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HOUSE BILL 3251

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Santos and Pettigrew

Read first time 01/30/2006. Referred to Committee on Finance.

1            AN ACT Relating to the special stadium sales and use tax imposed on  
2 food and beverages; amending RCW 82.14.360; and providing an effective  
3 date.

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

5            **Sec. 1.** RCW 82.14.360 and 2000 c 103 s 10 are each amended to read  
6 as follows:

7            (1) The legislative authority of a county with a population of one  
8 million or more may impose a special stadium sales and use tax upon the  
9 retail sale or use within the county by restaurants, taverns, and bars  
10 of food and beverages that are taxable by the state under chapters  
11 82.08 and 82.12 RCW. The rate of the tax shall not exceed five-tenths  
12 of one percent of the selling price in the case of a sales tax, or  
13 value of the article used in the case of a use tax. Except as provided  
14 in subsection (10) of this section, the tax imposed under this  
15 subsection is in addition to any other taxes authorized by law and  
16 shall not be credited against any other tax imposed upon the same  
17 taxable event. As used in this section, "restaurant" does not include  
18 grocery stores, mini-markets, or convenience stores.

1 (2) The legislative authority of a county with a population of one  
2 million or more may impose a special stadium sales and use tax upon  
3 retail car rentals within the county that are taxable by the state  
4 under chapters 82.08 and 82.12 RCW. The rate of the tax shall not  
5 exceed two percent of the selling price in the case of a sales tax, or  
6 rental value of the vehicle in the case of a use tax. The tax imposed  
7 under this subsection is in addition to any other taxes authorized by  
8 law and shall not be credited against any other tax imposed upon the  
9 same taxable event.

10 (3) The revenue from the taxes imposed under this section shall be  
11 used for the purpose of principal and interest payments on bonds,  
12 issued by the county, to acquire, construct, own, remodel, maintain,  
13 equip, reequip, repair, and operate a baseball stadium. Revenues from  
14 the taxes authorized in this section may be used for design and other  
15 preconstruction costs of the baseball stadium until bonds are issued  
16 for the baseball stadium. The county shall issue bonds, in an amount  
17 determined to be necessary by the public facilities district, for the  
18 district to acquire, construct, own, and equip the baseball stadium.  
19 The county shall have no obligation to issue bonds in an amount greater  
20 than that which would be supported by the tax revenues under this  
21 section, RCW 82.14.0485, and 36.38.010(4) (a) and (b). If the revenue  
22 from the taxes imposed under this section exceeds the amount needed for  
23 such principal and interest payments in any year, the excess shall be  
24 used solely:

25 (a) For early retirement of the bonds issued for the baseball  
26 stadium; and

27 (b) If the revenue from the taxes imposed under this section  
28 exceeds the amount needed for the purposes in (a) of this subsection in  
29 any year, the excess shall be placed in a contingency fund which may  
30 only be used to pay unanticipated capital costs on the baseball  
31 stadium, excluding any cost overruns on initial construction.

32 (4) The taxes authorized under this section shall not be collected  
33 after June 30, 1997, unless the county executive has certified to the  
34 department of revenue that a professional major league baseball team  
35 has made a binding and legally enforceable contractual commitment to:

36 (a) Play at least ninety percent of its home games in the stadium  
37 for a period of time not shorter than the term of the bonds issued to  
38 finance the initial construction of the stadium;

1 (b) Contribute forty-five million dollars toward the reasonably  
2 necessary preconstruction costs including, but not limited to  
3 architectural, engineering, environmental, and legal services, and the  
4 cost of construction of the stadium, or to any associated public  
5 purpose separate from bond-financed property, including without  
6 limitation land acquisition, parking facilities, equipment,  
7 infrastructure, or other similar costs associated with the project,  
8 which contribution shall be made during a term not to exceed the term  
9 of the bonds issued to finance the initial construction of the stadium.  
10 If all or part of the contribution is made after the date of issuance  
11 of the bonds, the team shall contribute an additional amount equal to  
12 the accruing interest on the deferred portion of the contribution,  
13 calculated at the interest rate on the bonds maturing in the year in  
14 which the deferred contribution is made. No part of the contribution  
15 may be made without the consent of the county until a public facilities  
16 district is created under chapter 36.100 RCW to acquire, construct,  
17 own, remodel, maintain, equip, reequip, repair, and operate a baseball  
18 stadium. To the extent possible, contributions shall be structured in  
19 a manner that would allow for the issuance of bonds to construct the  
20 stadium that are exempt from federal income taxes; and

21 (c) Share a portion of the profits generated by the baseball team  
22 from the operation of the professional franchise for a period of time  
23 equal to the term of the bonds issued to finance the initial  
24 construction of the stadium, after offsetting any losses incurred by  
25 the baseball team after the effective date of chapter 14, Laws of 1995  
26 1st sp. sess. Such profits and the portion to be shared shall be  
27 defined by agreement between the public facilities district and the  
28 baseball team. The shared profits shall be used to retire the bonds  
29 issued to finance the initial construction of the stadium. If the  
30 bonds are retired before the expiration of their term, the shared  
31 profits shall be paid to the public facilities district.

32 (5) No tax may be collected under this section before January 1,  
33 1996. Before collecting the taxes under this section or issuing bonds  
34 for a baseball stadium, the county shall create a public facilities  
35 district under chapter 36.100 RCW to acquire, construct, own, remodel,  
36 maintain, equip, reequip, repair, and operate a baseball stadium.

37 (6) The county shall assemble such real property as the district  
38 determines to be necessary as a site for the baseball stadium.

1 Property which is necessary for this purpose that is owned by the  
2 county on October 17, 1995, shall be contributed to the district, and  
3 property which is necessary for this purpose that is acquired by the  
4 county on or after October 17, 1995, shall be conveyed to the district.

5 (7) The proceeds of any bonds issued for the baseball stadium shall  
6 be provided to the district.

7 (8) As used in this section, "baseball stadium" means "baseball  
8 stadium" as defined in RCW 82.14.0485.

9 (9) The taxes imposed under this section shall expire when the  
10 bonds issued for the construction of the baseball stadium are retired,  
11 but not later than twenty years after the taxes are first collected.

12 (10) For an eligible retail sale, the seller may deduct the amount  
13 of tax imposed under this section from the amount of tax otherwise  
14 required to be collected or paid over to the department of revenue  
15 under chapter 82.08 or 82.12 RCW. For the purposes of this section,  
16 "eligible retail sale" means a retail sale that occurs within the  
17 boundaries of the chinatown/international district as shown in the  
18 chinatown/international district strategic plan adopted by the city of  
19 Seattle in 1998.

20 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2006.

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