
HOUSE BILL 1817

State of Washington

57th Legislature

2001 Regular Session

By Representatives Gombosky, Ahern, Fromhold, O'Brien and Wood

Read first time 02/06/2001. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to public centers districts; amending RCW
2 82.29A.130; adding new sections to chapter 82.14 RCW; adding a new
3 chapter to Title 35 RCW; adding a new chapter to Title 36 RCW; and
4 creating a new section.

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

6 PART I

7 PUBLIC CENTERS DISTRICT - CITIES AND TOWNS

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 centers district. The legislative authorities of any
11 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 centers district.

15 (2) A public centers 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.

1 (3)(a) A public centers district created by a single city or town
2 shall be governed by a board of directors consisting of five members
3 selected as follows: (i) Two members who are appointed by the
4 legislative authority of the city or town and are not members of the
5 legislative authority of the city or town; and (ii) three members
6 appointed by the legislative authority based on recommendations from
7 local organizations, which may include but are not limited to the local
8 chamber of commerce, local economic development council, and local
9 labor council. The members shall serve four-year terms. Of the
10 initial members, one must be appointed for a one-year term, one must be
11 appointed for a two-year term, one must be appointed for a three-year
12 term, and the remainder must be appointed for four-year terms.

13 (b) A public centers district created by a 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 who are
16 appointed by the legislative authorities of the cities and towns and
17 are not members of the legislative authorities of the cities and towns;
18 and (ii) four members appointed by the legislative authority based on
19 recommendations from local organizations, which include but are not
20 limited to the local chamber of commerce, local economic development
21 council, local labor council, and neighborhood organizations that are
22 directly affected by the location of the centers in their area. The
23 members of the board of directors shall be appointed in accordance with
24 the terms of the agreement under chapter 39.34 RCW for the joint
25 operation of the district and shall serve four-year terms. Of the
26 initial members, one must be appointed for a one-year term, one must be
27 appointed for a two-year term, one must be appointed for a three-year
28 term, and the remainder must be appointed for four-year terms.

29 (4) A public centers district is a municipal corporation, an
30 independent taxing "authority" within the meaning of Article VII,
31 section 1 of the state Constitution, and a "taxing district" within the
32 meaning of Article VII, section 2 of the state Constitution.

33 (5) A public centers district constitutes a body corporate and
34 possesses all the usual powers of a corporation for public purposes as
35 well as all other powers that may now or hereafter be specifically
36 conferred by statute, including, but not limited to, the authority to
37 hire employees, staff, and services, to enter into contracts, and to
38 sue and be sued.

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

7 NEW SECTION. **Sec. 2.** (1) A public centers district is authorized
8 to acquire, construct, own, remodel, maintain, equip, reequip, repair,
9 finance, and operate one or more public centers. For purposes of this
10 chapter, "public center" means a convention, conference, or special
11 events, cultural, technology, or community center, or any combination
12 of facilities, and related parking facilities, constructed, improved,
13 or rehabilitated after July 1, 2001. "Public center" also includes an
14 existing convention, conference, special events, cultural, technology,
15 or community center, and related parking facilities, that is improved
16 or rehabilitated after July 1, 2001.

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

20 (3) A public centers district may impose charges, fees, and taxes
21 authorized in section 4 of this act and use revenues derived therefrom
22 for the purpose of paying principal and interest payments on bonds
23 issued by the public centers district to construct a public center.

24 (4) Notwithstanding the establishment of a career, civil, or merit
25 service system, a public centers district may contract with a public or
26 private entity for the operation or management of its public centers.

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

31 NEW SECTION. **Sec. 3.** (1) To carry out the purpose of this
32 chapter, a public centers district may issue general obligation bonds,
33 not to exceed an amount, together with any outstanding nonvoter-
34 approved general obligation indebtedness, equal to one-half of one
35 percent of the value of the taxable property within the district, as
36 the term "value of the taxable property" is defined in RCW 39.36.015.
37 A public centers district additionally may issue general obligation

1 bonds for capital purposes only, together with any outstanding general
2 obligation indebtedness, not to exceed an amount equal to one and one-
3 fourth percent of the value of the taxable property within the
4 district, as the term "value of the taxable property" is defined in RCW
5 39.36.015, when authorized by the voters of the public centers district
6 pursuant to Article VIII, section 6 of the state Constitution, and to
7 provide for the retirement thereof by taxes authorized in this act.

8 (2) General obligation bonds may be issued with a maturity of up to
9 thirty years and must be issued and sold in accordance with the
10 provisions of chapter 39.46 RCW.

11 (3) The general obligation bonds may be payable from the operating
12 revenues of the public centers district in addition to the tax receipts
13 of the district.

14 NEW SECTION. **Sec. 4.** (1) The board of directors of the public
15 centers district may impose the following for the purpose of funding a
16 public center:

- 17 (a) Charges and fees for the use of any of its facilities;
- 18 (b) Admission charges under section 10 of this act;
- 19 (c) Vehicle parking charges under section 11 of this act; and
- 20 (d) Sales and use taxes authorized under sections 23 and 24 of this
21 act.

22 (2) The board may accept and expend or use gifts, grants, and
23 donations for the purpose of a public center. The revenue from the
24 charges, fees, and taxes imposed under this section shall be used only
25 for the purposes authorized by this chapter.

26 NEW SECTION. **Sec. 5.** The board of directors of the public centers
27 district shall adopt a resolution that may be amended from time to time
28 that establishes the basic requirements governing methods and amounts
29 of reimbursement payable to such district officials and employees for
30 travel and other business expenses incurred on behalf of the district.
31 The resolution must, among other things, establish procedures for
32 approving such expenses; the form of the travel and expense voucher;
33 and requirements governing the use of credit cards issued in the name
34 of the district. The resolution may also establish procedures for
35 payment of per diem to board members. The state auditor shall, as
36 provided by general law, cooperate with the public centers district in

1 establishing adequate procedures for regulating and auditing the
2 reimbursement of all such expenses.

3 NEW SECTION. **Sec. 6.** The board of directors of the public centers
4 district has the authority to authorize the expenditure of funds for
5 the public purposes of preparing and distributing information to the
6 general public and promoting, advertising, improving, developing,
7 operating, and maintaining a public center. Nothing contained in this
8 section may be construed to authorize preparation and distribution of
9 information to the general public for the purpose of influencing the
10 outcome of a district election.

11 NEW SECTION. **Sec. 7.** The public centers district may secure
12 services by means of an agreement with a service provider. The public
13 centers district shall publish notice, establish criteria, receive and
14 evaluate proposals, and negotiate with respondents under requirements
15 set forth by district resolution.

16 NEW SECTION. **Sec. 8.** In addition to provisions contained in
17 chapter 39.04 RCW, the public centers district is authorized to follow
18 procedures contained in RCW 43.19.1906 and 43.19.1911 for all
19 purchases, contracts for purchase, and sales.

20 NEW SECTION. **Sec. 9.** (1) A public centers district may issue
21 revenue bonds to fund revenue-generating facilities, or portions of
22 facilities, which it is authorized to provide or operate. Whenever
23 revenue bonds are to be issued, the board of directors of the district
24 shall create or have created a special fund or funds from which, along
25 with any reserves created pursuant to RCW 39.44.140, the principal and
26 interest on such revenue bonds shall exclusively be payable. The board
27 may obligate the district to set aside and pay into the special fund or
28 funds a fixed proportion or a fixed amount of the revenues from the
29 public improvements, projects, or centers, and all related additions,
30 that are funded by the revenue bonds. This amount or proportion shall
31 be a lien and charge against these revenues, subject only to operating
32 and maintenance expenses. The board shall have due regard for the cost
33 of operation and maintenance of the public improvements, projects, or
34 centers, or additions, that are funded by the revenue bonds, and shall
35 not set aside into the special fund or funds a greater amount or

1 proportion of the revenues that in its judgment will be available over
2 and above the cost of maintenance and operation and the amount or
3 proportion, if any, of the revenue so previously pledged. The board
4 may also provide that revenue bonds payable out of the same source or
5 sources of revenue may later be issued on a parity with any revenue
6 bonds being issued and sold.

7 (2) Revenue bonds issued under this section shall not be an
8 indebtedness of the district issuing the bonds, and the interest and
9 principal on the bonds shall only be payable from the revenues lawfully
10 pledged to meet the principal and interest requirements and any
11 reserves created under RCW 39.44.140. The owner or bearer of a revenue
12 bond or any interest coupon issued under this section shall not have
13 any claim against the district arising from the bond or coupon except
14 for payment from the revenues lawfully pledged to meet the principal
15 and interest requirements and any reserves created under RCW 39.44.140.
16 The substance of the limitations included in this subsection shall be
17 plainly printed, written, or engraved on each bond issued under this
18 section.

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

29 NEW SECTION. **Sec. 10.** A public centers district may levy and fix
30 a tax of not more than one cent on twenty cents or fraction thereof to
31 be paid by the person who pays an admission charge to a public center.
32 This includes a tax on persons who are admitted free of charge or at
33 reduced rates if other persons pay a charge or a regular higher charge
34 for the same privileges or accommodations.

35 The term "admission charge" includes:

- 36 (1) A charge made for season tickets or subscriptions;
37 (2) A cover charge, or a charge made for use of seats and tables
38 reserved or otherwise, and other similar accommodations;

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

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

8 (5) Motor vehicle parking charges if the amount of the charge is
9 determined according to the number of passengers in the motor vehicle.

10 NEW SECTION. **Sec. 11.** A public centers district may levy and fix
11 a tax on any vehicle parking charges imposed at any parking facility
12 that is owned or leased by the public centers district as part of a
13 public center. No county or city or town within which the public
14 center is located may impose a tax of the same or similar kind on any
15 vehicle parking charges at the facility. For the purposes of this
16 section, "vehicle parking charges" means only the actual parking
17 charges exclusive of taxes and service charges and the value of any
18 other benefit conferred. The tax authorized under this section shall
19 be at the rate of not more than ten percent.

20 **PART II**

21 **PUBLIC CENTERS DISTRICT - COUNTIES**

22 NEW SECTION. **Sec. 12.** (1) The legislative authority of any county
23 with a population of less than one million may create a public centers
24 district. The legislative authority of any contiguous group of
25 counties each with a population of less than one million may enter an
26 agreement under chapter 39.34 RCW for the creation and joint operation
27 of a public centers district.

28 (2) A public centers district shall be coextensive with the
29 boundaries of the county or contiguous group of counties that created
30 the district.

31 (3)(a) A public centers district created by a single county shall
32 be governed by a board of directors consisting of five members selected
33 as follows: (i) Two members who are appointed by the legislative
34 authority of the county and are not members of the legislative
35 authority of the county; and (ii) three members appointed by the
36 legislative authority based on recommendations from local

1 organizations, which may include but are not limited to the local
2 chamber of commerce, local economic development council, and local
3 labor council. The members shall serve four-year terms. Of the
4 initial members, one must be appointed for a one-year term, one must be
5 appointed for a two-year term, one must be appointed for a three-year
6 term, and the remainder must be appointed for four-year terms.

7 (b) A public centers district created by a contiguous group of
8 counties shall be governed by a board of directors consisting of seven
9 members selected as follows: (i) Three members who are appointed by
10 the legislative authorities of the counties and are not members of the
11 legislative authorities of the counties; and (ii) four members
12 appointed by the legislative authority of the counties based on
13 recommendations from local organizations, which include but are not
14 limited to the local chamber of commerce, local economic development
15 council, local labor council, and neighborhood organizations that are
16 directly affected by the location of the centers in their area. The
17 members of the board of directors shall be appointed in accordance with
18 the terms of the agreement under chapter 39.34 RCW for the joint
19 operation of the district and shall serve four-year terms. Of the
20 initial members, one must be appointed for a one-year term, one must be
21 appointed for a two-year term, one must be appointed for a three-year
22 term, and the remainder must be appointed for four-year terms.

23 (4) A public centers district is a municipal corporation, an
24 independent taxing "authority" within the meaning of Article VII,
25 section 1 of the state Constitution, and a "taxing district" within the
26 meaning of Article VII, section 2 of the state Constitution.

27 (5) A public centers district constitutes a body corporate and
28 possesses all the usual powers of a corporation for public purposes as
29 well as all other powers that may now or hereafter be specifically
30 conferred by statute, including, but not limited to, the authority to
31 hire employees, staff, and services, to enter into contracts, and to
32 sue and be sued.

33 (6) A public centers district may acquire and transfer real and
34 personal property by lease, sublease, purchase, or sale. No direct or
35 collateral attack on any public centers district purported to be
36 authorized or created in conformance with this chapter may be commenced
37 more than thirty days after creation by the county legislative
38 authority.

1 NEW SECTION. **Sec. 13.** (1) A public centers district is authorized
2 to acquire, construct, own, remodel, maintain, equip, reequip, repair,
3 finance, and operate one or more public centers. For purposes of this
4 chapter, "public center" means a convention, conference, or special
5 events, cultural, technology, or community center, or any combination
6 of facilities, and related parking facilities, constructed, improved,
7 or rehabilitated after July 1, 2001. "Public center" also includes an
8 existing convention, conference, special events, cultural, technology,
9 or community center, and related parking facilities, that is improved
10 or rehabilitated after July 1, 2001.

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

14 (3) A public centers district may impose charges, fees, and taxes
15 authorized in section 15 of this act and use revenues derived therefrom
16 for the purpose of paying principal and interest payments on bonds
17 issued by the public centers district to construct a public center.

18 (4) Notwithstanding the establishment of a career, civil, or merit
19 service system, a public centers district may contract with a public or
20 private entity for the operation or management of its public centers.

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

25 NEW SECTION. **Sec. 14.** (1) To carry out the purpose of this
26 chapter, a public centers district may issue general obligation bonds,
27 not to exceed an amount, together with any outstanding nonvoter-
28 approved general obligation indebtedness, equal to one-half of one
29 percent of the value of the taxable property within the district, as
30 the term "value of the taxable property" is defined in RCW 39.36.015.
31 A public centers district additionally may issue general obligation
32 bonds for capital purposes only, together with any outstanding general
33 obligation indebtedness, not to exceed an amount equal to one and one-
34 fourth percent of the value of the taxable property within the
35 district, as the term "value of the taxable property" is defined in RCW
36 39.36.015, when authorized by the voters of the public centers district
37 pursuant to Article VIII, section 6 of the state Constitution, and to
38 provide for the retirement thereof by taxes authorized in this act.

1 (2) General obligation bonds may be issued with a maturity of up to
2 thirty years and must be issued and sold in accordance with the
3 provisions of chapter 39.46 RCW.

4 (3) The general obligation bonds may be payable from the operating
5 revenues of the public centers district in addition to the tax receipts
6 of the district.

7 NEW SECTION. **Sec. 15.** (1) The board of directors of the public
8 centers district may impose the following for the purpose of funding a
9 public center:

- 10 (a) Charges and fees for the use of any of its facilities;
11 (b) Admission charges under section 21 of this act;
12 (c) Vehicle parking charges under section 22 of this act; and
13 (d) Sales and use taxes authorized under sections 23 and 24 of this
14 act.

15 (2) The board may accept and expend or use gifts, grants, and
16 donations for the purpose of a public center. The revenue from the
17 charges, fees, and taxes imposed under this section shall be used only
18 for the purposes authorized by this chapter.

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

32 NEW SECTION. **Sec. 17.** The board of directors of the public
33 centers district has the authority to authorize the expenditure of
34 funds for the public purposes of preparing and distributing information
35 to the general public and promoting, advertising, improving,
36 developing, operating, and maintaining a public center. Nothing

1 contained in this section may be construed to authorize preparation and
2 distribution of information to the general public for the purpose of
3 influencing the outcome of a district election.

4 NEW SECTION. **Sec. 18.** The public centers district may secure
5 services by means of an agreement with a service provider. The public
6 centers district shall publish notice, establish criteria, receive and
7 evaluate proposals, and negotiate with respondents under requirements
8 set forth by district resolution.

9 NEW SECTION. **Sec. 19.** In addition to provisions contained in
10 chapter 39.04 RCW, the public centers district is authorized to follow
11 procedures contained in RCW 43.19.1906 and 43.19.1911 for all
12 purchases, contracts for purchase, and sales.

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

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

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

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

21 NEW SECTION. **Sec. 21.** A public centers district may levy and fix
22 a tax of not more than one cent on twenty cents or fraction thereof to
23 be paid by the person who pays an admission charge to a public center.
24 This includes a tax on persons who are admitted free of charge or at
25 reduced rates if other persons pay a charge or a regular higher charge
26 for the same privileges or accommodations.

27 The term "admission charge" includes:

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

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

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

33 (4) A charge made for rental or use of equipment or facilities for
34 purposes of recreation or amusement; if the rental of the equipment or
35 facilities is necessary to the enjoyment of a privilege for which a
36 general admission is charged, the combined charges shall be considered
37 as the admission charge;

1 (5) Motor vehicle parking charges if the amount of the charge is
2 determined according to the number of passengers in the motor vehicle.

3 NEW SECTION. **Sec. 22.** A public centers district may levy and fix
4 a tax on any vehicle parking charges imposed at any parking facility
5 that is owned or leased by the public centers district as part of a
6 public center. No county or city or town within which the public
7 center is located may impose a tax of the same or similar kind on any
8 vehicle parking charges at the facility. For the purposes of this
9 section, "vehicle parking charges" means only the actual parking
10 charges exclusive of taxes and service charges and the value of any
11 other benefit conferred. The tax authorized under this section shall
12 be at the rate of not more than ten percent.

13 **PART III**

14 **MISCELLANEOUS PROVISIONS**

15 NEW SECTION. **Sec. 23.** A new section is added to chapter 82.14 RCW
16 to read as follows:

17 The governing board of a public centers district under chapter
18 35.-- RCW (sections 1 through 11 of this act) or chapter 36.-- RCW
19 (sections 12 through 22 of this act) may submit an authorizing
20 proposition to the voters of the district and, if the proposition is
21 approved by a majority of persons voting, fix and impose a sales and
22 use tax in accordance with the terms of this chapter.

23 The tax authorized in this section shall be in addition to any
24 other taxes authorized by law and shall be collected from those persons
25 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
26 the occurrence of any taxable event within the public centers district.
27 The rate of tax shall not exceed two-tenths of one percent of the
28 selling price in the case of a sales tax, or value of the article used
29 in the case of a use tax.

30 Moneys received from any tax imposed under this section shall be
31 used for the purpose of providing funds for the costs associated with
32 the financing, design, acquisition, construction, equipping, operating,
33 maintaining, remodeling, repairing, and reequipping of its public
34 centers.

35 No tax may be collected under this section by a public centers
36 district under chapter 35.-- RCW (sections 1 through 11 of this act) or

1 chapter 36.-- RCW (sections 12 through 22 of this act) before August 1,
2 2001, and no tax in excess of one-tenth of one percent may be collected
3 under this section by a public centers district under chapter 35.-- RCW
4 (sections 1 through 11 of this act) or chapter 36.-- RCW (sections 12
5 through 22 of this act) before August 1, 2001.

6 NEW SECTION. **Sec. 24.** A new section is added to chapter 82.14 RCW
7 to read as follows:

8 (1) Except as provided in subsection (6) of this section, the
9 governing body of a public centers district created under chapter 35.--
10 RCW (sections 1 through 11 of this act) or chapter 36.-- RCW (sections
11 12 through 22 of this act) that commences construction of new public
12 centers, or improvement or rehabilitation of an existing new public
13 center, before January 1, 2005, may impose a sales and use tax in
14 accordance with the terms of this chapter. The tax is in addition to
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 centers district.
18 The rate of tax shall not exceed 0.033 percent of the selling price in
19 the case of a sales tax or value of the article used in the case of a
20 use tax.

21 (2) The tax imposed under subsection (1) of this section shall be
22 deducted from the amount of tax otherwise required to be collected or
23 paid over to the department of revenue under chapter 82.08 or 82.12
24 RCW. The department of revenue shall perform the collection of such
25 taxes on behalf of the county at no cost to the public centers
26 district.

27 (3) No tax may be collected under this section before August 1,
28 2001. The tax imposed in this section shall expire when the bonds
29 issued for the construction of the public center and related parking
30 facilities are retired, but not more than twenty-five years after the
31 tax is first collected.

32 (4) Moneys collected under this section shall only be used for the
33 purposes set forth in chapter 35.-- RCW (sections 1 through 11 of this
34 act) and chapter 36.-- RCW (sections 12 through 22 of this act) and
35 must be matched with an amount from other public or private sources
36 equal to thirty-three percent of the amount collected under this
37 section, provided that amounts generated from nonvoter-approved taxes
38 authorized under chapter 35.-- RCW (sections 1 through 11 of this act)

1 or chapter 36.-- RCW (sections 12 through 22 of this act) shall not
2 constitute a public or private source. For the purpose of this
3 section, public or private sources includes, but is not limited to,
4 cash or in-kind contributions used in all phases of the development or
5 improvement of the public center, land that is donated and used for the
6 siting of the public center, cash or in-kind contributions from public
7 or private foundations, or amounts attributed to private sector
8 partners as part of a public and private partnership agreement
9 negotiated by the public centers district.

10 (5) The combined total tax levied under this section shall not be
11 greater than 0.033 percent. If both a public centers district created
12 under chapter 35.-- RCW (sections 1 through 11 of this act) and a
13 public centers district created under chapter 36.-- RCW (sections 12
14 through 22 of this act) impose a tax under this section, the tax
15 imposed by a public facilities district created under chapter 35.-- RCW
16 (sections 1 through 11 of this act) shall be credited against the tax
17 imposed by a public centers district created under chapter 36.-- RCW
18 (sections 12 through 22 of this act).

19 (6) A public centers district created under chapter 35.-- RCW
20 (sections 1 through 11 of this act) or chapter 36.-- RCW (sections 12
21 through 22 of this act) is not eligible to impose the tax under this
22 section if the legislative authority of the county where the public
23 centers district is located has imposed a sales and use tax under RCW
24 82.14.0485 or 82.14.0494.

25 **Sec. 25.** RCW 82.29A.130 and 1999 c 165 s 21 are each amended to
26 read as follows:

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

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

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

36 (3) All leasehold interests of subsidized housing where the fee
37 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 or 35.57 RCW.

11 (17) All leasehold interests in public centers districts, as
12 provided in chapter 35.-- RCW (sections 1 through 11 of this act) or
13 chapter 36.-- RCW (sections 12 through 22 of this act).

14 NEW SECTION. Sec. 26. (1) Sections 1 through 11 of this act
15 constitute a new chapter in Title 35 RCW.

16 (2) Sections 12 through 22 of this act constitute a new chapter in
17 Title 36 RCW.

18 NEW SECTION. Sec. 27. If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. Sec. 28. Part headings used in this act are not part
23 of the law.

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