2 **2ESSB 6049** - H AMD **946 ADOPTED 5/19/95**

3 By Representatives Van Luven and Appelwick

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5 Strike everything after the enacting clause and insert the 6 following:

7 "Sec. 1. RCW 36.100.010 and 1995 c ... (Substitute Senate Bill No. 8 5127) s 1 are each amended to read as follows:

9 (1) A public facilities district may be created in any county and 10 shall be coextensive with the boundaries of the county.

(2) A public facilities district shall be created upon adoption of a resolution providing for the creation of such a district by the county legislative authority in which the proposed district is located.

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

(4) No taxes authorized under this chapter may be assessed or 18 19 levied unless a majority of the voters of the public facilities 20 district has ((validated the creation of the public facilities district 21 at a general or special election. A single ballot proposition may both 22 authorize the creation of a public facilities district and the 23 imposition of the sales and use tax under RCW 82.14.048 or both the creation of a public facilities district and the imposition of the 24 25 excise tax under RCW 36.100.040)) approved such tax at a general or special election. A single ballot proposition may both validate the 26 27 imposition of the sales and use tax under RCW 82.14.048 and the excise tax under RCW 36.100.040. 28

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

(6) The county legislative authority may transfer property to the
 public facilities district as part of the process of creating the
 public facilities district under this chapter.

4 Sec. 2. RCW 36.100.020 and 1995 c ... (Substitute Senate Bill No.
5 5127) s 2 are each amended to read as follows:

(1) A public facilities district shall be governed by a board of 6 7 directors consisting of five or seven members as provided in this 8 section. If the largest city in the county has a population that is at 9 least forty percent of the total county population, the board of directors of the public facilities district shall consist of five 10 members selected as follows: (((1))) (a) Two members appointed by the 11 12 county legislative authority to serve for four-year staggered terms; (((2))) (b) two members appointed by the city council of the largest 13 14 city in the county to serve for four-year staggered terms; and (((3)))15 (c) one person to serve for a four-year term who is selected by the other directors. If the largest city in the county has a population of 16 less than forty percent of the total county population, the county 17 18 legislative authority shall establish in the resolution creating the public facilities district whether the board of directors of the public 19 facilities district ((have)) has either five or seven members, and the 20 county legislative authority shall appoint the members of the board of 21 22 directors to reflect the interests of cities and towns in the county, 23 as well as the unincorporated area of the county. However, if the 24 largest city in the county has a population of less than forty percent 25 of the total county population, and the county operates under a county charter, which provides for an elected county executive, the members 26 27 shall be appointed by the county executive subject to confirmation by the county legislative authority. 28

29 (2) At least one member on the board of directors shall be 30 representative of the lodging industry in the public facilities 31 district before the public facilities district imposes the excise tax 32 under RCW 36.100.040.

33 (3) Members of the board of directors shall serve four-year terms 34 of office, except that two of the initial five board members or three 35 of the initial seven board members shall serve two-year terms of 36 office.

37 (4) A vacancy shall be filled in the same manner as the original 38 appointment was made and the person appointed to fill a vacancy shall

serve for the remainder of the unexpired term of the office for the
 position to which he or she was appointed.

3 (5) A director may be removed from office ((for cause)) by action 4 of at least two-thirds of the members of the ((county legislative)) 5 authority which made the appointment.

Sec. 3. RCW 36.100.030 and 1995 c ... (Substitute Senate Bill No.
5127) s 3 are each amended to read as follows:

8 (1) A public facilities district is authorized to acquire, 9 construct, own, remodel, maintain, equip, reequip, repair, and operate 10 sports facilities, entertainment facilities, or convention facilities, 11 or any combination of such facilities, together with contiguous parking 12 facilities. The taxes that are provided for in this chapter may only 13 be imposed for these purposes.

14 (2) A public facilities district may enter into agreements under 15 chapter 39.34 RCW for the joint provision and operation of such 16 facilities and may enter into contracts under chapter 39.34 RCW where 17 any party to the contract provides and operates such facilities for the 18 other party or parties to the contract.

19 (3) Notwithstanding the establishment of a career, civil, or merit 20 service system, a public facility district may contract with a public 21 or private entity for the operation or management of its public 22 facilities.

(4) A public facilities district is authorized to use the
 supplemental alternative public works contracting procedures set forth
 in chapter 39.10 RCW in connection with the design, construction,
 reconstruction, remodel, or alteration of any of its public facilities.
 (5) A public facilities district may impose charges and fees for
 the use of its facilities, and may accept and expend or use gifts,
 grants, and donations.

30 Sec. 4. RCW 36.100.060 and 1995 c ... (Substitute Senate Bill No. 31 5127) s 5 are each amended to read as follows:

(1) To carry out the purpose of this chapter, a public facilities district may issue general obligation bonds, not to exceed an amount, together with any outstanding nonvoter approved general obligation indebtedness, equal to ((three-eighths)) <u>one-half</u> of one percent of the value of taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015. A facilities district

additionally may issue general obligation bonds for capital purposes 1 2 only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to one and one-fourth percent of the 3 value of the taxable property within the district, as the term "value 4 of taxable property" is defined in RCW 39.36.015, when authorized by 5 the voters of the public facilities district pursuant to Article VIII, 6 7 section 6 of the state Constitution, and to provide for the retirement 8 thereof by excess property tax levies as provided in this chapter.

9 (2) General obligation bonds may be issued with a maturity of up to 10 thirty years, and shall be issued and sold in accordance with the 11 provisions of chapter 39.46 RCW.

12 (3) The general obligation bonds may be payable from the operating 13 revenues of the public facilities district in addition to the tax 14 receipts of the district.

15 (4) The excise tax imposed pursuant to RCW 36.100.040 shall 16 terminate upon final payment of all bonded indebtedness for its public 17 facilities.

NEW SECTION. Sec. 5. No direct or collateral attack on any public facilities district purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation by the county legislative authority.

22 NEW SECTION. Sec. 6. (1) The governing board of a public 23 facilities district may apply for deferral of taxes on the construction 24 of buildings, site preparation, and the acquisition of related 25 machinery and equipment for a new public facility. Application shall be made to the department of revenue in a form and manner prescribed by 26 27 the department of revenue. The application shall contain information 28 regarding the location of the public facility, estimated or actual 29 costs, time schedules for completion and operation, and other information required by the department of revenue. The department of 30 revenue shall approve the application within sixty days if it meets the 31 requirements of this section. 32

(2) The department of revenue shall issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW on the public facility. The use of the certificate shall be governed by rules established by the department of revenue.

(3) The public facilities district shall begin paying the deferred 1 taxes in the fifth year after the date certified by the department of 2 3 revenue as the date on which the public facility is operationally 4 complete. The first payment is due on December 31st of the fifth calendar year after such certified date, with subsequent annual 5 payments due on December 31st of the following nine years. 6 Each 7 payment shall equal ten percent of the deferred tax.

8 (4) The department of revenue may authorize an accelerated 9 repayment schedule upon request of the public facilities district.

10 (5) Interest shall not be charged on any taxes deferred under this 11 section for the period of deferral, although all other penalties and 12 interest applicable to delinquent excise taxes may be assessed and 13 imposed for delinquent payments under this section. The debt for 14 deferred taxes is not extinguished by insolvency or other failure of 15 the public facilities district.

16 (6) Applications and any other information received by the 17 department of revenue under this section are not confidential and are 18 subject to disclosure. Chapter 82.32 RCW applies to the administration 19 of this section.

(7) As used in this section, "public facility" means a baseballstadium with a retractable roof or canopy and natural turf.

22 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 82.14 RCW 23 to read as follows:

(1) The legislative authority of a county with a population of one million or more operating under a county charter may impose a special stadium sales and use tax by resolution adopted on or before December 31, 1995, for collection following its approval by a majority of the voters in the county at a general or special election.

29 (2) The rate of the tax shall equal one-tenth of one percent of the 30 selling price in the case of a sales tax, or value of the article used in the case of a use tax. The tax imposed under this section shall not 31 be credited against any other tax imposed upon the same taxable event. 32 33 (3) The revenue from the tax imposed under this section shall be 34 used for the purpose of principal and interest payments on bonds issued by a public facilities district, created within the county under 35 36 chapter 36.100 RCW, to acquire, construct, own, remodel, maintain, 37 equip, reequip, repair, and operate a baseball stadium with a retractable roof or canopy and natural turf. If the revenue from the 38

1 tax imposed under this section exceeds the amount needed for such 2 principal and interest payments in any year, the excess shall be used 3 solely for either or both: (a) Early retirement of the bonds issued 4 for the baseball stadium; or (b) retirement of bonds issued for 5 expanding, remodelling, repairing, or reequipping of a multipurpose 6 stadium that has a seating capacity over forty-five thousand.

7 (4) The tax authorized under this section may be collected only 8 after the county executive has certified to the department of revenue 9 that a professional major league baseball team has made a binding and 10 legally enforceable contractual commitment to:

(a) Play at least ninety percent of its home games in the stadium for a period of time not shorter than the term of the bonds issued to finance the initial construction of the stadium;

14 (b) Contribute principal of forty-five million dollars toward the 15 bonded cost of construction of the stadium, which contribution shall be 16 made during a term not to exceed the term of the bonds issued to finance the initial construction of the stadium. If all or part of the 17 contribution is made after the date of issuance of the bonds, the team 18 19 shall contribute an additional amount equal to the accruing interest on 20 the deferred portion of the contribution, calculated at the interest rate on the bonds maturing in the year in which the deferred 21 contribution is made; and 22

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 the baseball team after the effective date of this act. Such profits 27 and the portion to be shared shall be defined by agreement between the 28 public facilities district and the baseball team. The shared profits 29 30 shall be used to retire the bonds issued to finance the initial construction of the stadium. If the bonds are retired before the 31 expiration of their term, the shared profits shall be paid to the 32 public facilities district. 33

(5) The tax imposed under this section shall expire when the bonds
 issued for the construction of the new public facilities are retired,
 but not later than twenty years after the tax is first collected.

37 **Sec. 8.** RCW 35.21.280 and 1965 c 7 s 35.21.280 are each amended to 38 read as follows:

Every city and town may levy and fix a tax of not more than one 1 2 cent on twenty cents or fraction thereof to be paid by the person who pays an admission charge to any place: PROVIDED, No city or town shall 3 4 impose such tax on persons paying an admission to any activity of any elementary or secondary school. This includes a tax on persons who are 5 admitted free of charge or at reduced rates to any place for which 6 7 other persons pay a charge or a regular higher charge for the same 8 privileges or accommodations. A city that is located in a county with 9 a population of one million or more may not levy a tax on events in stadia constructed on or after January 1, 1995, that are owned by 10 county government or a public facilities district under chapter 36.100 11 RCW and that have seating capacities over forty thousand. The city or 12 13 town may require anyone who receives payment for an admission charge to collect and remit the tax to the city or town. 14

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The term "admission charge" includes:

16 (1) A charge made for season tickets or subscriptions;

17 (2) A cover charge, or a charge made for use of seats and tables18 reserved or otherwise, and other similar accommodations;

(3) A charge made for food and refreshment in any place where freeentertainment, recreation or amusement is provided;

(4) A charge made for rental or use of equipment or facilities for purposes of recreation or amusement; if the rental of the equipment or facilities is necessary to the enjoyment of a privilege for which a general admission is charged, the combined charges shall be considered as the admission charge;

(5) Automobile parking charges if the amount of the charge isdetermined according to the number of passengers in the automobile.

28 **Sec. 9.** RCW 36.38.010 and 1963 c 4 s 36.38.010 are each amended to 29 read as follows:

30 (1) Any county may by ordinance enacted by its ((board of)) county ((commissioners)) legislative authority, levy and fix a tax of not more 31 than one cent on twenty cents or fraction thereof to be paid for county 32 purposes by persons who pay an admission charge to any place, including 33 34 a tax on persons who are admitted free of charge or at reduced rates to any place for which other persons pay a charge or a regular higher 35 36 charge for the same or similar privileges or accommodations; and require that one who receives any admission charge to any place shall 37 collect and remit the tax to the county treasurer of the county: 38

PROVIDED, No county shall impose such tax on persons paying an
 admission to any activity of any elementary or secondary school.

3 (2) As used in this chapter, the term "admission charge" includes 4 a charge made for season tickets or subscriptions, a cover charge, or a charge made for use of seats and tables, reserved or otherwise, and 5 other similar accommodations; a charge made for food and refreshments 6 7 in any place where any free entertainment, recreation, or amusement is 8 provided; a charge made for rental or use of equipment or facilities 9 for purpose of recreation or amusement, and where the rental of the 10 equipment or facilities is necessary to the enjoyment of a privilege for which a general admission is charged, the combined charges shall be 11 considered as the admission charge. It shall also include any 12 automobile parking charge where the amount of such charge is determined 13 according to the number of passengers in any automobile. 14

15 (3) The tax herein authorized shall not be exclusive and shall not prevent any city or town within the taxing county, when authorized by 16 17 law, from imposing within its corporate limits a tax of the same or similar kind: PROVIDED, That whenever the same or similar kind of tax 18 19 is imposed by any such city or town, no such tax shall be levied within 20 the corporate limits of such city or town by the ((board of)) county ((commissioners)), except that the legislative authority of a county 21 with a population of one million or more may exclusively levy a tax on 22 events in stadiums constructed on or after January 1, 1995, that are 23 24 owned by county government or a public facilities district under chapter 36.100 RCW and that have seating capacities over forty thousand 25 26 at the rate of not more than one cent on twenty cents or fraction thereof. 27

28 (4) By contract, the county shall obligate itself to provide the 29 revenue from the tax authorized by this section on events in stadia 30 owned, managed, or operated by a public facilities district, having 31 seating capacities over forty thousand, and constructed on or after 32 January 1, 1995, to the public facilities district.

33 Sec. 10. RCW 67.28.180 and 1995 c ... (Engrossed Substitute Senate 34 Bill No. 5943) s 8 are each amended to read as follows:

(1) Subject to the conditions set forth in subsections (2) and (3) of this section, the legislative body of any county or any city, is authorized to levy and collect a special excise tax of not to exceed two percent on the sale of or charge made for the furnishing of lodging

by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property: PROVIDED, That it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

7 (2) Any levy authorized by this section shall be subject to the 8 following:

9 (a) Any county ordinance or resolution adopted pursuant to this 10 section shall contain, in addition to all other provisions required to 11 conform to this chapter, a provision allowing a credit against the 12 county tax for the full amount of any city tax imposed pursuant to this 13 section upon the same taxable event.

(b) In the event that any county has levied the tax authorized by 14 15 this section and has, prior to June 26, 1975, either pledged the tax 16 revenues for payment of principal and interest on city revenue or general obligation bonds authorized and issued pursuant to RCW 17 67.28.150 through 67.28.160 or has authorized and issued revenue or 18 19 general obligation bonds pursuant to the provisions of RCW 67.28.150 20 through 67.28.160, such county shall be exempt from the provisions of (a) of this subsection, to the extent that the tax revenues are pledged 21 22 for payment of principal and interest on bonds issued at any time pursuant to the provisions of RCW 67.28.150 through 67.28.160: 23 24 PROVIDED, That so much of such pledged tax revenues, together with any 25 investment earnings thereon, not immediately necessary for actual 26 payment of principal and interest on such bonds may be used: (i) In 27 any county with a population of one million or more, for repayment either of limited tax levy general obligation bonds or of any county 28 fund or account from which a loan was made, the proceeds from the bonds 29 30 or loan being used to pay for constructing, installing, improving, and equipping stadium capital improvement projects, and to pay for any 31 engineering, planning, financial, legal and professional services 32 incident to the development of such stadium capital improvement 33 projects, regardless of the date the debt for such capital improvement 34 35 projects was or may be incurred; or (ii) in other counties, for countyowned facilities for agricultural promotion. A county is exempt under 36 37 this subsection in respect to city revenue or general obligation bonds issued after April 1, 1991, only if such bonds mature before January 1, 38 39 2013.

As used in this subsection (2)(b), "capital improvement projects" 1 2 may include, but not be limited to a stadium restaurant facility, restroom facilities, artificial turf system, seating facilities, 3 parking facilities and scoreboard and information system adjacent to or 4 within a county owned stadium, together with equipment, utilities, 5 accessories appurtenances necessary thereto. 6 and The stadium 7 restaurant authorized by this subsection (2)(b) shall be operated by a private concessionaire under a contract with the county. 8

9 (c) No city within a county exempt under subsection (2)(b) of this 10 section may levy the tax authorized by this section so long as said county is so exempt: PROVIDED, That in the event that any city in such 11 county has levied the tax authorized by this section and has, prior to 12 13 June 26, 1975, authorized and issued revenue or general obligation bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160, 14 15 such city may levy the tax so long as the tax revenues are pledged for payment of principal and interest on bonds issued at any time pursuant 16 to the provisions of RCW 67.28.150 through 67.28.160. 17

(3) Any levy authorized by this section by a county that has levied 18 19 the tax authorized by this section and has, prior to June 26, 1975, 20 either pledged the tax revenues for payment of principal and interest on city revenue or general obligation bonds authorized and issued 21 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and 22 issued revenue or general obligation bonds pursuant to the provisions 23 24 of RCW 67.28.150 through 67.28.160 shall be subject to the following: 25 (a) Taxes collected under this section in any calendar year in 26 excess of five million three hundred thousand dollars shall only be 27 used as follows:

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

(ii) Twenty-five percent from January 1, 1992, through December 31,
2000, and thirty percent from January 1, 2001, through December 31,
2012, for the following purposes and in a manner reflecting the
following order of priority: Stadium capital improvements, as defined
in subsection (2)(b) of this section; acquisition of open space lands;
youth sports activities; and tourism promotion.

(b) At least seventy percent of moneys spent under (a)(i) of this 1 subsection for the period January 1, 1992, through December 31, 2000, 2 3 shall be used only for the purchase, design, construction, and 4 remodeling of performing arts, visual arts, heritage, and cultural 5 facilities, and for the purchase of fixed assets that will benefit art, heritage, and cultural organizations. For purposes of this subsection, 6 7 fixed assets are tangible objects such as machinery and other equipment 8 intended to be held or used for ten years or more. Moneys received 9 under this subsection (3)(b) may be used for payment of principal and 10 interest on bonds issued for capital projects. Qualifying organizations receiving moneys under this subsection (3)(b) must be 11 financially stable and have at least the following: 12

13 (i) A legally constituted and working board of directors;

(ii) A record of artistic, heritage, or cultural accomplishments;
(iii) Been in existence and operating for at least two years;

16 (iv) Demonstrated ability to maintain net current liabilities at 17 less than thirty percent of general operating expenses;

(v) Demonstrated ability to sustain operational capacity subsequent to completion of projects or purchase of machinery and equipment; and (vi) Evidence that there has been independent financial review of the organization.

(c) At least forty percent of the revenues distributed pursuant to (a)(i) of this subsection for the period January 1, 2001, through December 31, 2012, shall be deposited in an account and shall be used to establish an endowment. Principal in the account shall remain permanent and irreducible. The earnings from investments of balances in the account may only be used for the purposes of (a)(i) of this subsection.

(d) School districts and schools shall not receive revenuesdistributed pursuant to (a)(i) of this subsection.

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

36 (f) As used in this section, "tourism promotion" includes 37 activities intended to attract visitors for overnight stays, arts, 38 heritage, and cultural events, and recreational, professional, and 39 amateur sports events. Moneys allocated to tourism promotion in a

1 class AA county shall be allocated to nonprofit organizations formed 2 for the express purpose of tourism promotion in the county. Such 3 organizations shall use moneys from the taxes to promote events in all 4 parts of the class AA county.

(g) No taxes collected under this section may be used for the 5 operation or maintenance of a public stadium that is financed directly 6 7 or indirectly by bonds to which the tax is pledged. Expenditures for 8 operation or maintenance include all expenditures other than 9 expenditures that directly result in new fixed assets or that directly increase the capacity, life span, or operating economy of existing 10 fixed assets. 11

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

(i) If a substantial part of the operation and management of a 17 public stadium that is financed directly or indirectly by bonds to 18 19 which the tax is pledged is performed by a nonpublic entity or if a public stadium is sold that is financed directly or indirectly by bonds 20 to which the tax is pledged, any bonds to which the tax is pledged 21 shall be retired. This subsection (3)(i) does not apply in respect to 22 a public stadium transferred to, owned by, or constructed by a public 23 24 facilities district under chapter 36.100 RCW.

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

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

35 <u>NEW SECTION.</u> Sec. 11. Sections 5 and 6 of this act are each added 36 to chapter 36.100 RCW.

1 <u>NEW SECTION.</u> Sec. 12. If any provision of this act or its 2 application to any person or circumstance is held invalid, the 3 remainder of the act or the application of the provision to other 4 persons or circumstances is not affected.

5 <u>NEW SECTION.</u> Sec. 13. (1) Sections 1 through 9 and 11 of this act 6 are necessary for the immediate preservation of the public peace, 7 health, or safety, or support of the state government and its existing 8 public institutions, and shall take effect July 1, 1995.

9 (2) Sections 10 and 12 of this act are necessary for the immediate 10 preservation of the public peace, health, or safety, or support of the 11 state government and its existing public institutions, and shall take 12 effect immediately."

13 <u>2ESSB 6049</u> - H AMD 14 By Representatives Van Luven and Appelwick

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On page 1, line 2 of the title, after "teams;" strike the remainder of the title and insert "amending RCW 36.100.010, 36.100.020, 36.100.030, 36.100.060, 35.21.280, 36.38.010, and 67.28.180; adding new sections to chapter 36.100 RCW; adding a new section to chapter 82.14 RCW; providing an effective date; and declaring an emergency."

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