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SENATE BILL 5776

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State of Washington

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2005 Regular Session

By Senators Rasmussen, Deccio, Jacobsen, Mulliken, Shin, Zarelli, Hewitt, Morton and Honeyford

Read first time 02/07/2005. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to extending the date when counties which have  
2 authorized facilities for agriculture promotion must allow a credit for  
3 city lodging taxes; and amending RCW 67.28.180.

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

5 **Sec. 1.** RCW 67.28.180 and 2002 c 178 s 2 are each amended to read  
6 as follows:

7 (1) Subject to the conditions set forth in subsections (2) and (3)  
8 of this section, the legislative body of any county or any city, is  
9 authorized to levy and collect a special excise tax of not to exceed  
10 two percent on the sale of or charge made for the furnishing of lodging  
11 that is subject to tax under chapter 82.08 RCW.

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

14 (a) Any county ordinance or resolution adopted pursuant to this  
15 section shall contain, in addition to all other provisions required to  
16 conform to this chapter, a provision allowing a credit against the  
17 county tax for the full amount of any city tax imposed pursuant to this  
18 section upon the same taxable event.

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

35 As used in this subsection (2)(b), "capital improvement projects"  
36 may include, but not be limited to a stadium restaurant facility,  
37 restroom facilities, artificial turf system, seating facilities,  
38 parking facilities and scoreboard and information system adjacent to or

1 within a county owned stadium, together with equipment, utilities,  
2 accessories and appurtenances necessary thereto. The stadium  
3 restaurant authorized by this subsection (2)(b) shall be operated by a  
4 private concessionaire under a contract with the county.

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

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

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

20 (d) In the event that any county has levied the tax authorized by  
21 this section and has, prior to June 26, 1975, either pledged the tax  
22 revenues for payment of principal and interest on city revenue or  
23 general obligation bonds for county-owned facilities and has developed  
24 facilities for agricultural promotion, a county is exempt under this  
25 subsection in respect to city revenue or general obligation bonds  
26 issued after April 1, 1991, only if the bonds mature before January 1,  
27 2021.

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

35 (a) Taxes collected under this section in any calendar year before  
36 2013 in excess of five million three hundred thousand dollars shall  
37 only be used as follows:

1 (i) Seventy-five percent from January 1, 1992, through December 31,  
2 2000, and seventy percent from January 1, 2001, through December 31,  
3 2012, for art museums, cultural museums, heritage museums, the arts,  
4 and the performing arts. Moneys spent under this subsection (3)(a)(i)  
5 shall be used for the purposes of this subsection (3)(a)(i) in all  
6 parts of the county.

7 (ii) Twenty-five percent from January 1, 1992, through December 31,  
8 2000, and thirty percent from January 1, 2001, through December 31,  
9 2012, for the following purposes and in a manner reflecting the  
10 following order of priority: Stadium purposes as authorized under  
11 subsection (2)(b) of this section; acquisition of open space lands;  
12 youth sports activities; and tourism promotion. If all or part of the  
13 debt on the stadium is refinanced, all revenues under this subsection  
14 (3)(a)(ii) shall be used to retire the debt.

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

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

24 (d) At least seventy percent of moneys spent under (a)(i) of this  
25 subsection for the period January 1, 1992, through December 31, 2000,  
26 shall be used only for the purchase, design, construction, and  
27 remodeling of performing arts, visual arts, heritage, and cultural  
28 facilities, and for the purchase of fixed assets that will benefit art,  
29 heritage, and cultural organizations. For purposes of this subsection,  
30 fixed assets are tangible objects such as machinery and other equipment  
31 intended to be held or used for ten years or more. Moneys received  
32 under this subsection (3)(d) may be used for payment of principal and  
33 interest on bonds issued for capital projects. Qualifying  
34 organizations receiving moneys under this subsection (3)(d) must be  
35 financially stable and have at least the following:

- 36 (i) A legally constituted and working board of directors;
- 37 (ii) A record of artistic, heritage, or cultural accomplishments;
- 38 (iii) Been in existence and operating for at least two years;

1 (iv) Demonstrated ability to maintain net current liabilities at  
2 less than thirty percent of general operating expenses;

3 (v) Demonstrated ability to sustain operational capacity subsequent  
4 to completion of projects or purchase of machinery and equipment; and

5 (vi) Evidence that there has been independent financial review of  
6 the organization.

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

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

16 (g) Moneys distributed to art museums, cultural museums, heritage  
17 museums, the arts, and the performing arts, and moneys distributed for  
18 tourism promotion shall be in addition to and may not be used to  
19 replace or supplant any other funding by the legislative body of the  
20 county.

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

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

36 (j) No ad valorem property taxes may be used for debt service on  
37 bonds issued for a public stadium that is financed by bonds to which

1 the tax is pledged, unless the taxes collected under this section are  
2 or are projected to be insufficient to meet debt service requirements  
3 on such bonds.

4 (k) If a substantial part of the operation and management of a  
5 public stadium that is financed directly or indirectly by bonds to  
6 which the tax is pledged is performed by a nonpublic entity or if a  
7 public stadium is sold that is financed directly or indirectly by bonds  
8 to which the tax is pledged, any bonds to which the tax is pledged  
9 shall be retired. This subsection (3)(k) does not apply in respect to  
10 a public stadium under chapter 36.102 RCW transferred to, owned by, or  
11 constructed by a public facilities district under chapter 36.100 RCW or  
12 a stadium and exhibition center.

13 (l) The county shall not lease a public stadium that is financed  
14 directly or indirectly by bonds to which the tax is pledged to, or  
15 authorize the use of the public stadium by, a professional major league  
16 sports franchise unless the sports franchise gives the right of first  
17 refusal to purchase the sports franchise, upon its sale, to local  
18 government. This subsection (3)(l) does not apply to contracts in  
19 existence on April 1, 1986.

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

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