCW  
16 39.36.015, when authorized by the voters of the public facilities  
17 district pursuant to Article VIII, section 6 of the state Constitution,  
18 and to provide for the retirement thereof by taxes authorized in this  
19 act.

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

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

26 NEW SECTION. **Sec. 4.** (1) The board of directors of the public  
27 facilities district may impose the following for the purpose of funding  
28 a regional center:

- 29 (a) Charges and fees for the use of any of its facilities;  
30 (b) Admission charges under section 10 of this act;  
31 (c) Vehicle parking charges under section 11 of this act; and  
32 (d) Sales and use taxes authorized under RCW 82.14.048 and section  
33 13 of this act.

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

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

14        NEW SECTION.    **Sec. 6.**    The board of directors of the public  
15 facilities district shall have authority to authorize the expenditure  
16 of funds for the public purposes of preparing and distributing  
17 information to the general public and promoting, advertising,  
18 improving, developing, operating, and maintaining a regional center.  
19 Nothing contained in this section may be construed to authorize  
20 preparation and distribution of information to the general public for  
21 the purpose of influencing the outcome of a district election.

22        NEW SECTION.    **Sec. 7.**    The public facilities district may secure  
23 services by means of an agreement with a service provider. The public  
24 facilities district shall publish notice, establish criteria, receive  
25 and evaluate proposals, and negotiate with respondents under  
26 requirements set forth by district resolution.

27        NEW SECTION.    **Sec. 8.**    In addition to provisions contained in  
28 chapter 39.04 RCW, the public facilities district is authorized to  
29 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all  
30 purchases, contracts for purchase, and sales.

31        NEW SECTION.    **Sec. 9.**    (1) A public facilities district may issue  
32 revenue bonds to fund revenue-generating facilities, or portions of  
33 facilities, which it is authorized to provide or operate. Whenever  
34 revenue bonds are to be issued, the board of directors of the district  
35 shall create or have created a special fund or funds from which, along

1 with any reserves created pursuant to RCW 39.44.140, the principal and  
2 interest on such revenue bonds shall exclusively be payable. The board  
3 may obligate the district to set aside and pay into the special fund or  
4 funds a fixed proportion or a fixed amount of the revenues from the  
5 public improvements, projects, or facilities, and all related  
6 additions, that are funded by the revenue bonds. This amount or  
7 proportion shall be a lien and charge against these revenues, subject  
8 only to operating and maintenance expenses. The board shall have due  
9 regard for the cost of operation and maintenance of the public  
10 improvements, projects, or facilities, or additions, that are funded by  
11 the revenue bonds, and shall not set aside into the special fund or  
12 funds a greater amount or proportion of the revenues that in its  
13 judgment will be available over and above the cost of maintenance and  
14 operation and the amount or proportion, if any, of the revenue so  
15 previously pledged. The board may also provide that revenue bonds  
16 payable out of the same source or sources of revenue may later be  
17 issued on a parity with any revenue bonds being issued and sold.

18 (2) Revenue bonds issued under this section shall not be an  
19 indebtedness of the district issuing the bonds, and the interest and  
20 principal on the bonds shall only be payable from the revenues lawfully  
21 pledged to meet the principal and interest requirements and any  
22 reserves created under RCW 39.44.140. The owner or bearer of a revenue  
23 bond or any interest coupon issued under this section shall not have  
24 any claim against the district arising from the bond or coupon except  
25 for payment from the revenues lawfully pledged to meet the principal  
26 and interest requirements and any reserves created under RCW 39.44.140.  
27 The substance of the limitations included in this subsection shall be  
28 plainly printed, written, or engraved on each bond issued under this  
29 section.

30 (3) Revenue bonds with a maturity in excess of thirty years shall  
31 not be issued. The board of directors of the district shall by  
32 resolution determine for each revenue bond issue the amount, date,  
33 form, terms, conditions, denominations, maximum fixed or variable  
34 interest rate or rates, maturity or maturities, redemption rights,  
35 registration privileges, manner of execution, manner of sale, callable  
36 provisions, if any, and covenants including the refunding of existing  
37 revenue bonds. Facsimile signatures may be used on the bonds and any  
38 coupons. Refunding revenue bonds may be issued in the same manner as  
39 revenue bonds are issued.

1        NEW SECTION.    **Sec. 10.** A public facility district may levy and fix  
2 a tax of not more than one cent on twenty cents or fraction thereof to  
3 be paid by the person who pays an admission charge to a regional  
4 center. This includes a tax on persons who are admitted free of charge  
5 or at reduced rates if other persons pay a charge or a regular higher  
6 charge for the same privileges or accommodations.

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 if free entertainment,  
12 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        NEW SECTION.    **Sec. 11.** A public facility district may levy and fix  
21 a tax on any vehicle parking charges imposed at any parking facility  
22 that is owned or leased by the public facility district as part of a  
23 regional center. No county or city or town within which the regional  
24 center is located may impose a tax of the same or similar kind on any  
25 vehicle parking charges at the facility. For the purposes of this  
26 section, "vehicle parking charges" means only the actual parking  
27 charges exclusive of taxes and service charges and the value of any  
28 other benefit conferred. The tax authorized under this section shall  
29 be at the rate of not more than ten percent.

30        **Sec. 12.** RCW 82.14.048 and 1995 c 396 s 6 are each amended to read  
31 as follows:

32        The governing board of a public facilities district under chapter  
33 36.100 RCW or chapter 35.-- RCW (sections 1 through 11 of this act) may  
34 submit an authorizing proposition to the voters of the district, and if  
35 the proposition is approved by a majority of persons voting, fix and  
36 impose a sales and use tax in accordance with the terms of this  
37 chapter.



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

8 Moneys received from any tax imposed under this section shall be  
9 used for the purpose of providing funds for the costs associated with  
10 the financing, design, acquisition, construction, equipping, operating,  
11 maintaining, remodeling, repairing, and reequipping of its public  
12 facilities.

13 No tax may be collected under this section by a public facilities  
14 district under chapter 35.-- RCW (sections 1 through 11 of this act)  
15 before August 1, 2000, and no tax in excess of one-tenth of one percent  
16 may be collected under this section by a public facilities district  
17 under chapter 36.100 RCW before August 1, 2000.

18 NEW SECTION. Sec. 13. A new section is added to chapter 82.14 RCW  
19 to read as follows:

20 (1) Except as provided in subsection (6) of this section, the  
21 governing body of a public facilities district created under chapter  
22 35.-- RCW (sections 1 through 11 of this act) or chapter 36.100 RCW  
23 that commences construction of a new regional center, or improvement or  
24 rehabilitation of an existing new regional center, before January 1,  
25 2003, may impose a sales and use tax in accordance with the terms of  
26 this chapter. The tax is in addition to other taxes authorized by law  
27 and shall be collected from those persons who are taxable by the state  
28 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
29 event within the public facilities district. The rate of tax shall not  
30 exceed 0.033 percent of the selling price in the case of a sales tax or  
31 value of the article used in the case of a use tax.

32 (2) The tax imposed under subsection (1) of this section shall be  
33 deducted from the amount of tax otherwise required to be collected or  
34 paid over to the department of revenue under chapter 82.08 or 82.12  
35 RCW. The department of revenue shall perform the collection of such  
36 taxes on behalf of the county at no cost to the public facilities  
37 district.

1 (3) No tax may be collected under this section before August 1,  
2 2000. The tax imposed in this section shall expire when the bonds  
3 issued for the construction of the regional center and related parking  
4 facilities are retired, but not more than twenty-five years after the  
5 tax is first collected.

6 (4) Moneys collected under this section shall only be used for the  
7 purposes set forth in section 2 of this act and must be matched with an  
8 amount from other public or private sources equal to thirty-three  
9 percent of the amount collected under this section, provided that  
10 amounts generated from nonvoter approved taxes authorized under chapter  
11 35.-- RCW (sections 1 through 11 of this act) or nonvoter approved  
12 taxes authorized under chapter 36.100 RCW shall not constitute a public  
13 or private source. For the purpose of this section, public or private  
14 sources includes, but is not limited to cash or in-kind contributions  
15 used in all phases of the development or improvement of the regional  
16 center, land that is donated and used for the siting of the regional  
17 center, cash or in-kind contributions from public or private  
18 foundations, or amounts attributed to private sector partners as part  
19 of a public and private partnership agreement negotiated by the public  
20 facilities district.

21 (5) The combined total tax levied under this section shall not be  
22 greater than 0.033 percent. If both a public facilities district  
23 created under chapter 35.-- RCW (sections 1 through 11 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 11 of this act)  
27 shall be credited against the tax imposed by a public facilities  
28 district created under chapter 36.100 RCW.

29 (6) A public facilities district created under chapter 36.100 RCW  
30 is not eligible to impose the tax under this section if the legislative  
31 authority of the county where the public facilities district is located  
32 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

33 **Sec. 14.** RCW 82.14.050 and 1991 sp.s. c 13 s 34 are each amended  
34 to read as follows:

35 The counties, cities, and transportation authorities under RCW  
36 82.14.045 and public facilities districts under chapter 36.100 RCW and  
37 chapter 35.-- RCW (sections 1 through 11 of this act) shall contract,  
38 prior to the effective date of a resolution or ordinance imposing a

1 sales and use tax, the administration and collection to the state  
2 department of revenue, which shall deduct a percentage amount, as  
3 provided by contract, not to exceed two percent of the taxes collected  
4 for administration and collection expenses incurred by the department.  
5 The remainder of any portion of any tax authorized by this chapter  
6 which is collected by the department of revenue shall be deposited by  
7 the state department of revenue in the local sales and use tax account  
8 hereby created in the state treasury. Moneys in the local sales and  
9 use tax account may be spent only for distribution to counties, cities,  
10 transportation authorities, and public facilities districts imposing a  
11 sales and use tax. All administrative provisions in chapters 82.03,  
12 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be  
13 amended, shall, insofar as they are applicable to state sales and use  
14 taxes, be applicable to taxes imposed pursuant to this chapter. Except  
15 as provided in RCW 43.08.190, all earnings of investments of balances  
16 in the local sales and use tax account shall be credited to the local  
17 sales and use tax account and distributed to the counties, cities,  
18 transportation authorities, and public facilities districts monthly.

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

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

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

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

4 (4) The excise tax imposed pursuant to RCW 36.100.040 shall  
5 terminate upon final payment of all bonded indebtedness for its public  
6 facilities, except that the excise tax may be reauthorized by a public  
7 vote, in the same manner as originally authorized, for funding of  
8 additional public facilities or a regional center.

9 **Sec. 16.** RCW 36.100.030 and 1995 1st sp.s. c 14 s 3 are each  
10 amended to read as follows:

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

18 (2) A public facilities district may enter into agreements under  
19 chapter 39.34 RCW for the joint provision and operation of such  
20 facilities and may enter into contracts under chapter 39.34 RCW where  
21 any party to the contract provides and operates such facilities for the  
22 other party or parties to the contract.

23 (3) Notwithstanding the establishment of a career, civil, or merit  
24 service system, a public facility [facilities] district may contract  
25 with a public or private entity for the operation or management of its  
26 public facilities.

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

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

34 NEW SECTION. **Sec. 17.** A new section is added to chapter 36.100  
35 RCW to read as follows:

36 A public facility district may levy and fix a tax of not more than  
37 one cent on twenty cents or fraction thereof to be paid by the person

1 who pays an admission charge to a regional center, as defined in  
2 section 2 of this act. This includes a tax on persons who are admitted  
3 free of charge or at reduced rates if other persons pay a charge or a  
4 regular higher charge for the same privileges or accommodations.

5 The term "admission charge" includes:

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

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

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

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

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

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

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

30 **Sec. 19.** RCW 35.21.280 and 1995 3rd sp.s. c 1 s 202 are each  
31 amended to read as follows:

32 Every city and town may levy and fix a tax of not more than one  
33 cent on twenty cents or fraction thereof to be paid by the person who  
34 pays an admission charge to any place: PROVIDED, No city or town shall  
35 impose such tax on persons paying an admission to any activity of any  
36 elementary or secondary school or any public facility of a public  
37 facility district under chapter 35.-- RCW (sections 1 through 11 of

1 this act) or chapter 36.100 RCW for which a tax is imposed under  
2 section 10 or 17 of this act. This includes a tax on persons who are  
3 admitted free of charge or at reduced rates to any place for which  
4 other persons pay a charge or a regular higher charge for the same  
5 privileges or accommodations. A city that is located in a county with  
6 a population of one million or more may not levy a tax on events in  
7 stadia constructed on or after January 1, 1995, that are owned by a  
8 public facilities district under chapter 36.100 RCW and that have  
9 seating capacities over forty thousand. The city or town may require  
10 anyone who receives payment for an admission charge to collect and  
11 remit the tax to the city or town.

12 The term "admission charge" includes:

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

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

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

18 (4) A charge made for rental or use of equipment or facilities for  
19 purposes of recreation or amusement; if the rental of the equipment or  
20 facilities is necessary to the enjoyment of a privilege for which a  
21 general admission is charged, the combined charges shall be considered  
22 as the admission charge;

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

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

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

1 this act) or chapter 36.100 RCW for which a tax is imposed under  
2 section 10 or 17 of this act.

3 (2) As used in this chapter, the term "admission charge" includes  
4 a charge made for season tickets or subscriptions, a cover charge, or  
5 a charge made for use of seats and tables, reserved or otherwise, and  
6 other similar accommodations; a charge made for food and refreshments  
7 in any place where any free entertainment, recreation, or amusement is  
8 provided; a charge made for rental or use of equipment or facilities  
9 for purpose of recreation or amusement, and where the rental of the  
10 equipment or facilities is necessary to the enjoyment of a privilege  
11 for which a general admission is charged, the combined charges shall be  
12 considered as the admission charge. It shall also include any  
13 automobile parking charge where the amount of such charge is determined  
14 according to the number of passengers in any automobile.

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

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

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

36 (b) Not more than one cent on twenty cents or fraction thereof, to  
37 be used for the purpose of paying the principal and interest payments  
38 on bonds issued by a county to construct a baseball stadium as defined  
39 in RCW 82.14.0485. The tax imposed under this subsection (4)(b) shall

1 expire when the bonds issued for the construction of the baseball  
2 stadium are retired, but not later than twenty years after the tax is  
3 first collected.

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

31 **Sec. 21.** RCW 82.29A.130 and 1997 c 220 s 202 (Referendum Bill No.  
32 48) are each 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:

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



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

5 (3) All leasehold interests of subsidized housing where the fee  
6 ownership of such property is vested in the government of the United  
7 States, or the state of Washington or any political subdivision thereof  
8 but only if income qualification exists for such housing.

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

19 (5) All leasehold interests in any property of any public entity  
20 used as a residence by an employee of that public entity who is  
21 required as a condition of employment to live in the publicly owned  
22 property.

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

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

36 (8) All leasehold interests for which annual taxable rent is less  
37 than two hundred fifty dollars per year. For purposes of this  
38 subsection leasehold interests held by the same lessee in contiguous

1 properties owned by the same lessor shall be deemed a single leasehold  
2 interest.

3 (9) All leasehold interests which give use or possession of the  
4 leased property for a continuous period of less than thirty days:  
5 PROVIDED, That for purposes of this subsection, successive leases or  
6 lease renewals giving substantially continuous use of possession of the  
7 same property to the same lessee shall be deemed a single leasehold  
8 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed  
9 to give use or possession for a period of less than thirty days solely  
10 by virtue of the reservation by the public lessor of the right to use  
11 the property or to allow third parties to use the property on an  
12 occasional, temporary basis.

13 (10) All leasehold interests under month-to-month leases in  
14 residential units rented for residential purposes of the lessee pending  
15 destruction or removal for the purpose of constructing a public highway  
16 or building.

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

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

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

33 (14) All leasehold interests in the public or entertainment areas  
34 of a baseball stadium with natural turf and a retractable roof or  
35 canopy that is in a county with a population of over one million, that  
36 has a seating capacity of over forty thousand, and that is constructed  
37 on or after January 1, 1995. "Public or entertainment areas" include  
38 ticket sales areas, ramps and stairs, lobbies and concourses, parking  
39 areas, concession areas, restaurants, hospitality and stadium club

1 areas, kitchens or other work areas primarily servicing other public or  
2 entertainment areas, public rest room areas, press and media areas,  
3 control booths, broadcast and production areas, retail sales areas,  
4 museum and exhibit areas, scoreboards or other public displays, storage  
5 areas, loading, staging, and servicing areas, seating areas and suites,  
6 the playing field, and any other areas to which the public has access  
7 or which are used for the production of the entertainment event or  
8 other public usage, and any other personal property used for these  
9 purposes. "Public or entertainment areas" does not include locker  
10 rooms or private offices exclusively used by the lessee.

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

16 (16) All leasehold interests in public facilities districts, as  
17 provided in chapter 36.100 RCW or chapter 35.-- RCW (sections 1 through  
18 11 of this act).

19 NEW SECTION. **Sec. 22.** Sections 1 through 11 of this act  
20 constitute a new chapter in Title 35 RCW.

21 NEW SECTION. **Sec. 23.** If any provision of this act or its  
22 application to any person or circumstance is held invalid, the  
23 remainder of the act or the application of the provision to other  
24 persons or circumstances is not affected.

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