

SSB 6051 - S AMD 143

By Senators Murray, King

ADOPTED 02/15/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 67.28.180 and 2007 c 189 s 1 are each amended to read
4 as follows:

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

10 (2) Any levy authorized by this section (~~(shall be)~~) is subject to
11 the following:

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

17 (b)(i) In the event that any county has levied the tax authorized
18 by this section and has, prior to June 26, 1975, either pledged the tax
19 revenues for payment of principal and interest on city revenue or
20 general obligation bonds authorized and issued pursuant to RCW
21 67.28.150 through 67.28.160 or has authorized and issued revenue or
22 general obligation bonds pursuant to the provisions of RCW 67.28.150
23 through 67.28.160, such county (~~(shall be)~~) is exempt from the
24 provisions of (a) of this subsection, to the extent that the tax
25 revenues are pledged for payment of principal and interest on bonds
26 issued at any time pursuant to the provisions of RCW 67.28.150 through
27 67.28.160 (~~(: PROVIDED, That)~~). However, so much of such pledged tax
28 revenues, together with any investment earnings thereon, not
29 immediately necessary for actual payment of principal and interest on
30 such bonds may be used: ~~((+))~~ (A) In any county with a population of

1 one million five hundred thousand or more, for repayment either of
2 limited tax levy general obligation bonds or of any county fund or
3 account from which a loan was made, the proceeds from the bonds or loan
4 being used to pay for constructing, installing, improving, and
5 equipping stadium capital improvement projects, and to pay for any
6 engineering, planning, financial, legal and professional services
7 incident to the development of such stadium capital improvement
8 projects, regardless of the date the debt for such capital improvement
9 projects was or may be incurred; ~~((+ii+))~~ (B) in any county with a
10 population of one million five hundred thousand or more, for repayment
11 or refinancing of bonded indebtedness incurred prior to January 1,
12 1997, for any purpose authorized by this section or relating to stadium
13 repairs or rehabilitation, including but not limited to the cost of
14 settling legal claims, reimbursing operating funds, interest payments
15 on short-term loans, and any other purpose for which such debt has been
16 incurred if the county has created a public stadium authority to
17 develop a stadium and exhibition center under RCW 36.102.030; or
18 ~~((+iii+))~~ (C) in other counties, for county-owned facilities for
19 agricultural promotion until January 1, 2009, and thereafter for any
20 purpose authorized in this chapter.

21 (ii) A county is exempt under this subsection with respect to city
22 revenue or general obligation bonds issued after April 1, 1991, only if
23 such bonds mature before January 1, 2013. If any county located east
24 of the crest of the Cascade mountains has levied the tax authorized by
25 this section and has, prior to June 26, 1975, pledged the tax revenue
26 for payment of principal and interest on city revenue or general
27 obligation bonds, the county is exempt under this subsection with
28 respect to revenue or general obligation bonds issued after January 1,
29 2007, only if the bonds mature before January 1, 2021. Such a county
30 may only use funds under this subsection (2)(b) for constructing or
31 improving facilities authorized under this chapter, including county-
32 owned facilities for agricultural promotion, and must perform an annual
33 financial audit of organizations receiving funding on the use of the
34 funds.

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

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

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

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

14 (iii) However, in the event that any city in a county described in
15 (i) or (ii) of this subsection (2)(c) has levied the tax authorized by
16 this section and has, prior to June 26, 1975, authorized and issued
17 revenue or general obligation bonds pursuant to the provisions of RCW
18 67.28.150 through 67.28.160, such city may levy the tax so long as the
19 tax revenues are pledged for payment of principal and interest on bonds
20 issued at any time pursuant to the provisions of RCW 67.28.150 through
21 67.28.160.

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

30 (a) Taxes collected under this section in any calendar year before
31 2013 in excess of five million three hundred thousand dollars (~~shall~~)
32 may only be used as follows:

33 (i) Seventy-five percent from January 1, 1992, through December 31,
34 2000, and seventy percent from January 1, 2001, through December 31,
35 2012, for art museums, cultural museums, heritage museums, a performing
36 arts center in a city with a population greater than eighty-five
37 thousand persons but less than one hundred thousand persons, heritage

1 and preservation programs, the arts, and the performing arts. Moneys
2 spent under this subsection (3)(a)(i) (~~shall~~) must be used for the
3 purposes of this subsection (3)(a)(i) in all parts of the county.

4 (ii) Twenty-five percent from January 1, 1992, through December 31,
5 2000, and thirty percent from January 1, 2001, through December 31,
6 2012, for the following purposes and in a manner reflecting the
7 following order of priority: Stadium purposes as authorized under
8 subsection (2)(b) of this section; acquisition of open space lands;
9 youth sports activities; and tourism promotion. If all or part of the
10 debt on the stadium is refinanced, all revenues under this subsection
11 (3)(a)(ii) (~~shall~~) must be used to retire the debt.

12 (b) From January 1, 2013, through December 31, 2015, in a county
13 with a population of one million five hundred thousand or more, all
14 revenues under this section (~~shall~~) must be used to retire the debt
15 on the stadium, (~~or deposited in the stadium and exhibition center~~
16 ~~account under RCW 43.99N.060 after~~) until the debt on the stadium is
17 retired. On and after the date the debt on the stadium is retired, and
18 through December 31, 2015, all revenues under this section in a county
19 of one million five hundred thousand or more must be deposited in the
20 special account under (f) of this subsection.

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

25 (d) On and after January 1, 2021, at least thirty-seven and one-
26 half percent of revenues under this section in a county of one million
27 five hundred thousand or more must be deposited in the special account
28 under (f) of this subsection.

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

1 Qualifying organizations receiving moneys under this subsection
2 ~~(3)((d))~~ (e) must be financially stable and have at least the
3 following:

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

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

21 ~~((f))~~ (g) School districts and schools ~~((shall))~~ may not receive
22 revenues distributed pursuant to (a)(i) of this subsection.

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

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

36 ~~((i))~~ (j) No taxes collected under this section may be used for
37 the operation or maintenance of a public stadium that is financed
38 directly or indirectly by bonds to which the tax is pledged.

1 Expenditures for operation or maintenance include all expenditures
2 other than expenditures that directly result in new fixed assets or
3 that directly increase the capacity, life span, or operating economy of
4 existing fixed assets.

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

10 ~~((+k))~~ (l) If a substantial part of the operation and management
11 of a public stadium that is financed directly or indirectly by bonds to
12 which the tax is pledged is performed by a nonpublic entity or if a
13 public stadium is sold that is financed directly or indirectly by bonds
14 to which the tax is pledged, any bonds to which the tax is pledged
15 ~~((shall))~~ must be retired. This subsection (3)~~((+k))~~ (l) does not
16 apply in respect to a public stadium under chapter 36.102 RCW
17 transferred to, owned by, or constructed by a public facilities
18 district under chapter 36.100 RCW or a stadium and exhibition center.

19 ~~((+l))~~ (m) The county ~~((shall))~~ may not lease a public stadium
20 that is financed directly or indirectly by bonds to which the tax is
21 pledged to, or authorize the use of the public stadium by, a
22 professional major league sports franchise unless the sports franchise
23 gives the right of first refusal to purchase the sports franchise, upon
24 its sale, to local government. This subsection (3)~~((+l))~~ (m) does not
25 apply to contracts in existence on April 1, 1986.

26 (4) If a court of competent jurisdiction declares any provision of
27 ~~((this))~~ subsection (3) invalid, then that invalid provision ~~((shall~~
28 ~~be))~~ is null and void and the remainder of this section is not
29 affected."

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30 On page 1, line 1 of the title, after "Relating to" strike the

1 remainder of the title and insert "lodging taxes; and amending RCW
2 67.28.180."

EFFECT: Eliminates the endowment fund for arts and heritage programs. Allows King County hotel/motel tax funds to be deposited into an account for arts and heritage programs after the debt on the Kingdome is paid off from the years of 2013 through 2015. Beginning in 2021, 37.5 percent of hotel/motel taxes collected in King County shall be dedicated to arts and heritage programs. The money may be spent on a performing arts center in a city with a population greater than 85,000 and less than 100,000. Yakima County can continue to collect the hotel/motel tax within the city of Yakima until 2035.

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