

SENATE BILL REPORT

SB 5022

As of January 25, 2007

Title: An act relating to authorizing county taxes for the construction, design, repair, or improvement of viaducts and bridges.

Brief Description: Authorizing a county to impose taxes for certain viaduct or bridge projects.

Sponsors: Senators Jacobsen, Kline and Kohl-Welles.

Brief History:

Committee Activity: Transportation: 1/24/07.

SENATE COMMITTEE ON TRANSPORTATION

Staff: David Ward (786-7341)

Background: For the purpose of retiring debt associated with financing the construction of a baseball stadium, an additional 0.017 percent general sales and use tax is currently authorized in King County. The 0.017 percent general sales and use tax can only be collected so long as the following local option taxes are also levied: up to a 0.5 percent retail sales tax on food and beverage sales, up to a 2 percent sales tax on car rentals, and a 5 percent admissions tax on events other than elementary and secondary school events. The county admissions tax does not apply within cities that also impose the tax. The 0.017 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired, but not later than 20 years after the bonds are issued.

For the purpose of retiring debt associated with financing the construction of a football stadium, an additional 0.016 percent general sales and use tax is currently authorized in King County. The 0.016 percent general sales and use tax can only be collected so long as the following local option taxes are also levied: a 10 percent tax on admissions to events at the facility, a 10 percent tax on vehicle parking at the facility, and extension of the 2 percent hotel-motel tax through 2020. The 0.016 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired, but not later than 23 years after the tax was first collected.

Summary of Bill: Upon the retirement of debt associated with financing the construction of a baseball stadium, an additional 0.017 percent general sales and use tax is authorized in a county with a population of one million or more for the payment of principal and interest on bonds issued for the construction, design, repair, or improvement of a viaduct costing more than one billion dollars or a bridge over Lake Washington. The 0.017 percent general sales and use tax can only be collected if the following local option taxes are also levied by the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

county legislative authority: up to a 0.5 percent retail sales tax on food and beverage sales, up to a 2 percent sales tax on car rentals, and a 5 percent admissions tax on events other than elementary and secondary school events. The county admissions tax does not apply within cities that also impose the tax. The 0.017 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired.

Upon the retirement of debt associated with financing the construction of a football stadium, an additional 0.016 percent general sales and use tax is authorized in a county with a population of one million or more for the payment of principal and interest on bonds issued for the construction, design, repair, or improvement of a viaduct costing more than one billion dollars or a bridge over Lake Washington. The 0.016 percent general sales and use tax can only be collected so long as the following local option taxes are also levied by the county legislative authority: a 10 percent tax on admissions to events at the facility, a 10 percent tax on vehicle parking at the facility, and extension of the 2 percent hotel-motel tax. The 0.016 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: CON: Utilizing admissions, restaurant and bar, and hotel/motel taxes as a means to fund transportation is opposed. Deletion of language that allows for the use of admissions taxes for funding future maintenance activities at the stadiums is also opposed. The restaurant association agreed to the tax originally as a way to keep baseball in Washington and was promised at that time the tax would extend for no more than 20 years. The intent was to draw tourism to the state and the hotel-motel tax revenue should only be used for that purpose.

Persons Testifying: CON: Rick Wickman, Seattle Mariners; Robin Appleford, Seattle Seahawks, Trent House, Washington Restaurant Association; Sandy Burkett, Hotel Vintage Park and Seattle Hotel Association.