
SENATE BILL 6116

State of Washington

61st Legislature

2009 Regular Session

By Senators Murray and Kohl-Welles

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1 AN ACT Relating to excise taxes in a county with a population of
2 one million five hundred thousand or more; amending RCW 67.28.180,
3 82.14.0485, 82.14.049, 82.14.0494, and 82.14.360; adding a new section
4 to chapter 67.28 RCW; providing an effective date; and declaring an
5 emergency.

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

7 **Sec. 1.** RCW 67.28.180 and 2008 c 264 s 2 are each amended to read
8 as follows:

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

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

16 (a) Any county ordinance or resolution adopted pursuant to this
17 section shall contain, in addition to all other provisions required to
18 conform to this chapter, a provision allowing a credit against the

1 county tax for the full amount of any city tax imposed pursuant to this
2 section upon the same taxable event.

3 (b) In the event that any county has levied the tax authorized by
4 this section and has, prior to June 26, 1975, either pledged the tax
5 revenues for payment of principal and interest on city revenue or
6 general obligation bonds authorized and issued pursuant to RCW
7 67.28.150 through 67.28.160 or has authorized and issued revenue or
8 general obligation bonds pursuant to the provisions of RCW 67.28.150
9 through 67.28.160, such county shall be exempt from the provisions of
10 (a) of this subsection, to the extent that the tax revenues are pledged
11 for payment of principal and interest on bonds issued at any time
12 pursuant to the provisions of RCW 67.28.150 through 67.28.160:
13 PROVIDED, That so much of such pledged tax revenues, together with any
14 investment earnings thereon, not immediately necessary for actual
15 payment of principal and interest on such bonds may be used: (i) In
16 any county with a population of one million or more, for repayment
17 either of limited tax levy general obligation bonds or of any county
18 fund or account from which a loan was made, the proceeds from the bonds
19 or loan being used to pay for constructing, installing, improving, and
20 equipping stadium capital improvement projects, and to pay for any
21 engineering, planning, financial, legal and professional services
22 incident to the development of such stadium capital improvement
23 projects, regardless of the date the debt for such capital improvement
24 projects was or may be incurred; (ii) in any county with a population
25 of one million or more, for repayment or refinancing of bonded
26 indebtedness incurred prior to January 1, 1997, for any purpose
27 authorized by this section or relating to stadium repairs or
28 rehabilitation, including but not limited to the cost of settling legal
29 claims, reimbursing operating funds, interest payments on short-term
30 loans, and any other purpose for which such debt has been incurred if
31 the county has created a public stadium authority to develop a stadium
32 and exhibition center under RCW 36.102.030; or (iii) in other counties,
33 for county-owned facilities for agricultural promotion until January 1,
34 2009, and thereafter for any purpose authorized in this chapter.

35 A county is exempt under this subsection with respect to city
36 revenue or general obligation bonds issued after April 1, 1991, only if
37 such bonds mature before January 1, 2013. If any county located east
38 of the crest of the Cascade mountains has levied the tax authorized by

1 this section and has, prior to June 26, 1975, pledged the tax revenue
2 for payment of principal and interest on city revenue or general
3 obligation bonds, the county is exempt under this subsection with
4 respect to revenue or general obligation bonds issued after January 1,
5 2007, only if the bonds mature before January 1, 2021. Such a county
6 may only use funds under this subsection (2)(b) for constructing or
7 improving facilities authorized under this chapter, including county-
8 owned facilities for agricultural promotion, and must perform an annual
9 financial audit of organizations receiving funding on the use of the
10 funds.

11 As used in this subsection (2)(b), "capital improvement projects"
12 may include, but not be limited to a stadium restaurant facility,
13 restroom facilities, artificial turf system, seating facilities,
14 parking facilities and scoreboard and information system adjacent to or
15 within a county owned stadium, together with equipment, utilities,
16 accessories and appurtenances necessary thereto. The stadium
17 restaurant authorized by this subsection (2)(b) shall be operated by a
18 private concessionaire under a contract with the county.

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

22 (ii) No city within a county with a population of one million five
23 hundred thousand or more may levy the tax authorized by this section.

24 (iii) However, in the event that any city in a county described in
25 (c)(i) or (ii) of this subsection (2) has levied the tax authorized by
26 this section and has, prior to June 26, 1975, authorized and issued
27 revenue or general obligation bonds pursuant to the provisions of RCW
28 67.28.150 through 67.28.160, such city may levy the tax so long as the
29 tax revenues are pledged for payment of principal and interest on bonds
30 issued at any time pursuant to the provisions of RCW 67.28.150 through
31 67.28.160.

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

1 (a) Taxes collected under this section in any calendar year before
2 2013 in excess of five million three hundred thousand dollars shall
3 only be used as follows:

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

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

18 (b) From January 1, 2013, through December 31, 2015, in a county
19 with a population of one million five hundred thousand or more, all
20 revenues under this section shall be used to retire the debt on the
21 stadium, until the debt on the stadium is retired. On and after the
22 date the debt on the stadium is retired, and through December 31, 2015,
23 all revenues under this section in a county of (~~a~~~~one~~)) one million
24 five hundred thousand or more shall be deposited in the special account
25 under (f) of this subsection.

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

30 (d) On and after January 1, 2021, at least thirty-seven and
31 one-half percent of revenues under this section in a county of (~~a~~
32 ~~one~~)) one million five hundred thousand or more shall be deposited in
33 the special account under (f) of this subsection; and the balance must
34 be deposited in a special purposes account under section 6 of this act.

35 (e) At least seventy percent of moneys spent under (a)(i) of this
36 subsection for the period January 1, 1992, through December 31, 2000,
37 shall be used only for the purchase, design, construction, and
38 remodeling of performing arts, visual arts, heritage, and cultural

1 facilities, and for the purchase of fixed assets that will benefit art,
2 heritage, and cultural organizations. For purposes of this subsection,
3 fixed assets are tangible objects such as machinery and other equipment
4 intended to be held or used for ten years or more. Moneys received
5 under this subsection (3)(e) may be used for payment of principal and
6 interest on bonds issued for capital projects. Qualifying
7 organizations receiving moneys under this subsection (3)(e) must be
8 financially stable and have at least the following:

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

18 (f) At least forty percent of the revenues distributed pursuant to
19 (a)(i) of this subsection for the period January 1, 2001, through July
20 1, 2008, shall be deposited in a special account. The account may only
21 be used for the purposes of (a)(i) of this subsection.

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

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

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

37 (j) No taxes collected under this section may be used for the
38 operation or maintenance of a public stadium that is financed directly

1 or indirectly by bonds to which the tax is pledged. Expenditures for
2 operation or maintenance include all expenditures other than
3 expenditures that directly result in new fixed assets or that directly
4 increase the capacity, life span, or operating economy of existing
5 fixed assets.

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

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

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

27 If a court of competent jurisdiction declares any provision of this
28 subsection (3) invalid, then that invalid provision shall be null and
29 void and the remainder of this section is not affected. (~~Section 2,~~
30 ~~chapter 264, Laws of 2008 expires July 1, 2009.~~)

31 **Sec. 2.** RCW 82.14.0485 and 1995 3rd sp.s. c 1 s 101 are each
32 amended to read as follows:

33 (1) The legislative authority of a county with a population of one
34 million or more may impose a sales and use tax in accordance with the
35 terms of this chapter. The tax is in addition to other taxes
36 authorized by law and shall be collected from those persons who are
37 taxable by the state under chapters 82.08 and 82.12 RCW upon the

1 occurrence of any taxable event within the county. The rate of tax
2 shall not exceed 0.017 percent of the selling price in the case of a
3 sales tax or value of the article used in the case of a use tax.

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

9 (3) Until the bonds issued for the construction of the baseball
10 stadium are retired, moneys collected under this section shall only be
11 used for the purpose of paying the principal and interest payments on
12 bonds issued by a county to construct a baseball stadium. After the
13 bonds issued for the construction of the baseball stadium are retired,
14 moneys collected under this section must be deposited in the special
15 purposes account under section 6 of this act.

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

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

26 **Sec. 3.** RCW 82.14.049 and 2008 c 264 s 4 are each amended to read
27 as follows:

28 The legislative authority of any county may impose a sales and use
29 tax, in addition to the tax authorized by RCW 82.14.030, upon retail
30 car rentals within the county that are taxable by the state under
31 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of
32 the selling price in the case of a sales tax or rental value of the
33 vehicle in the case of a use tax. Proceeds of the tax shall not be
34 used to subsidize any professional sports team and shall be used solely
35 for the following purposes:

36 (1) Acquiring, constructing, maintaining, or operating public
37 sports stadium facilities;

1 (2) Engineering, planning, financial, legal, or professional
2 services incidental to public sports stadium facilities;

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

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

6 (5) For deposit into a special purposes account under section 6 of
7 this act.

8 In a county with a population less than one million five hundred
9 thousand, at least seventy-five percent of the tax imposed under this
10 section shall be used for the purposes of subsections (1), (2), and (4)
11 of this section. In a county of one million five hundred thousand or
12 more, at least seventy-five percent of the tax imposed under this
13 section shall be used to retire the debt on the stadium under RCW
14 67.28.180(2)(b)(ii), until that debt is fully retired, and at least
15 seventy-five percent must be deposited under subsection (5) of this
16 section after the debt is fully retired.

17 **Sec. 4.** RCW 82.14.0494 and 1997 c 220 s 204 are each amended to
18 read as follows:

19 (1) The legislative authority of a county that has created a public
20 stadium authority to develop a stadium and exhibition center under RCW
21 36.102.050 may impose a sales and use tax in accordance with this
22 chapter. The tax is in addition to other taxes authorized by law and
23 shall be collected from those persons who are taxable by the state
24 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
25 event within the county. The rate of tax shall be 0.016 percent of the
26 selling price in the case of a sales tax or value of the article used
27 in the case of a use tax.

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

33 ~~((Before the issuance of bonds in RCW 43.99N.020, all revenues~~
34 ~~collected on behalf of the county under this section shall be~~
35 ~~transferred to the public stadium authority.)) After bonds are issued
36 under RCW 43.99N.020, all revenues collected on behalf of the county
37 under this section shall be deposited in the stadium and exhibition~~

1 center account under RCW 43.99N.060, until the bonds issued for the
2 construction of a stadium and exhibition center are retired. After the
3 bonds issued for the construction of a stadium and exhibition center
4 are retired, all revenues collected on behalf of the county under this
5 section must be deposited in the special purposes account under section
6 6 of this act.

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

8 ~~((5) This section expires on the earliest of the following dates:~~

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

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

13 ~~(c) Twenty three years after the date the tax under this section is~~
14 ~~first imposed.))~~

15 **Sec. 5.** RCW 82.14.360 and 2008 c 86 s 104 are each amended to read
16 as follows:

17 (1) The legislative authority of a county with a population of one
18 million five hundred thousand or more may impose a special stadium
19 sales and use tax upon the retail sale or use within the county by
20 restaurants, taverns, and bars of food and beverages that are taxable
21 by the state under chapters 82.08 and 82.12 RCW. The rate of the tax
22 shall not exceed five-tenths of one percent of the selling price in the
23 case of a sales tax, or value of the article used in the case of a use
24 tax. The tax authorized under this subsection is in addition to any
25 other taxes authorized by law and shall not be credited against any
26 other tax imposed upon the same taxable event. As used in this
27 section, "restaurant" does not include grocery stores, mini-markets, or
28 convenience stores. A county may not impose the tax authorized in this
29 subsection after December 31, 2015.

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

1 taxes authorized by law and shall not be credited against any other tax
2 imposed upon the same taxable event.

3 (3)(a) Except as provided in (b) of this subsection, the revenue
4 from the taxes imposed under the authority of this section shall be
5 used for the purpose of principal and interest payments on bonds,
6 issued by the county, to acquire, construct, own, remodel, maintain,
7 equip, reequip, repair, and operate a baseball stadium. Revenues from
8 the taxes authorized in this section may be used for design and other
9 preconstruction costs of the baseball stadium until bonds are issued
10 for the baseball stadium. The county shall issue bonds, in an amount
11 determined to be necessary by the public facilities district, for the
12 district to acquire, construct, own, and equip the baseball stadium.
13 The county shall have no obligation to issue bonds in an amount greater
14 than that which would be supported by the tax revenues under this
15 section, RCW 82.14.0485, and 36.38.010(4) (a) and (b). If the revenue
16 from the taxes imposed under the authority of this section exceeds the
17 amount needed for such principal and interest payments in any year, the
18 excess shall be used solely:

19 ~~((a))~~ (i) For early retirement of the bonds issued for the
20 baseball stadium; and

21 ~~((b))~~ (ii) If the revenue from the taxes imposed under this
22 section exceeds the amount needed for the purposes in (a)(i) of this
23 subsection in any year, the excess shall be placed in a contingency
24 fund which may only be used to pay unanticipated capital costs on the
25 baseball stadium, excluding any cost overruns on initial construction.

26 (b) After the bonds issued for the construction of the baseball
27 stadium are retired, the revenue from the taxes imposed under the
28 authority of this section must be deposited in the special purposes
29 account under section 6 of this act.

30 (4) The proceeds of any bonds issued for the baseball stadium shall
31 be provided to the district.

32 (5) As used in this section, "baseball stadium" means "baseball
33 stadium" as defined in RCW 82.14.0485.

34 ~~((6) The taxes imposed under this section shall expire when the~~
35 ~~bonds issued for the construction of the baseball stadium are retired,~~
36 ~~but not later than twenty years after the taxes are first collected.))~~

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 67.28 RCW
2 to read as follows:

3 Money deposited in a special purposes account under this section
4 may be used only for the following purposes within the county:

- 5 (1) Funding tourism promotion as defined in RCW 67.28.080;
- 6 (2) Funding youth or amateur sports activities or facilities;
- 7 (3) Funding regional centers or performing arts centers, but
8 excluding regional centers or performing arts centers within:
 - 9 (a) Cities with a population of one hundred thousand or more; and
 - 10 (b) Cities described in RCW 35.57.010(1)(d);
- 11 (4) Maintaining or improving publicly owned stadiums or arenas;
- 12 (5) Funding community development; and/or
- 13 (6) Funding low-income housing.

14 NEW SECTION. **Sec. 7.** 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 July 1, 2009.

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