



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

5 (4) No taxes authorized under this chapter may be assessed or  
6 levied unless a majority of the voters of the public facilities  
7 district has approved such tax at a general or special election. A  
8 single ballot proposition may both validate the imposition of the sales  
9 and use tax under RCW 82.14.048 and the excise tax under RCW  
10 36.100.040.

11 (5) A public facilities district shall constitute a body corporate  
12 and shall possess all the usual powers of a corporation for public  
13 purposes as well as all other powers that may now or hereafter be  
14 specifically conferred by statute, including, but not limited to, the  
15 authority to hire employees, staff, and services, to enter into  
16 contracts, and to sue and be sued.

17 (6) A public facilities district may enter into contracts with a  
18 county for the purpose of exercising any powers of a community renewal  
19 agency under chapter 35.81 RCW.

20 (7) The county legislative authority or the city council may  
21 transfer property to the public facilities district created under this  
22 chapter. No property that is encumbered with debt or that is in need  
23 of major capital renovation may be transferred to the district without  
24 the agreement of the district and revenues adequate to retire the  
25 existing indebtedness.

26 **Sec. 102.** RCW 36.100.030 and 2003 c 376 s 1 are each amended to  
27 read as follows:

28 (1) A public facilities district is authorized to acquire,  
29 construct, own, remodel, maintain, equip, reequip, repair, lease, and  
30 operate (a) sports facilities, entertainment facilities, convention  
31 facilities, or regional centers as defined in RCW 35.57.020, and (b)  
32 for districts formed after January 1, 2000, recreational facilities  
33 other than ski areas, together with contiguous parking facilities. The  
34 taxes that are provided for in this chapter may only be imposed for  
35 these purposes.

36 (2) A public facilities district may enter into agreements under  
37 chapter 39.34 RCW for the joint provision and operation of such

1 facilities and may enter into contracts under chapter 39.34 RCW where  
2 any party to the contract provides and operates such facilities for the  
3 other party or parties to the contract.

4 (3) Notwithstanding the establishment of a career, civil, or merit  
5 service system, a public facilities district may contract with a public  
6 or private entity, including a prospective tenant of a proposed or  
7 existing facility, for the site acquisition, development, design,  
8 construction, lease, operation, or management of its public facilities,  
9 including without limitation:

10 (a) For the provision of design and other professional services,  
11 including with respect to the site evaluation and selection, design  
12 options, required environmental studies, other required studies, and  
13 necessary permitting;

14 (b) To control development of the facility, including determining  
15 bidding specifications and requirements, procurement procedures, and  
16 all other aspects of development, select and engage an architect or  
17 architects, other design professionals, and a contractor or contractors  
18 for design and construction;

19 (c) For a master lease whereby the public or private entity becomes  
20 the sole master tenant of the facility.

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

25 (5) A public facilities district may: (a) Impose charges and fees  
26 for the use of its facilities((7)); (b) structure the financing of the  
27 facility in consultation with the county in which the public facilities  
28 district is located; (c) incur debt from any source on an interim basis  
29 to finance the cost of public facilities district operations, which  
30 debt may be repaid out of bond proceeds or other sources; and ((may))  
31 (d) accept and expend or use gifts, grants, and donations.

32 **PART II**  
33 **FINANCING**

34 **Sec. 201.** RCW 82.14.0485 and 1995 3rd sp.s. c 1 s 101 are each  
35 amended to read as follows:

36 (1) The legislative authority of a county with a population of one

1 million or more may impose a sales and use tax in accordance with the  
2 terms of this chapter. The tax is in addition to other taxes  
3 authorized by law and shall be collected from those persons who are  
4 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
5 occurrence of any taxable event within the county. The rate of tax  
6 shall not exceed 0.017 percent of the selling price in the case of a  
7 sales tax or value of the article used in the case of a use tax.

8 (2) The tax imposed under subsection (1) of this section shall be  
9 deducted from the amount of tax otherwise required to be collected or  
10 paid over to the department of revenue under chapter 82.08 or 82.12  
11 RCW. The department of revenue shall perform the collection of such  
12 taxes on behalf of the county at no cost to the county.

13 (3) Moneys collected under this section shall only be used for the  
14 purpose of paying the principal and interest payments on bonds issued  
15 by a county to construct a baseball stadium, a regional center as  
16 defined in RCW 35.57.020, and for other purposes described in this act.

17 (4) ~~((No tax may be collected under this section before January 1,~~  
18 ~~1996, and no tax may be collected under this section unless the taxes~~  
19 ~~under RCW 82.14.360 are being collected.)) The tax imposed in this  
20 section shall expire when the bonds issued for the construction of the  
21 baseball stadium are retired, but not more than twenty years after the  
22 tax is first collected, unless extended pursuant to subsection (6) of  
23 this section.~~

24 (5) As used in this section, "baseball stadium" means a baseball  
25 stadium with natural turf and a retractable roof or canopy, together  
26 with associated parking facilities, constructed in the largest city in  
27 a county with a population of one million or more.

28 (6) The legislative authority of a county with a population of one  
29 million or more that has created a public facilities district to  
30 develop a regional center as defined in RCW 35.57.020 and that has  
31 imposed a tax pursuant to subsection (1) of this section may extend  
32 such tax in accordance with the terms of this chapter. Until the date  
33 that is the earlier of the date the bonds issued for the construction  
34 of a baseball stadium are retired or twenty years after the date the  
35 tax imposed in this section is first collected, moneys collected under  
36 this section shall only be used for the purpose of paying the principal  
37 and interest payments on bonds issued by a county to construct a  
38 baseball stadium. After the date that is the earlier of the date the

1 bonds issued for the construction of a baseball stadium are retired or  
2 twenty years after the date the tax imposed in this section is first  
3 collected, money collected under this section shall be used for the  
4 purposes set forth in section 301 of this act.

5 **Sec. 202.** RCW 82.14.0494 and 1997 c 220 s 204 are each amended to  
6 read as follows:

7 (1) The legislative authority of a county that has created a public  
8 stadium authority to develop a stadium and exhibition center under RCW  
9 36.102.050 may impose a sales and use tax in accordance with this  
10 chapter. The tax is in addition to other taxes authorized by law and  
11 shall be collected from those persons who are taxable by the state  
12 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
13 event within the county. The rate of tax shall be 0.016 percent of the  
14 selling price in the case of a sales tax or value of the article used  
15 in the case of a use tax.

16 (2) The tax imposed under subsection (1) of this section shall be  
17 deducted from the amount of tax otherwise required to be collected or  
18 paid over to the department of revenue under chapter 82.08 or 82.12  
19 RCW. The department of revenue shall perform the collection of such  
20 taxes on behalf of the county at no cost to the county.

21 (3) ~~((Before the issuance of bonds in RCW 43.99N.020, all revenues~~  
22 ~~collected on behalf of the county under this section shall be~~  
23 ~~transferred to the public stadium authority.))~~ After bonds are issued  
24 under RCW 43.99N.020, all revenues collected on behalf of the county  
25 under this section shall be deposited in the stadium and exhibition  
26 center account under RCW 43.99N.060, until the date that is the earlier  
27 of the date the bonds issued for the construction of a stadium and  
28 exhibition center are retired or twenty-three years after the date the  
29 tax in this section is first imposed.

30 (4) The definitions in RCW 36.102.010 apply to this section.

31 (5) This section expires on the earliest of the following dates,  
32 unless extended pursuant to subsection (6) of this section:

33 (a) December 31, 1999, if the conditions for issuance of bonds  
34 under RCW 43.99N.020 have not been met before that date;

35 (b) The date on which all bonds issued under RCW 43.99N.020 have  
36 been retired; or

1 (c) Twenty-three years after the date the tax under this section is  
2 first imposed.

3 (6) The legislative authority of a county with a population of one  
4 million or more that has created a public facilities district to  
5 develop a regional center as defined in RCW 35.57.020 and that has  
6 imposed a tax pursuant to subsection (1) of this section may extend  
7 such tax in accordance with the terms of this chapter. Until the date  
8 that is the earlier of the date the bonds issued for the construction  
9 of a stadium and exhibition center are retired or twenty-three years  
10 after the date the tax in this section is first imposed, all revenues  
11 collected on behalf of the county under this section shall be deposited  
12 in the stadium and exhibition center account under RCW 43.99N.060.  
13 After the date that is the earlier of the date the bonds issued for the  
14 construction of a stadium and exhibition center are retired or  
15 twenty-three years after the date the tax in this section is first  
16 imposed, money collected under this section shall be used for the  
17 purposes set forth in section 301 of this act.

18 **Sec. 203.** RCW 82.14.360 and 2000 c 103 s 10 are each amended to  
19 read as follows:

20 (1) The legislative authority of a county with a population of one  
21 million or more may impose a special stadium sales and use tax upon the  
22 retail sale or use within the county by restaurants, taverns, and bars  
23 of food and beverages that are taxable by the state under chapters  
24 82.08 and 82.12 RCW. The rate of the tax shall not exceed five-tenths  
25 of one percent of the selling price in the case of a sales tax, or  
26 value of the article used in the case of a use tax. The tax imposed  
27 under this subsection is in addition to any other taxes authorized by  
28 law and shall not be credited against any other tax imposed upon the  
29 same taxable event. As used in this section, "restaurant" does not  
30 include grocery stores, mini-markets, or convenience stores.

31 (2) The legislative authority of a county with a population of one  
32 million or more may impose a special stadium sales and use tax upon  
33 retail car rentals within the county that are taxable by the state  
34 under chapters 82.08 and 82.12 RCW. The rate of the tax shall not  
35 exceed two percent of the selling price in the case of a sales tax, or  
36 rental value of the vehicle in the case of a use tax. The tax imposed

1 under this subsection is in addition to any other taxes authorized by  
2 law and shall not be credited against any other tax imposed upon the  
3 same taxable event.

4 (3) Until the date that is the earlier of the date on which bonds  
5 issued for the construction of a baseball stadium are retired or twenty  
6 years after the taxes in this section are first collected, the revenue  
7 from the taxes imposed under this section shall be used for the purpose  
8 of principal and interest payments on bonds, issued by the county, to  
9 acquire, construct, own, remodel, maintain, equip, reequip, repair, and  
10 operate a baseball stadium. Revenues from the taxes authorized in this  
11 section may be used for design and other preconstruction costs of the  
12 baseball stadium until bonds are issued for the baseball stadium. The  
13 county shall issue bonds, in an amount determined to be necessary by  
14 the public facilities district, for the district to acquire, construct,  
15 own, and equip the baseball stadium. The county shall have no  
16 obligation to issue bonds in an amount greater than that which would be  
17 supported by the tax revenues under this section, RCW 82.14.0485, and  
18 36.38.010(4) (a) and (b).

19 (4) Until the date that is the earlier of the date on which bonds  
20 issued for the construction of a baseball stadium are retired or twenty  
21 years after the taxes in this section are first collected, if the  
22 revenue from the taxes imposed under this section exceeds the amount  
23 needed for such principal and interest payments in any year, the excess  
24 shall be 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))~~ (5) The taxes authorized under this section shall not be  
33 collected after June 30, 1997, unless the county executive has  
34 certified to the department of revenue that a professional major league  
35 baseball team has made a binding and legally enforceable contractual  
36 commitment to:

37 (a) Play at least ninety percent of its home games in the stadium

1 for a period of time not shorter than the term of the bonds issued to  
2 finance the initial construction of the stadium;

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

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

34 ~~((+5))~~ (6) If the legislative authority of a county that has  
35 imposed a tax pursuant to either subsection (1) or (2) of this section  
36 has created a public facilities district to develop a regional center  
37 as defined in RCW 35.57.020, after the earlier of the date the bonds  
38 issued for the construction of a baseball stadium are retired or twenty



1 years after the taxes in this section are first collected, through and  
2 until December 31, 2015, money collected under subsections (1) and (2)  
3 of this section shall be used for the purposes set forth in section 301  
4 of this act.

5 (7) No tax may be collected under this section before January 1,  
6 1996. Before collecting the taxes under this section or issuing bonds  
7 for a baseball stadium, the county shall create a public facilities  
8 district under chapter 36.100 RCW to acquire, construct, own, remodel,  
9 maintain, equip, reequip, repair, and operate a baseball stadium.

10 ~~((+6))~~ (8) The county shall assemble such real property as the  
11 district determines to be necessary as a site for the baseball stadium.  
12 Property which is necessary for this purpose that is owned by the  
13 county on October 17, 1995, shall be contributed to the district, and  
14 property which is necessary for this purpose that is acquired by the  
15 county on or after October 17, 1995, shall be conveyed to the district.

16 ~~((+7))~~ (9) The proceeds of any bonds issued for ~~((the))~~ a baseball  
17 stadium shall be provided to the public facilities district that owns  
18 the baseball stadium.

19 ~~((+8))~~ (10) As used in this section, "baseball stadium" means  
20 "baseball stadium" as defined in RCW 82.14.0485.

21 ~~((+9))~~ (11) The taxes imposed under this section shall expire  
22 ~~((when))~~ on the later of the following dates:

23 (a) The earlier of the date on which the bonds issued for the  
24 construction of the baseball stadium are retired, but not later than  
25 twenty years after the taxes are first collected; or

26 (b) If bonds are issued pursuant to section 302 of this act,  
27 December 31, 2015.

28 **Sec. 204.** RCW 67.28.180 and 2002 c 178 s 2 are each amended to  
29 read as follows:

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

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

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

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

1 obligation bonds issued after April 1, 1991, only if such bonds mature  
2 before January 1, 2013.

3 As used in this subsection (2)(b), "capital improvement projects"  
4 may include, but not be limited to a stadium restaurant facility,  
5 restroom facilities, artificial turf system, seating facilities,  
6 parking facilities and scoreboard and information system adjacent to or  
7 within a county owned stadium, together with equipment, utilities,  
8 accessories and appurtenances necessary thereto. The stadium  
9 restaurant authorized by this subsection (2)(b) shall be operated by a  
10 private concessionaire under a contract with the county.

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

14 (ii) If bonds have been issued under RCW 43.99N.020 and any  
15 necessary property transfers have been made under RCW 36.102.100, no  
16 city within a county with a population of one million or more may levy  
17 the tax authorized by this section before January 1, 2021. If any  
18 bonds described in section 302 of this act have been issued, no city  
19 within a county with a population of one million or more may levy the  
20 tax authorized by this section.

21 (iii) However, in the event that any city in a county described in  
22 (i) or (ii) of this subsection (2)(c) has levied the tax authorized by  
23 this section and has, prior to June 26, 1975, authorized and issued  
24 revenue or general obligation bonds pursuant to the provisions of RCW  
25 67.28.150 through 67.28.160, such city may levy the tax so long as the  
26 tax revenues are pledged for payment of principal and interest on bonds  
27 issued at any time pursuant to the provisions of RCW 67.28.150 through  
28 67.28.160.

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

36 (a) Taxes collected under this section in any calendar year before  
37 2013 in excess of five million three hundred thousand dollars shall  
38 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, heritage and  
4 preservation programs, the arts, and the performing arts. Moneys spent  
5 under this subsection (3)(a)(i) shall be used for the purposes of this  
6 subsection (3)(a)(i) in all 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) From January 1, 2021, until all bonds described in section 302  
25 of this act are retired, all revenues collected under this section by  
26 a county shall be used for the following purposes:

27 (i) Fifty percent of the revenues shall be used for the purposes  
28 set forth in section 301 of this act; and

29 (ii) Fifty percent of the revenues shall be used by the county to  
30 fund cultural activities and facilities in all parts of the county.

31 (e) At least seventy percent of moneys spent under (a)(i) of this  
32 subsection for the period January 1, 1992, through December 31, 2000,  
33 shall be used only for the purchase, design, construction, and  
34 remodeling of performing arts, visual arts, heritage, and cultural  
35 facilities, and for the purchase of fixed assets that will benefit art,  
36 heritage, and cultural organizations. For purposes of this subsection,  
37 fixed assets are tangible objects such as machinery and other equipment  
38 intended to be held or used for ten years or more. Moneys received

1 under this subsection (3)((+d+)) (e) may be used for payment of  
2 principal and interest on bonds issued for capital projects.  
3 Qualifying organizations receiving moneys under this subsection  
4 (3)((+d+)) (e) must be financially stable and have at least the  
5 following:

- 6 (i) A legally constituted and working board of directors;
- 7 (ii) A record of artistic, heritage, or cultural accomplishments;
- 8 (iii) Been in existence and operating for at least two years;
- 9 (iv) Demonstrated ability to maintain net current liabilities at  
10 less than thirty percent of general operating expenses;
- 11 (v) Demonstrated ability to sustain operational capacity subsequent  
12 to completion of projects or purchase of machinery and equipment; and
- 13 (vi) Evidence that there has been independent financial review of  
14 the organization.

15 ((+e+)) (f) At least forty percent of the revenues distributed  
16 pursuant to (a)(i) of this subsection for the period January 1, 2001,  
17 through December 31, 2012, shall be deposited in an account and shall  
18 be used to establish an endowment. ~~((Principal in the account shall  
19 remain permanent and irreducible))~~ On the effective date of this  
20 section, the endowment account shall be converted to a reserve account.  
21 The principal of the account and earnings from investments of balances  
22 in the account may only be used for the purposes of (a)(i) of this  
23 subsection.

24 ((+f+)) (g) School districts and schools shall not receive revenues  
25 distributed pursuant to (a)(i) or (d) of this subsection.

26 ((+g+)) (h) Moneys distributed to art museums, cultural museums,  
27 heritage museums, heritage and preservation programs, the arts, and the  
28 performing arts, and moneys distributed for tourism promotion shall be  
29 in addition to and may not be used to replace or supplant any other  
30 funding by the legislative body of the county.

31 ((+h+)) (i) As used in this section, "tourism promotion" includes  
32 activities intended to attract visitors for overnight stays, arts,  
33 heritage, and cultural events, and recreational, professional, and  
34 amateur sports events. Moneys allocated to tourism promotion in a  
35 class AA county shall be allocated to nonprofit organizations formed  
36 for the express purpose of tourism promotion in the county. Such  
37 organizations shall use moneys from the taxes to promote events in all  
38 parts of the class AA county.

1        ~~((i))~~ (j) No taxes collected under this section may be used for  
2 the operation or maintenance of a public stadium that is financed  
3 directly or indirectly by bonds to which the tax is pledged.  
4 Expenditures for operation or maintenance include all expenditures  
5 other than expenditures that directly result in new fixed assets or  
6 that directly increase the capacity, life span, or operating economy of  
7 existing fixed assets.

8        ~~((j))~~ (k) No ad valorem property taxes may be used for debt  
9 service on bonds issued for a public stadium that is financed by bonds  
10 to which the tax is pledged, unless the taxes collected under this  
11 section are or are projected to be insufficient to meet debt service  
12 requirements on such bonds.

13        ~~((k))~~ (l) If a substantial part of the operation and management  
14 of a public stadium that is financed directly or indirectly by bonds to  
15 which the tax is pledged is performed by a nonpublic entity or if a  
16 public stadium is sold that is financed directly or indirectly by bonds  
17 to which the tax is pledged, any bonds to which the tax is pledged  
18 shall be retired. This subsection (3)~~((k))~~ (l) does not apply in  
19 respect to a public stadium under chapter 36.102 RCW transferred to,  
20 owned by, or constructed by a public facilities district under chapter  
21 36.100 RCW ~~((e))~~, a stadium and exhibition center, or a regional  
22 center as defined in RCW 35.57.020 which is acquired, developed,  
23 constructed, owned, leased, or operated by a public facilities district  
24 pursuant to RCW 36.100.030.

25        ~~((l))~~ (m) The county shall not lease a public stadium that is  
26 financed directly or indirectly by bonds to which the tax is pledged  
27 to, or authorize the use of the public stadium by, a professional major  
28 league sports franchise unless the sports franchise gives the right of  
29 first refusal to purchase the sports franchise, upon its sale, to local  
30 government. This subsection (3)~~((l))~~ (m) does not apply to contracts  
31 in existence on April 1, 1986, or to the lease or use of a regional  
32 center as defined in RCW 35.57.020 which is acquired, developed,  
33 constructed, owned, leased, or operated by a public facilities district  
34 pursuant to RCW 36.100.030.

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

1       **Sec. 205.** RCW 82.14.049 and 1997 c 220 s 502 are each amended to  
2 read as follows:

3       The legislative authority of any county may impose a sales and use  
4 tax, in addition to the tax authorized by RCW 82.14.030, upon retail  
5 car rentals within the county that are taxable by the state under  
6 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of  
7 the selling price in the case of a sales tax or rental value of the  
8 vehicle in the case of a use tax. Proceeds of the tax (~~shall not be  
9 used to subsidize any professional sports team and~~) shall be used  
10 solely for the following purposes:

11       (1) Acquiring, constructing, maintaining, or operating public  
12 sports stadium facilities or regional centers, as defined in RCW  
13 35.57.020;

14       (2) Engineering, planning, financial, legal, or professional  
15 services incidental to public sports stadium facilities or regional  
16 centers, as defined in RCW 35.57.020;

17       (3) Youth or amateur sport activities or facilities; (~~or~~)

18       (4) Debt or refinancing debt issued for the purposes of subsection  
19 (1) of this section; or

20       (5) The legislative authority of a county with a population of one  
21 million or more that has created a public facilities district to  
22 develop a regional center as defined in RCW 35.57.020 and has imposed  
23 a tax pursuant to this section may extend such tax, such that,  
24 following retirement of bonded indebtedness incurred prior to January  
25 1, 1997, or refinancing of such bonded indebtedness, for any purpose  
26 authorized by RCW 67.28.180 or relating to stadium repairs or  
27 rehabilitation, including but not limited to the cost of settling legal  
28 claims, reimbursing operating funds, interest payments on short-term  
29 loans, and any other purpose for which such debt has been incurred,  
30 proceeds of the tax shall be used for the purposes set forth in section  
31 301 of this act.

32       At least seventy-five percent of the tax imposed under this section  
33 shall be used for the purposes of subsections (1), (2), (~~and~~) (4),  
34 and (5) of this section.

35       NEW SECTION. **Sec. 206.** A new section is added to chapter 82.14  
36 RCW to read as follows:

37       Site acquisition, development, designing, constructing, furnishing,

1 and equipping of a regional center as defined in RCW 35.57.020 which is  
2 acquired, developed, constructed, owned, leased, or operated by a  
3 public facilities district pursuant to RCW 36.100.030 is exempt from  
4 state and local excise, sales, and use taxes otherwise due, including  
5 under chapters 82.08, 82.12, 82.14, and 82.45 RCW.

6 **Sec. 207.** RCW 82.29A.130 and 2005 c 514 s 601 and 2005 c 170 s 1  
7 are each reenacted and amended to read as follows:

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

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

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

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

21 (4) All leasehold interests used for fair purposes of a nonprofit  
22 fair association that sponsors or conducts a fair or fairs which  
23 receive support from revenues collected pursuant to RCW 67.16.100 and  
24 allocated by the director of the department of agriculture where the  
25 fee ownership of such property is vested in the government of the  
26 United States, the state of Washington or any of its political  
27 subdivisions: PROVIDED, That this exemption shall not apply to the  
28 leasehold interest of any sublessee of such nonprofit fair association  
29 if such leasehold interest would be taxable if it were the primary  
30 lease.

31 (5) All leasehold interests in any property of any public entity  
32 used as a residence by an employee of that public entity who is  
33 required as a condition of employment to live in the publicly owned  
34 property.

35 (6) All leasehold interests held by enrolled Indians of lands owned  
36 or held by any Indian or Indian tribe where the fee ownership of such



1 property is vested in or held in trust by the United States and which  
2 are not subleased to other than to a lessee which would qualify  
3 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

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

12 (8) All leasehold interests for which annual taxable rent is less  
13 than two hundred fifty dollars per year. For purposes of this  
14 subsection leasehold interests held by the same lessee in contiguous  
15 properties owned by the same lessor shall be deemed a single leasehold  
16 interest.

17 (9) All leasehold interests which give use or possession of the  
18 leased property for a continuous period of less than thirty days:  
19 PROVIDED, That for purposes of this subsection, successive leases or  
20 lease renewals giving substantially continuous use of possession of the  
21 same property to the same lessee shall be deemed a single leasehold  
22 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed  
23 to give use or possession for a period of less than thirty days solely  
24 by virtue of the reservation by the public lessor of the right to use  
25 the property or to allow third parties to use the property on an  
26 occasional, temporary basis.

27 (10) All leasehold interests under month-to-month leases in  
28 residential units rented for residential purposes of the lessee pending  
29 destruction or removal for the purpose of constructing a public highway  
30 or building.

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

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

1 (13) All leasehold interests used to provide organized and  
2 supervised recreational activities for (~~disabled~~) persons with  
3 disabilities of all ages in a camp facility and for public recreational  
4 purposes by a nonprofit organization, association, or corporation that  
5 would be exempt from property tax under RCW 84.36.030(1) if it owned  
6 the property. If the publicly owned property is used for any taxable  
7 purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and  
8 82.29A.040 shall be imposed and shall be apportioned accordingly.

9 (14) All leasehold interests in the public or entertainment areas  
10 of a baseball stadium with natural turf and a retractable roof or  
11 canopy that is in a county with a population of over one million, that  
12 has a seating capacity of over forty thousand, and that is constructed  
13 on or after January 1, 1995. "Public or entertainment areas" include  
14 ticket sales areas, ramps and stairs, lobbies and concourses, parking  
15 areas, concession areas, restaurants, hospitality and stadium club  
16 areas, kitchens or other work areas primarily servicing other public or  
17 entertainment areas, public rest room areas, press and media areas,  
18 control booths, broadcast and production areas, retail sales areas,  
19 museum and exhibit areas, scoreboards or other public displays, storage  
20 areas, loading, staging, and servicing areas, seating areas and suites,  
21 the playing field, and any other areas to which the public has access  
22 or which are used for the production of the entertainment event or  
23 other public usage, and any other personal property used for these  
24 purposes. "Public or entertainment areas" does not include locker  
25 rooms or private offices exclusively used by the lessee.

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

31 (16) All leasehold interests in public facilities districts, as  
32 provided in chapter 36.100 or 35.57 RCW.

33 (17) All leasehold interests in property that is: (a) Owned by a  
34 municipal corporation; (b) listed on any federal or state register of  
35 historical sites; and (c) wholly contained within a designated national  
36 historic reserve under 16 U.S.C. Sec. 461.

37 (18) All leasehold interests in the public or entertainment areas  
38 of an amphitheater if a private entity is responsible for one hundred

1 percent of the cost of constructing the amphitheater which is not  
2 reimbursed by the public owner, both the public owner and the private  
3 lessee sponsor events at the facility on a regular basis, the lessee is  
4 responsible under the lease or agreement to operate and maintain the  
5 facility, and the amphitheater has a seating capacity of over seventeen  
6 thousand reserved and general admission seats and is in a county with  
7 a population of over three hundred fifty thousand, but less than four  
8 hundred twenty-five thousand. For the purposes of this subsection,  
9 "public or entertainment areas" include box offices or other ticket  
10 sales areas, entrance gates, ramps and stairs, lobbies and concourses,  
11 parking areas, concession areas, restaurants, hospitality areas,  
12 kitchens or other work areas primarily servicing other public or  
13 entertainment areas, public rest room areas, press and media areas,  
14 control booths, broadcast and production areas, retail sales areas,  
15 museum and exhibit areas, scoreboards or other public displays, storage  
16 areas, loading, staging, and servicing areas, seating areas including  
17 lawn seating areas and suites, stages, and any other areas to which the  
18 public has access or which are used for the production of the  
19 entertainment event or other public usage, and any other personal  
20 property used for these purposes. "Public or entertainment areas" does  
21 not include office areas used predominately by the lessee.

22 (19) All leasehold interests in a regional center as defined in RCW  
23 35.57.020 which is acquired, developed, constructed, owned, leased, or  
24 operated by a public facilities district pursuant to RCW 36.100.030,  
25 that is completed on or after January 1, 2008.

26 **PART III**  
27 **USE OF FUNDS**

28 NEW SECTION. **Sec. 301.** A new section is added to chapter 35.57  
29 RCW to read as follows:

30 "Regional center tax revenues" means the revenue sources identified  
31 in RCW 82.14.0485, 82.14.0494, 82.14.360, 67.28.180, and 82.14.049.  
32 Regional center tax revenues shall only be used for the following  
33 purposes in the following order of priority:

34 (1) To fund arts and cultural activities and facilities in all  
35 parts of the county out of regional center tax revenues collected for

1 the calendar years between January 1, 2013, and December 31, 2020, in  
2 an annual amount as determined by the county in which the revenue  
3 sources are collected;

4 (2) To fund the following costs associated with public facilities  
5 within the county:

6 (a) The costs of modernization, improvements, renovations, or  
7 replacement of major public sports gathering and public facilities  
8 located within the county;

9 (b) The costs of issuance, and scheduled principal and interest, of  
10 any bonds issued the proceeds of which are used to pay the costs  
11 described in subsection (1) of this section, or any other bonds used to  
12 refinance such bonds; and

13 (c) The costs of operation of any public authority which owns and  
14 operates such facilities.

15 (3) The excess of such regional center tax revenues after  
16 application of subsections (1) and (2) of this section, shall be paid  
17 to and held by the treasurer of the county in which the revenue sources  
18 are collected, to be held in a segregated fund created by such county  
19 to be called the "regional center account." Upon satisfaction of any  
20 conditions precedent to the site acquisition, development, design,  
21 construction, furnishing, or equipping of a regional center as defined  
22 in RCW 35.57.020 that are imposed by the legislative authority of the  
23 county, which creates a public facilities district to develop such a  
24 regional center, regional center tax revenues collected in any calendar  
25 year after application of subsections (1) and (2) of this section,  
26 together with all funds then held in the regional center account, shall  
27 be transferred to the public facilities district or retained by the  
28 county, and used in accordance with section 302 of this act to pay for  
29 the costs and expenses described in subsection (4) of this section;

30 (4) Funding from all sources may be used to pay for any and all of  
31 the following costs and expenses:

32 (a) The costs of formation and operation of the public facilities  
33 district until such costs can be paid by rent or other income from a  
34 regional center or other sources;

35 (b) Direct and indirect costs and expenses of site acquisition,  
36 development, design, construction, furnishing, and equipping of a  
37 regional center;

1 (c) The costs of issuance and maintenance of the bonds described in  
2 section 302 of this act, including any capitalized interest, and  
3 scheduled principal and interest payments, and the costs of any other  
4 bonds used to refinance such bonds described in section 302 of this  
5 act;

6 (d) The cost of repayment of any debt incurred by a county, city,  
7 or public facilities district to finance any costs and expenses  
8 described in (a) through (c) of this subsection;

9 (e) The cost of reimbursement of a county, city, or public  
10 facilities district for its expenditures to pay any costs and expenses  
11 in (a) through (c) of this subsection; and

12 (f) The costs of satisfying any contractual obligations of a  
13 county, city, or public facilities district to pay any costs and  
14 expenses in (a) through (c) of this subsection; and

15 (5) The excess of such regional center tax revenues after  
16 application of subsections (1) and (3) of this section, and after  
17 application of section 303 of this act, in any year shall be used for  
18 the early retirement of the bonds described in section 302 of this act.

19 NEW SECTION. **Sec. 302.** A new section is added to chapter 35.57  
20 RCW to read as follows:

21 A county with a population of one million or more that has created  
22 a public facilities district to develop a regional center as defined in  
23 RCW 35.57.020, a city in which such a regional center is or is proposed  
24 to be located, or a public facilities district that is created by the  
25 county to develop such a regional center, are each authorized to issue  
26 general obligation bonds or revenue bonds, for a term of up to twenty-  
27 five years, for the purposes described in section 301(4) of this act.

28 NEW SECTION. **Sec. 303.** A new section is added to chapter 35.57  
29 RCW to read as follows:

30 (1) The proceeds from the sale of the bonds by the county  
31 authorized in section 302 of this act shall be paid to and held by the  
32 treasurer of the county in the regional center account described in  
33 section 301(3) of this act. Only the treasurer of the county or the  
34 treasurer's designee may authorize expenditures from the account. At  
35 the direction of the treasurer of the county or the treasurer's

1 designee, funds from the regional center account shall be transferred  
2 to the public facilities district created in RCW 36.100.010 as required  
3 by the public facilities district.

4 (2) After bonds are issued by the county under section 302 of this  
5 act, all moneys in the regional center account shall be used  
6 exclusively for the following purposes in the following priority:

7 (a) On or before June 30th of each year, the treasurer of the  
8 county shall accumulate in the regional center account an amount at  
9 least equal to the amount required in the next succeeding twelve months  
10 for the payment of principal of and interest on the bonds issued by the  
11 county under section 302 of this act;

12 (b) An additional reserve amount not in excess of the expected  
13 average annual principal and interest requirements of bonds issued by  
14 the county under section 302 of this act shall be accumulated and  
15 maintained in the account, subject to withdrawal by the county  
16 treasurer at any time if necessary to meet the requirements of (a) of  
17 this subsection, and, following any withdrawal, reaccumulated from the  
18 first tax revenues and other amounts deposited in the account after  
19 meeting the requirements of (a) of this subsection.

20 NEW SECTION. **Sec. 304.** A new section is added to chapter 35.57  
21 RCW to read as follows:

22 (1) The "major facilities account" shall be a dedicated fund  
23 created by a county with a population of one million or more that has  
24 created one or more public facilities districts or public stadium  
25 authorities for the purpose of funding:

26 (a) The costs of modernization, improvements, renovations, or  
27 replacement of major public sports gathering and public facilities  
28 located within the county;

29 (b) The costs of issuance, and scheduled principal and interest, of  
30 any bonds issued the proceeds of which are used to pay the costs  
31 described in subsection (1) of this section, or any other bonds used to  
32 refinance such bonds; and

33 (c) The costs of operation of any public authority which owns and  
34 operates such facilities.

35 (2) The application, allocation, and use of any funds in the major  
36 facilities account shall be in the discretion of the county.

