
SENATE BILL 5875

State of Washington 61st Legislature 2009 Regular Session

By Senators Murray, Hewitt, Jacobsen, and Kohl-Welles

Read first time 02/05/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to the convention place station expansion of the
2 state convention and trade center; amending RCW 67.40.130, 67.40.170,
3 67.40.190, 67.40.045, and 67.40.090; adding new sections to chapter
4 67.40 RCW; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 67.40 RCW
7 to read as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section apply throughout this chapter.

10 (1) "Convention place station expansion" means the expansion of the
11 state convention and trade center authorized in this chapter to be
12 located in the city of Seattle primarily in airspace above the
13 convention place metro transit station between Boren Avenue, Olive Way,
14 9th Avenue, and Pine Street, with connection to the existing state
15 convention and trade center facilities.

16 (2) "Long-term financing" means any type of financing authorized by
17 the legislature for the long-term financing of the convention place
18 station expansion and may include but not be limited to bonds, notes,

1 and other evidences of indebtedness of the state subject to chapter
2 39.42 RCW, and a financing contract subject to chapter 39.94 RCW.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 67.40 RCW
4 to read as follows:

5 The corporation may proceed with convention place station expansion
6 including the planning, environmental studies, design, preparation of
7 construction plans and specifications, construction contracting,
8 acquisition and transfers of interests in real and personal property,
9 and other activities for the expansion. In addition to using any funds
10 appropriated to pay costs of activities authorized in this section, if
11 necessary the corporation may obtain interim financing to pay such
12 costs. The corporation may proceed with long-term financing for the
13 purpose of paying costs of constructing and equipping the expansion
14 project upon authorization of the legislature of the long-term
15 financing.

16 **Sec. 3.** RCW 67.40.130 and 1995 c 386 s 1 are each amended to read
17 as follows:

18 (1) The governing body of a city, while not required by legislative
19 mandate to do so, may, after July 1, 1995, by resolution or ordinance
20 for the purposes authorized under RCW 67.40.170 and 67.40.190, fix and
21 impose a sales tax on the charge for rooms to be used for lodging by
22 transients in accordance with the terms of chapter 386, Laws of 1995.
23 Such tax shall be collected from those persons who are taxable by the
24 state under RCW 67.40.090, but only those taxable persons located
25 within the boundaries of the city imposing the tax. The rate of such
26 tax imposed by a city shall be two percent of the charge for rooms to
27 be used for lodging by transients. Any such tax imposed under this
28 section shall not be collected prior to January 1, 2000. The tax
29 authorized under this section shall be levied and collected in the same
30 manner as those taxes authorized under chapter 82.14 RCW. Penalties,
31 receipts, abatements, refunds, and all other similar matters relating
32 to the tax shall be as provided in chapter 82.08 RCW.

33 (2) The tax levied under this section shall remain in effect and
34 not be modified for that period (~~for which the~~) during which there
35 remain outstanding obligations to pay principal (~~and~~), interest, or
36 other obligations of state bonds, financing contracts or other

1 financing issued (~~(to finance the expansion of the state convention and~~
2 ~~trade center under RCW 67.40.030 remain outstanding)~~) for purposes
3 authorized under this chapter.

4 (3) As used in this section, the term "city" means a municipality
5 that has within its boundaries a convention and trade facility as
6 defined in RCW 67.40.020.

7 **Sec. 4.** RCW 67.40.170 and 1995 c 386 s 5 are each amended to read
8 as follows:

9 All taxes levied and collected under RCW 67.40.130 shall be
10 credited to the state convention and trade center account in the state
11 treasury and used solely by the corporation formed under RCW 67.40.020
12 for the purpose of paying all or any part of the cost associated with:
13 The financing, design, acquisition, construction, equipping, operating,
14 maintaining, and reequipping of convention center facilities related to
15 the expansion recommended by the convention center expansion and city
16 facilities task force created under section 148, chapter 6, Laws of
17 1994 sp. sess. or related to the convention place station expansion;
18 the acquisition, construction, and relocation costs of replacement
19 housing; and the repayment of loans and advances from the state,
20 including loans authorized previously under this chapter, or to pay or
21 secure the payment of all or part of the principal of or interest on
22 any state bonds, or payments under financing contracts or other
23 financing, issued for purposes authorized under this chapter.

24 **Sec. 5.** RCW 67.40.190 and 1995 c 386 s 7 are each amended to read
25 as follows:

26 (1) Moneys received from any tax imposed under RCW 67.40.130 shall
27 be used for the purpose of providing funds to the corporation for the
28 costs associated with paying all or any part of the cost associated
29 with: The financing, design, acquisition, construction, equipping,
30 operating, maintaining, and reequipping of convention center
31 facilities; the acquisition, construction, and relocation costs of
32 replacement housing; and repayment of loans and advances from the
33 state, including loans authorized previously under this chapter, or to
34 pay or secure the payment of all or part of the principal of or
35 interest on any state bonds, or payments under financing contracts or
36 other financing, issued for purposes authorized under this chapter.

1 (2) If any of the revenue from any local sales tax authorized under
2 RCW 67.40.130 shall have been encumbered or pledged by the state to
3 secure the payment of any state bonds as authorized under RCW
4 67.40.030, or any financing contracts or other financing issued for
5 purposes authorized under this chapter, then as long as that agreement
6 or pledge shall be in effect, the legislature shall not withdraw from
7 the municipality the authority to levy and collect the tax or the tax
8 credit authorized under RCW 67.40.130 and 67.40.140.

9 **Sec. 6.** RCW 67.40.045 and 1995 c 386 s 14 are each amended to read
10 as follows:

11 (1) The director of financial management, in consultation with the
12 chairpersons of the appropriate fiscal committees of the senate and
13 house of representatives, may authorize temporary borrowing from the
14 state treasury for the purpose of covering cash deficiencies in the
15 state convention and trade center account resulting from project
16 completion costs. Subject to the conditions and limitations provided
17 in this section, lines of credit may be authorized at times and in
18 amounts as the director of financial management determines are
19 advisable to meet current and/or anticipated cash deficiencies. Each
20 authorization shall distinctly specify the maximum amount of cash
21 deficiency which may be incurred and the maximum time period during
22 which the cash deficiency may continue. The total amount of borrowing
23 outstanding at any time shall never exceed the lesser of:

- 24 (a) \$58,275,000; or
- 25 (b) An amount, as determined by the director of financial
26 management from time to time, which is necessary to provide for payment
27 of project completion costs.

28 (2) Unless the due date under this subsection is extended by
29 statute, all amounts borrowed under the authority of this section shall
30 be repaid to the state treasury by June 30, 1999, together with
31 interest at a rate determined by the state treasurer to be equivalent
32 to the return on investments of the state treasury during the period
33 the amounts are borrowed. Borrowing may be authorized from any excess
34 balances in the state treasury, except the agricultural permanent fund,
35 the Millersylvania park permanent fund, the state university permanent
36 fund, the normal school permanent fund, the permanent common school
37 fund, and the scientific permanent fund.

1 (3) As used in this section, "project completion" means:

2 (a) All remaining development, construction, and administrative
3 costs related to completion of the convention center; and

4 (b) Costs of the McKay building demolition, Eagles building
5 rehabilitation, development of low-income housing, and construction of
6 rentable retail space and an operable parking garage.

7 (4) It is the intent of the legislature that project completion
8 costs be paid ultimately from the following sources:

9 (a) \$29,250,000 to be received by the corporation under an
10 agreement and settlement with Industrial Indemnity Co.;

11 (b) \$1,070,000 to be received by the corporation as a contribution
12 from the city of Seattle;

13 (c) \$20,000,000 from additional general obligation bonds to be
14 repaid from the special excise tax under RCW 67.40.090;

15 (d) \$4,765,000 for contingencies and project reserves from
16 additional general obligation bonds to be repaid from the special
17 excise tax under RCW 67.40.090;

18 (e) \$13,000,000 for conversion of various retail and other space to
19 meeting rooms, from additional general obligation bonds to be repaid
20 from the special excise tax under RCW 67.40.090;

21 (f) \$13,300,000 for expansion at the 900 level of the facility,
22 from additional general obligation bonds to be repaid from the special
23 excise tax under RCW 67.40.090;

24 (g) \$10,400,000 for purchase of the land and building known as the
25 McKay Parcel, for development of low-income housing, for development,
26 construction, and administrative costs related to completion of the
27 state convention and trade center, including settlement costs related
28 to construction litigation, and for partially refunding obligations
29 under the parking garage revenue note issued by the corporation to
30 Industrial Indemnity Company in connection with the agreement and
31 settlement identified in (a) of this subsection, from additional
32 general obligation bonds to be repaid from the special excise tax under
33 RCW 67.40.090. All proceeds from any sale of the McKay parcel shall be
34 deposited in the state convention and trade center account and shall
35 not be expended without appropriation by law;

36 (h) \$300,000 for Eagles building exterior cleanup and repair, from
37 additional general obligation bonds to be repaid from the special
38 excise tax under RCW 67.40.090; and

1 (i) The proceeds of the sale of any properties owned by the state
2 convention and trade center that are not planned for use for state
3 convention and trade center operations, with the proceeds to be used
4 for development, construction, and administrative costs related to
5 completion of the state convention and trade center, including
6 settlement costs related to construction litigation.

7 (5) The borrowing authority provided in this section is in addition
8 to the authority to borrow from the general fund to meet the bond
9 retirement and interest requirements set forth in RCW 67.40.060. To
10 the extent the specific conditions and limitations provided in this
11 section conflict with the general conditions and limitations provided
12 for temporary cash deficiencies in RCW 43.88.260 (section 7, chapter
13 502, Laws of 1987), the specific conditions and limitations in this
14 section shall govern.

15 (6) For expenditures authorized under RCW 67.40.170, the
16 corporation may use the proceeds of the special excise tax authorized
17 under RCW 67.40.090, the sales tax authorized under RCW 67.40.130,
18 appropriations to the corporation to pay costs authorized in RCW
19 67.70.170, funds borrowed pursuant to this section or obtained through
20 interim financing or authorized long-term financing, the proceeds of
21 the sale of any properties owned by the state convention and trade
22 center that are not planned for use for state convention and trade
23 center operations, contributions to the corporation from public or
24 private participants, and investment earnings on any of the funds
25 listed in this subsection.

26 **Sec. 7.** RCW 67.40.090 and 2002 c 178 s 4 are each amended to read
27 as follows:

28 (1) Commencing April 1, 1982, there is imposed, and the department
29 of revenue shall collect, in King county a special excise tax on the
30 sale of or charge made for the furnishing of lodging that is subject to
31 tax under chapter 82.08 RCW, except that no such tax may be levied on
32 any premises having fewer than sixty lodging units. The legislature on
33 behalf of the state pledges to maintain and continue this tax until the
34 bonds authorized by this chapter are fully redeemed, both principal and
35 interest, and until all payments under financing contracts or other
36 financing issued for purposes authorized under this chapter have been
37 made.

1 (2) The rate of the tax imposed under this section shall be as
2 provided in this subsection.

3 (a) From April 1, 1982, through December 31, 1982, inclusive, the
4 rate shall be three percent in the city of Seattle and two percent in
5 King county outside the city of Seattle.

6 (b) From January 1, 1983, through June 30, 1988, inclusive, the
7 rate shall be five percent in the city of Seattle and two percent in
8 King county outside the city of Seattle.

9 (c) From July 1, 1988, through December 31, 1992, inclusive, the
10 rate shall be six percent in the city of Seattle and two and four-
11 tenths percent in King county outside the city of Seattle.

12 (d) From January 1, 1993, and until bonds and all other borrowings
13 for purposes authorized under ((RCW 67.40.030)) this chapter are
14 retired and all payments under financing contracts or other financing
15 issued for purposes authorized under this chapter have been made, the
16 rate shall be seven percent in the city of Seattle and two and eight-
17 tenths percent in King county outside the city of Seattle.

18 (e) Except as otherwise provided in (d) of this subsection, on and
19 after the change date, the rate shall be six percent in the city of
20 Seattle and two and four-tenths percent in King county outside the city
21 of Seattle.

22 (f) As used in this section, "change date" means the October 1st
23 next occurring after certification occurs under (g) of this subsection.

24 (g) On August 1st of 1998 and of each year thereafter until
25 certification occurs under this subsection, the state treasurer shall
26 determine whether seventy-one and forty-three one-hundredths percent of
27 the revenues actually collected and deposited with the state treasurer
28 for the tax imposed under this section during the twelve months ending
29 June 30th of that year, excluding penalties and interest, exceeds the
30 amount actually paid in debt service during the same period for bonds
31 issued under RCW 67.40.030 by at least two million dollars. If so, the
32 state treasurer shall so certify to the department of revenue.

33 (3) The proceeds of the special excise tax shall be deposited as
34 provided in this subsection.

35 (a) Through June 30, 1988, inclusive, all proceeds shall be
36 deposited in the state convention and trade center account.

37 (b) From July 1, 1988, through December 31, 1992, inclusive,
38 eighty-three and thirty-three one-hundredths percent of the proceeds

1 shall be deposited in the state convention and trade center account.
2 The remainder shall be deposited in the state convention and trade
3 center operations account.

4 (c) From January 1, 1993, until the change date, eighty-five and
5 seventy-one-hundredths percent of the proceeds shall be deposited in
6 the state convention and trade center account. The remainder shall be
7 deposited in the state convention and trade center operations account.

8 (d) On and after the change date, eighty-three and thirty-three
9 one-hundredths percent of the proceeds shall be deposited in the state
10 convention and trade center account. The remainder shall be deposited
11 in the state convention and trade center operations account.

12 (4) Chapter 82.32 RCW applies to the tax imposed under this
13 section.

14 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 immediately.

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