

1 The definitions in this section apply throughout sections 103 and
2 105 through 108 of this act unless the context clearly requires
3 otherwise.

4 (1) "Design" includes architectural, engineering, and other related
5 professional services.

6 (2) "Develop" means, generally, the process of planning, designing,
7 financing, constructing, owning, operating, and leasing a project such
8 as a stadium and exhibition center.

9 (3) "Permanent seat license" means a transferable license sold to
10 a third party that, subject to certain conditions, restrictions, and
11 limitations, entitles the third party to purchase a season ticket to
12 professional football games of the professional football team played in
13 the stadium and exhibition center for so long as the team plays its
14 games in that facility.

15 (4) "Preconstruction" includes negotiations, including negotiations
16 with any team affiliate, planning, studies, design, and other
17 activities reasonably necessary before constructing a stadium and
18 exhibition center.

19 (5) "Professional football team" means a team that is a member of
20 the national football league or similar professional football
21 association.

22 (6) "Public facilities district operation" means the formation and
23 ongoing operation of the public facilities district, including the
24 hiring of employees, agents, attorneys, and other contractors, and the
25 acquisition and operation of office facilities.

26 (7) "Site acquisition" means the purchase or other acquisition of
27 any interest in real property including fee simple interests and
28 easements, which property interests constitute the site for a stadium
29 and exhibition center.

30 (8) "Site preparation" includes demolition of existing
31 improvements, environmental remediation, site excavation, shoring, and
32 construction and maintenance of temporary traffic and pedestrian
33 routing.

34 (9) "Stadium and exhibition center" means an open-air stadium
35 suitable for national football league football and for Olympic and
36 world cup soccer, with adjacent exhibition facilities, together with
37 associated parking facilities and other ancillary facilities.

38 (10) "Team affiliate" means a professional football team that will
39 use the stadium and exhibition center, and any affiliate of the team

1 designated by the team. An "affiliate of the team" means any person or
2 entity that controls, is controlled by, or is under common control with
3 the team.

4 **Sec. 102.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each
5 amended to read as follows:

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

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

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

15 (4) No taxes authorized under this chapter may be assessed or
16 levied unless a majority of the voters of the public facilities
17 district has approved such tax at a general or special election. A
18 single ballot proposition may both validate the imposition of the sales
19 and use tax under RCW 82.14.048 and the excise tax under RCW
20 36.100.040.

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

27 (6) The county legislative authority or the city council may
28 transfer property to ((the)) a public facilities district created under
29 this chapter. No property that is encumbered with debt or that is in
30 need of major capital renovation may be transferred to ((the)) a
31 district, located in a county with a population of one million or more,
32 that constructs a baseball stadium without the agreement of the
33 district and revenues adequate to retire the existing indebtedness.
34 Property encumbered by debt may be transferred by a county legislative
35 authority or the city council to a public facilities district created
36 to develop a stadium and exhibition center under section 103 of this
37 act, but obligation for payment of the debt may not be transferred.

1 NEW SECTION. **Sec. 103.** A new section is added to chapter 36.100
2 RCW to read as follows:

3 (1) The legislative authority of a county with a population of one
4 million or more may create a public facilities district to acquire,
5 construct, own, remodel, maintain, equip, reequip, repair, and operate
6 a stadium and exhibition center. However, if a public facilities
7 district is not created under this section by June 24, 1997, then any
8 county with a population of five hundred thousand or more may create a
9 public facilities district within the county for the purpose of
10 developing a stadium and exhibition center under this section upon
11 adoption of a resolution providing for the creation of such a district
12 by the county legislative authority if the county has entered into a
13 letter of understanding with a team affiliate or an entity that has a
14 contractual right to become a team affiliate, and the team affiliate or
15 entity is at least majority-owned and controlled by, directly or
16 indirectly, one or more persons who are each residents of the state of
17 Washington and who have been residents of the state of Washington
18 continuously since at least January 1, 1993.

19 (2) The boundaries of the public facilities district shall be
20 coextensive with the boundaries of the county in which the public
21 facilities district is created.

22 **Sec. 104.** RCW 36.100.020 and 1995 3rd sp.s. c 1 s 302 are each
23 amended to read as follows:

24 (1)(a) A public facilities district shall be governed by a board of
25 directors consisting of five or seven members as provided in this
26 section. If the largest city in the county has a population that is at
27 least forty percent of the total county population, the board of
28 directors of the public facilities district shall consist of five
29 members selected as follows: (~~(a)~~) (i) Two members appointed by the
30 county legislative authority to serve for four-year staggered terms;
31 (~~(b)~~) (ii) two members appointed by the city council of the largest
32 city in the county to serve for four-year staggered terms; and (~~(c)~~)
33 (iii) one person to serve for a four-year term who is selected by the
34 other directors. If the largest city in the county has a population of
35 less than forty percent of the total county population, the county
36 legislative authority shall establish in the resolution creating the
37 public facilities district whether the board of directors of the public
38 facilities district has either five or seven members, and the county

1 legislative authority shall appoint the members of the board of
2 directors to reflect the interests of cities and towns in the county,
3 as well as the unincorporated area of the county. However, if the
4 county has a population of one million or more, the largest city in the
5 county has a population of less than forty percent of the total county
6 population, and the county operates under a county charter, which
7 provides for an elected county executive, three members shall be
8 appointed by the governor and the remaining members shall be appointed
9 by the county executive subject to confirmation by the county
10 legislative authority. Of the members appointed by the governor, the
11 speaker of the house of representatives and the majority leader of the
12 senate shall each recommend to the governor a person to be appointed to
13 the board.

14 (b) Notwithstanding (a) of this subsection, any public facilities
15 district created to develop a stadium and exhibition center under
16 section 103 of this act shall have five members on its board of
17 directors appointed by the governor. The speaker of the house of
18 representatives and the majority leader of the senate shall each
19 recommend to the governor a person to be appointed to the board.

20 (2) At least one member on the board of directors shall be
21 representative of the lodging industry in the public facilities
22 district before the public facilities district imposes the excise tax
23 under RCW 36.100.040.

24 (3) Members of the board of directors shall serve four-year terms
25 of office, except that two of the initial five board members or three
26 of the initial seven board members shall serve two-year terms of
27 office.

28 (4) A vacancy shall be filled in the same manner as the original
29 appointment was made and the person appointed to fill a vacancy shall
30 serve for the remainder of the unexpired term of the office for the
31 position to which he or she was appointed.

32 (5) A director appointed by the governor may be removed from office
33 by the governor. Any other director may be removed from office by
34 action of at least two-thirds of the members of the legislative
35 authority which made the appointment.

36 NEW SECTION. Sec. 105. A new section is added to chapter 36.100
37 RCW to read as follows:

1 In addition to other powers and restrictions on a public facilities
2 district, the following apply to a public facilities district created
3 to develop a stadium and exhibition center under section 103 of this
4 act:

5 (1) The public facilities district, in consultation with the team
6 affiliate, shall have the authority to determine the stadium and
7 exhibition center site;

8 (2) The public facilities district, in consultation with the team
9 affiliate, shall have the authority to establish the overall scope of
10 the stadium and exhibition center project, including, but not limited
11 to, the stadium and exhibition center itself, associated exhibition
12 facilities, associated parking facilities, associated retail and office
13 development that are part of the stadium and exhibition center, and
14 ancillary services or facilities;

15 (3) The public facilities district, in consultation with the team
16 affiliate, shall have the authority to make the final determination of
17 the stadium and exhibition center overall design and specifications;

18 (4) The public facilities district shall have the authority to
19 contract with a team affiliate for the provision of architectural,
20 engineering, environmental, and other professional services related to
21 the stadium and exhibition center site, design options, required
22 environmental studies, and necessary permits for the stadium and
23 exhibition center;

24 (5) The public facilities district, in consultation with the team
25 affiliate, shall have the authority to establish the project budget on
26 the stadium and exhibition center project;

27 (6) The public facilities district, in consultation with the team
28 affiliate, shall have the authority to structure the financing of the
29 stadium and exhibition center project;

30 (7) The public facilities district shall have the authority to
31 enter into a development agreement with a team affiliate whereby the
32 team affiliate may control the development of the stadium and
33 exhibition center project, consistent with subsections (1) through (6)
34 of this section, in consideration of which the team affiliate assumes
35 the risks of costs of development that are in excess of the project
36 budget established under subsection (5) of this section. Under the
37 development agreement, the team affiliate shall determine bidding
38 specifications and requirements, and other aspects of development;

1 (8) The public facilities district shall have the authority to
2 enter into a long-term lease agreement with a team affiliate whereby,
3 in consideration of the payment of rent, which may be less than market
4 rent, and assumption of certain operating and maintenance
5 responsibilities, risks, and costs associated with the stadium and
6 exhibition center, the team affiliate becomes the sole master tenant of
7 the stadium and exhibition center. The master tenant shall have the
8 power to sublease and enter into use, license, and concession
9 agreements with various users of the stadium and exhibition center
10 including the professional football team, and the master tenant has the
11 right to name the stadium and exhibition center, subject to section 106
12 of this act. The master tenant shall have the right to retain all
13 revenues derived from the operations of the stadium and exhibition
14 center, including revenues from the subleases and use, license and
15 concession agreements including revenues from suite licenses,
16 concessions, advertising, long-term naming rights subject to section
17 106 of this act, and parking revenues. If federal law permits interest
18 on bonds issued to finance the stadium and exhibition center to be
19 treated as tax exempt for federal income tax purposes, the public
20 facilities district and the team affiliate shall endeavor to structure
21 and limit the amounts, sources, and uses of any payments received by
22 the state, the county, the public facilities district, or any related
23 governmental entity for the use or in respect to the stadium and
24 exhibition center in such a manner as to permit the interest on those
25 bonds to be tax exempt; and

26 (9) The public facilities district shall have the authority, upon
27 the agreement of the team affiliate, to sell permanent seat licenses,
28 and the team affiliate may act as the sales agent for this purpose.

29 NEW SECTION. **Sec. 106.** A new section is added to chapter 36.100
30 RCW to read as follows:

31 Revenues from the sales of naming rights of a stadium and
32 exhibition center developed under section 103 of this act may only be
33 used for costs associated with capital maintenance, capital
34 improvements, renovations, reequipping, replacement, and operations of
35 the stadium and exhibition center. The sales of naming rights are
36 subject to the reasonable approval of the public facilities district.

1 NEW SECTION. **Sec. 107.** A new section is added to chapter 36.100
2 RCW to read as follows:

3 A public facilities district may accept and expend moneys that may
4 be donated for the purpose of a stadium and exhibition center.

5 NEW SECTION. **Sec. 108.** A new section is added to chapter 36.100
6 RCW to read as follows:

7 (1) The public facilities district, the county, and the city, if
8 any, in which the stadium and exhibition center is to be located shall
9 enter into one or more agreements regarding the construction of a
10 stadium and exhibition center. The agreements shall address, but not
11 be limited to:

12 (a) Expedited permit processing for the design and construction of
13 the project;

14 (b) Expedited environmental review processing;

15 (c) Expedited processing of requests for street, right of way, or
16 easement vacations, if necessary for the construction of the project;
17 and

18 (d) Other items deemed necessary for the design and construction of
19 the project.

20 (2) The county shall assemble such real property and any associated
21 personal property as the public facilities district determines to be
22 necessary as a site for the stadium and exhibition center. Property
23 that is necessary for this purpose that is owned by the county on the
24 effective date of this section shall be contributed to the district,
25 and property that is necessary for this purpose that is acquired by the
26 county on or after the effective date of this section shall be conveyed
27 to the district. Property that is encumbered by debt may be
28 transferred by the county to the district, but obligation for payment
29 of the debt may not be transferred.

30 (3) A new exhibition facility of at least three hundred thousand
31 square feet, with adequate on-site parking, shall be constructed and
32 operational before any domed stadium in the county is demolished or
33 rendered unusable. Demolition of any existing structure and
34 construction of the stadium and exhibition hall shall be executed in a
35 manner that minimizes impacts upon existing facilities, users, and
36 neighborhoods.

1 (6) Moneys collected under this section shall be deposited into the
2 stadium and exhibition center account under section 214 of this act.

3 (7) No tax may be imposed under this section before January 1,
4 1998. No tax may be imposed under this section after December 31,
5 1999, unless the conditions for issuance of the bonds under section
6 211(2) of this act are met. The tax shall expire when the bonds are
7 retired, but not later than twenty-three years after the tax is first
8 collected.

9 **Sec. 202.** RCW 36.100.090 and 1995 1st sp.s. c 14 s 6 are each
10 amended to read as follows:

11 (1) The governing board of a public facilities district may apply
12 for deferral of taxes on the construction of buildings, site
13 preparation, and the acquisition of related machinery and equipment for
14 a new public facility. Application shall be made to the department of
15 revenue in a form and manner prescribed by the department of revenue.
16 The application shall contain information regarding the location of the
17 public facility, estimated or actual costs, time schedules for
18 completion and operation, and other information required by the
19 department of revenue. The department of revenue shall approve the
20 application within sixty days if it meets the requirements of this
21 section.

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

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

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

36 (5) Interest shall not be charged on any taxes deferred under this
37 section for the period of deferral, although all other penalties and
38 interest applicable to delinquent excise taxes may be assessed and

1 imposed for delinquent payments under this section. The debt for
2 deferred taxes is not extinguished by insolvency or other failure of
3 the public facilities district.

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

8 (7) As used in this section, "public facility" means a baseball
9 stadium with a retractable roof or canopy and natural turf or a stadium
10 and exhibition center as defined in section 101 of this act.

11 **Sec. 203.** RCW 82.29A.130 and 1995 3rd sp.s. c 1 s 307 are each
12 amended to read as follows:

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

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

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

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

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

36 (5) All leasehold interests in any property of any public entity
37 used as a residence by an employee of that public entity who is

1 required as a condition of employment to live in the publicly owned
2 property.

3 (6) All leasehold interests held by enrolled Indians of lands owned
4 or held by any Indian or Indian tribe where the fee ownership of such
5 property is vested in or held in trust by the United States and which
6 are not subleased to other than to a lessee which would qualify
7 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

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

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

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

31 (10) All leasehold interests under month-to-month leases in
32 residential units rented for residential purposes of the lessee pending
33 destruction or removal for the purpose of constructing a public highway
34 or building.

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

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

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

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

29 (15) All leasehold interests in the public or entertainment areas
30 of a stadium and exhibition center, as defined in section 101 of this
31 act, that is constructed on or after January 1, 1998. For the purposes
32 of this subsection, "public or entertainment areas" has the same
33 meaning as in subsection (14) of this section, and includes exhibition
34 areas.

35 NEW SECTION. Sec. 204. A new section is added to chapter 82.08
36 RCW to read as follows:

37 The tax levied by RCW 82.08.020 does not apply to vehicle parking
38 charges that are subject to tax under section 302 of this act.

1 NEW SECTION. **Sec. 205.** A new section is added to chapter 82.14
2 RCW to read as follows:

3 (1) The legislative authority of a county that has created a public
4 facilities district to develop a stadium and exhibition center under
5 section 103 of this act may impose a sales and use tax in accordance
6 with this chapter. The tax is in addition to other taxes authorized by
7 law and shall be collected from those persons who are taxable by the
8 state under chapters 82.08 and 82.12 RCW upon the occurrence of any
9 taxable event within the county. The rate of tax shall be 0.016
10 percent of the selling price in the case of a sales tax or value of the
11 article used in the case of a use tax.

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

17 (3) All revenues collected on behalf of the county under this
18 section shall be transferred by the county to the state treasurer for
19 deposit into the stadium and exhibition center account under section
20 214 of this act upon receipt by the county. No tax may be collected
21 under this section before January 1, 1998. No tax may be imposed under
22 this section after December 31, 1999, unless the conditions for
23 issuance of the bonds under section 211(2) of this act are met. The
24 tax shall expire when the bonds are retired, but not later than twenty-
25 three years after the tax is first collected.

26 (4) The definitions in section 101 of this act apply to this
27 section.

28 NEW SECTION. **Sec. 206.** A new section is added to chapter 67.70
29 RCW to read as follows:

30 The lottery commission shall conduct new games with themes related
31 to activities that will take place at the stadium and exhibition center
32 as defined in section 101 of this act. These games are in addition to
33 any games conducted under RCW 67.70.042 and are intended to generate
34 additional moneys sufficient to cover the distributions under RCW
35 67.70.240(5). No game may be conducted under this section before
36 January 1, 1998. No game may be conducted under this section after
37 December 31, 1999, unless the conditions for issuance of the bonds

1 under section 211(2) of this act are met, and no game is required to be
2 conducted after the distributions cease under RCW 67.70.240(5).

3 For the purposes of this section, the lottery may accept and market
4 prize promotions provided in conjunction with private-sector marketing
5 efforts.

6 **Sec. 207.** RCW 67.70.240 and 1995 3rd sp.s. c 1 s 105 are each
7 amended to read as follows:

8 The moneys in the state lottery account shall be used only:

9 (1) For the payment of prizes to the holders of winning lottery
10 tickets or shares;

11 (2) For purposes of making deposits into the reserve account
12 created by RCW 67.70.250 and into the lottery administrative account
13 created by RCW 67.70.260;

14 (3) For purposes of making deposits into the state's general fund;

15 (4) (~~for purposes of making deposits into the housing trust fund~~
16 ~~under the provisions of section 7 of this 1987 act; (5)) For~~
17 distribution to a county for the purpose of paying the principal and
18 interest payments on bonds issued by the county to construct a baseball
19 stadium, as defined in RCW 82.14.0485, including reasonably necessary
20 preconstruction costs(~~(; (6) for the purchase and promotion of lottery~~
21 ~~games and game-related services; and (7) for the payment of agent~~
22 ~~compensation)). Three million dollars shall be distributed under this
23 subsection (~~((5) of this section))~~) during calendar year 1996. During
24 subsequent years, such distributions shall equal the prior year's
25 distributions increased by four percent. Distributions under this
26 subsection (~~((5) of this section))~~) shall cease when the bonds issued
27 for the construction of the baseball stadium are retired, but not more
28 than twenty years after the tax under RCW 82.14.0485 is first imposed.
29 The office of financial management shall require the allotment of all
30 expenses paid from the account and shall report to the ways and means
31 committees of the senate and house of representatives any changes in
32 the allotments;~~

33 (5) For distribution to the stadium and exhibition center account,
34 created in section 214 of this act. Subject to the conditions of
35 section 215 of this act, commencing January 1, 1998, six million
36 dollars shall be distributed under this subsection during the calendar
37 year 1998. During subsequent years, such distribution shall equal the
38 prior year's distributions increased by four percent. No distribution

1 may be made under this subsection after December 31, 1999, unless the
2 conditions for issuance of the bonds under section 211(2) of this act
3 are met. Distributions under this subsection shall cease when the
4 bonds are retired, but not later than December 31, 2020. The office of
5 financial management shall require the allotment of all expenses paid
6 from the account and shall report to the ways and means committees of
7 the senate and the house of representatives any changes in the
8 allotments;

9 (6) For the purchase and promotion of lottery games and game-
10 related services; and

11 (7) For the payment of agent compensation.

12 **Sec. 208.** RCW 67.70.042 and 1995 3rd sp.s. c 1 s 104 are each
13 amended to read as follows:

14 The lottery commission shall conduct at least two but not more than
15 four scratch games with sports themes per year. These games are
16 intended to generate additional moneys sufficient to cover the
17 distributions under RCW 67.70.240(~~(+5)~~) (4).

18 NEW SECTION. **Sec. 209.** A new section is added to chapter 67.70
19 RCW to read as follows:

20 The person or entity responsible for operating a stadium and
21 exhibition center as defined in section 101 of this act shall provide
22 the lottery with any combination of in-kind advertising, sponsorship,
23 or prize promotions, valued at one million dollars annually for the
24 purpose of increasing lottery sales of games authorized under section
25 206 of this act. The content and value of the advertising sponsorship
26 or prize promotions subject to reasonable approval in advance by the
27 lottery commission.

28 NEW SECTION. **Sec. 210.** The definitions in section 101 of this act
29 apply to this chapter.

30 NEW SECTION. **Sec. 211.** (1) For the purpose of providing funds to
31 pay for operation of the public facilities district created under
32 section 103 of this act, to pay for the preconstruction, site
33 acquisition, design, site preparation, construction, owning, leasing,
34 and equipping of the stadium and exhibition center, and to reimburse
35 the county or the public facilities district for its direct or indirect

1 expenditures or to repay other indebtedness incurred for these
2 purposes, the state finance committee is authorized to issue general
3 obligation bonds of the state of Washington in the sum of three hundred
4 twenty-five million dollars, or so much thereof as may be required, for
5 these purposes and all costs incidental thereto. Bonds authorized in
6 this section may be sold at such price as the state finance committee
7 shall determine.

8 (2) Bonds shall not be issued under this section unless the public
9 facilities district has certified to the director of financial
10 management that:

11 (a) A professional football team has made a binding and legally
12 enforceable contractual commitment to play all of its regular season
13 and playoff home games in the stadium and exhibition center for a
14 period of time not shorter than the term of the bonds issued or to be
15 issued to finance the initial construction of the stadium and
16 exhibition center;

17 (b) A team affiliate has entered into one or more binding and
18 legally enforceable contractual commitments with a public facilities
19 district under section 103 of this act that provide that:

20 (i) The team affiliate assumes the risks of cost overruns;

21 (ii) The team affiliate shall raise at least one hundred million
22 dollars, less the amount, if any, raised by the public facilities
23 district under section 105(9) of this act, including cash payments and
24 in-kind contributions, which shall be applied toward the reasonably
25 necessary preconstruction, site acquisition, design, site preparation,
26 construction, and equipping of the stadium and exhibition center, or to
27 any associated public purpose separate from bond-financed expenses, and
28 which shall be raised and paid or expended before the completion of
29 construction of the stadium and exhibition center. No part of the
30 payment may be made without the consent of the public facilities
31 district. To the extent possible, contributions shall be structured in
32 a manner that would allow for the issuance of bonds to construct the
33 stadium and exhibition center that are exempt from federal income
34 taxes;

35 (iii) At least seven percent of the seats in the stadium for home
36 games of the professional football team shall be for sale at an
37 affordable price. For the purposes of this subsection, "affordable
38 price" means that the price is the average of the lowest ticket prices
39 charged by all other national football league teams;

1 (iv) One executive suite must be made available, on a lottery
2 basis, as a free upgrade, at home games of the professional football
3 team, to purchasers of certain specified tickets; and

4 (v) A nonparticipatory ownership interest in the football team has
5 been granted to the state beginning on the date on which bonds are
6 issued under this section which only entitles the state to receive ten
7 percent of the gross selling price of the team if ninety percent or
8 more of the professional football team is sold within twenty-five years
9 of the date on which bonds are issued under the section. The ten
10 percent must be used to retire the public debt of the stadium and
11 exhibition center. If the debt is retired at the time of the sale,
12 then the ten percent must be deposited into the education savings fund.

13 NEW SECTION. **Sec. 212.** The proceeds from the sale of the bonds
14 authorized in section 211 of this act shall be deposited in the stadium
15 and exhibition center construction account, hereby created in the
16 custody of the state treasurer, and shall be used exclusively for the
17 purposes specified in section 211 of this act and for the payment of
18 expenses incurred in the issuance and sale of the bonds. These
19 proceeds shall be administered by the state treasurer. Only the state
20 treasurer or the state treasurer's designee may authorize expenditures
21 from the account. The account is subject to the allotment procedures
22 under chapter 43.88 RCW, but an appropriation is not required for
23 expenditures. The state treasurer shall transfer moneys from the
24 account to the public facilities district created in section 103 of
25 this act as required by the public facilities district.

26 NEW SECTION. **Sec. 213.** The state general obligation bond
27 retirement fund shall be used for the payment of the principal of and
28 interest on the bonds authorized in section 211 of this act.

29 The state finance committee shall, on or before June 30th of each
30 year, certify to the state treasurer the amount needed in the ensuing
31 twelve months to meet the bond retirement and interest requirements.
32 Not less than thirty days prior to the date on which any interest or
33 principal and interest payment is due, the state treasurer shall
34 withdraw from any general state revenues received in the state treasury
35 and deposit in the general obligation bond retirement fund an amount
36 equal to the amount certified by the state finance committee to be due
37 on the payment date.

1 Bonds issued under section 211 of this act shall state that they
2 are a general obligation of the state of Washington, shall pledge the
3 full faith and credit of the state to the payment of the principal
4 thereof and the interest thereon, and shall contain an unconditional
5 promise to pay the principal and interest as the same shall become due.

6 The owner and holder of each of the bonds or the trustee for the
7 owner and holder of any of the bonds may by mandamus or other
8 appropriate proceeding require the transfer and payment of funds as
9 directed in this section.

10 NEW SECTION. **Sec. 214.** (1) The stadium and exhibition center
11 account is created in the custody of the state treasurer. All receipts
12 from the taxes imposed under sections 201 and 205 of this act and
13 distributions under RCW 67.70.240(5) shall be deposited into the
14 account. Only the treasurer or the treasurer's designee may authorize
15 expenditures from the account. The account is subject to allotment
16 procedures under chapter 43.88 RCW, but an appropriation is not
17 required for expenditures.

18 (2) Until bonds are issued under section 211 of this act, all
19 revenues deposited into the account shall be transferred to the public
20 facilities district created under section 103 of this act.

21 (3) On or before June 30th of each year, the state treasurer shall
22 accumulate in the stadium and exhibition center account an amount at
23 least equal to the amount required in the next succeeding twelve months
24 for the payment of principal of and interest on the bonds issued under
25 section 211 of this act. Not less than thirty days prior to the date
26 on which any interest or principal and interest payment is due, the
27 state treasurer shall withdraw the sum from the stadium and exhibition
28 center account and deposit the sum in the state general fund.

29 (4) Any revenues deposited into the account in excess of the amount
30 needed in any year under subsection (3) of this section shall be
31 deposited into the youth play field grant account hereby created in the
32 custody of the state treasurer. Only the director of the interagency
33 committee for outdoor recreation, or the director's designee, may
34 authorize expenditures from the account. The account is subject to
35 allotment procedures under chapter 43.88 RCW, but an appropriation is
36 not required for expenditures. Expenditures from the account may be
37 used only for purposes of grants to cities and counties for youth play
38 fields. The play field grants may be used for acquiring, developing,

1 equipping, maintaining, and improving youth play fields. Funds shall
2 be divided equally between the development of new play fields, the
3 improvement of existing play fields, and the maintenance of existing
4 play fields. Cities and counties must submit proposals for grants from
5 the account. To the extent that funds are available, counties must
6 meet eligibility criteria as established by the director of the
7 interagency committee for outdoor recreation. The grants shall be
8 provided based on a competitive application process.

9 NEW SECTION. **Sec. 215.** Collection of revenues under sections 201,
10 205, and 206 of this act and distribution of revenues under RCW
11 67.70.240(5) are subject to the following conditions:

12 (1) On December 31, 1997, the professional football team that will
13 use the stadium and exhibition center is at least majority-owned and
14 controlled by, directly or indirectly, one or more persons who are each
15 residents of the state of Washington and who have been residents of the
16 state of Washington continuously since at least January 1, 1993; and

17 (2) The county in which the stadium and exhibition center is to be
18 constructed has created a public facilities district under this chapter
19 to acquire property, construct, own, remodel, maintain, equip, reequip,
20 repair, and operate a stadium and exhibition center.

21 NEW SECTION. **Sec. 216.** The legislature may provide additional
22 means for raising moneys for the payment of the principal of and
23 interest on the bonds authorized in section 211 of this act, and
24 section 213 of this act shall not be deemed to provide an exclusive
25 method for the payment.

26 NEW SECTION. **Sec. 217.** The bonds authorized in section 211 of
27 this act shall be a legal investment for all state funds or funds under
28 state control and for all funds of any other public body.

29 NEW SECTION. **Sec. 218.** (1) The total public share of a stadium
30 and exhibition center shall not exceed three hundred twenty-five
31 million dollars. For the purposes of this section, "total public
32 share" means all state and local revenues used for construction and
33 preconstruction costs of the stadium and exhibition center plus the
34 total amount of any bonds issued for the purposes of the stadium and
35 exhibition center. If circumstances beyond the control of the team

1 affiliate prevent commencement of demolition of any existing
2 improvements on the site or construction of the stadium and exhibition
3 center by October 1, 1999, the three hundred twenty-five million dollar
4 limitation shall be increased in proportion to the increase in the
5 producer price index for finished goods from October 1, 1999, to the
6 date on which demolition of all existing improvements on the site and
7 construction of the stadium and exhibition center may be commenced.

8 (2) Sections 201 through 208, chapter . . ., Laws of 1997 (sections
9 201 through 208 of this act) and this chapter constitute the entire
10 state contribution for a stadium and exhibition center. The state will
11 not make any additional contributions based on revised cost or revenue
12 estimates, cost overruns, unforeseen circumstances, or any other
13 reason.

14 **PART III**

15 **LOCAL CONTRIBUTION**

16 **Sec. 301.** RCW 36.38.010 and 1995 3rd sp.s. c 1 s 203 are each
17 amended to read as follows:

18 (1) Any county may by ordinance enacted by its county legislative
19 authority, levy and fix a tax of not more than one cent on twenty cents
20 or fraction thereof to be paid for county purposes by persons who pay
21 an admission charge to any place, including a tax on persons who are
22 admitted free of charge or at reduced rates to any place for which
23 other persons pay a charge or a regular higher charge for the same or
24 similar privileges or accommodations; and require that one who receives
25 any admission charge to any place shall collect and remit the tax to
26 the county treasurer of the county: PROVIDED, No county shall impose
27 such tax on persons paying an admission to any activity of any
28 elementary or secondary school.

29 (2) As used in this chapter, the term "admission charge" includes
30 a charge made for season tickets or subscriptions, a cover charge, or
31 a charge made for use of seats and tables, reserved or otherwise, and
32 other similar accommodations; a charge made for food and refreshments
33 in any place where any free entertainment, recreation, or amusement is
34 provided; a charge made for rental or use of equipment or facilities
35 for purpose of recreation or amusement, and where the rental of the
36 equipment or facilities is necessary to the enjoyment of a privilege
37 for which a general admission is charged, the combined charges shall be

1 considered as the admission charge. It shall also include any
2 automobile parking charge where the amount of such charge is determined
3 according to the number of passengers in any automobile.

4 (3) Subject to subsections (4) and (5) of this section, the tax
5 herein authorized shall not be exclusive and shall not prevent any city
6 or town within the taxing county, when authorized by law, from imposing
7 within its corporate limits a tax of the same or similar kind:
8 PROVIDED, That whenever the same or similar kind of tax is imposed by
9 any such city or town, no such tax shall be levied within the corporate
10 limits of such city or town by the county(~~(, except that)~~).

11 (4) Notwithstanding subsection (3) of this section, the legislative
12 authority of a county with a population of one million or more may
13 exclusively levy taxes on events in baseball stadiums constructed on or
14 after January 1, 1995, that are owned by a public facilities district
15 under chapter 36.100 RCW and that have seating capacities over forty
16 thousand at the rates of:

17 (a) Not more than one cent on twenty cents or fraction thereof, to
18 be used for the purpose of paying the principal and interest payments
19 on bonds issued by a county to construct a baseball stadium as defined
20 in RCW 82.14.0485. If the revenue from the tax exceeds the amount
21 needed for that purpose, the excess shall be placed in a contingency
22 fund which may only be used to pay unanticipated capital costs on the
23 baseball stadium, excluding any cost overruns on initial construction;
24 and

25 (b) Not more than one cent on twenty cents or fraction thereof, to
26 be used for the purpose of paying the principal and interest payments
27 on bonds issued by a county to construct a baseball stadium as defined
28 in RCW 82.14.0485. The tax imposed under this subsection (~~((+3))~~)
29 (4)(b) shall expire when the bonds issued for the construction of the
30 baseball stadium are retired, but not later than twenty years after the
31 tax is first collected.

32 (5) Notwithstanding subsection (3) of this section, the legislative
33 authority of a county that has created a public facilities district to
34 develop a stadium and exhibition center under section 103 of this act
35 may levy and fix a tax on charges for admission to events in a stadium
36 and exhibition center, as defined in section 101 of this act,
37 constructed in the county on or after January 1, 1998, that is owned by
38 a public facilities district under chapter 36.100 RCW. The tax shall
39 be exclusive and shall preclude the city or town within which the

1 stadium and exhibition center is located from imposing a tax of the
2 same or similar kind on charges for admission to events in the stadium
3 and exhibition center, and shall preclude the imposition of a general
4 county admissions tax on charges for admission to events in the stadium
5 and exhibition center. For the purposes of this subsection, "charges
6 for admission to events" means only the actual admission charge,
7 exclusive of taxes and service charges and the value of any other
8 benefit conferred by the admission. The tax authorized under this
9 subsection shall be at the rate of not more than one cent on ten cents
10 or fraction thereof. Revenues collected under this subsection shall be
11 transferred to the state treasurer for deposit into the stadium and
12 exhibition center account under section 214 of this act until the bonds
13 issued under section 211 of this act for the construction of the
14 stadium and exhibition center are retired. After the bonds issued for
15 the construction of the stadium and exhibition center are retired, the
16 tax authorized under this section shall be used exclusively to fund
17 repair, reequipping, and capital improvement of the stadium and
18 exhibition center. The tax under this subsection may be levied upon
19 the first use of any part of the stadium and exhibition center but
20 shall not be collected at any facility already in operation as of the
21 effective date of this section.

22 NEW SECTION. Sec. 302. A new section is added to chapter 36.38
23 RCW to read as follows:

24 The legislative authority of a county that has created a public
25 facilities district to develop a stadium and exhibition center under
26 section 103 of this act may levy and fix a tax on any vehicle parking
27 charges imposed at any parking facility that is part of a stadium and
28 exhibition center, as defined in section 101 of this act. The tax
29 shall be exclusive and shall preclude the city or town within which the
30 stadium and exhibition center is located from imposing within its
31 corporate limits a tax of the same or similar kind on any vehicle
32 parking charges imposed at any parking facility that is part of a
33 stadium and exhibition center. For the purposes of this section,
34 "vehicle parking charges" means only the actual parking charges
35 exclusive of taxes and service charges and the value of any other
36 benefit conferred. The tax authorized under this section shall be at
37 the rate of not more than ten percent. Revenues collected under this
38 section shall be transferred to the state treasurer for deposit into

1 the stadium and exhibition center account under section 214 of this act
2 until the bonds issued under section 211 of this act for the
3 construction of the stadium and exhibition center are retired. After
4 the bonds issued for the construction of the stadium and exhibition
5 center are retired, the tax authorized under this section shall be used
6 exclusively to fund repair, reequipping, and capital improvement of the
7 stadium and exhibition center. The tax under this section may be
8 levied upon the first use of any part of the stadium and exhibition
9 center but shall not be collected at any facility already in operation
10 as of the effective date of this section.

11 **PART IV**

12 **PUBLIC WORKS PROVISIONS**

13 **Sec. 401.** RCW 36.32.235 and 1996 c 219 s 2 are each amended to
14 read as follows:

15 (1) In each county with a population of one million or more which
16 by resolution establishes a county purchasing department, the
17 purchasing department shall enter into leases of personal property on
18 a competitive basis and purchase all supplies, materials, and equipment
19 on a competitive basis, for all departments of the county, as provided
20 in this chapter and chapter 39.04 RCW, except that the county
21 purchasing department is not required to make purchases that are paid
22 from the county road fund or equipment rental and revolving fund.

23 (2) As used in this section, "public works" has the same definition
24 as in RCW 39.04.010.

25 (3) Except as otherwise specified in this chapter or in chapter
26 36.77 RCW, all counties subject to these provisions shall contract on
27 a competitive basis for all public works after bids have been submitted
28 to the county upon specifications therefor. Such specifications shall
29 be in writing and shall be filed with the clerk of the county
30 legislative authority for public inspection.

31 (4) An advertisement shall be published in the county official
32 newspaper stating the time and place where bids will be opened, the
33 time after which bids will not be received, the character of the work
34 to be done, the materials and equipment to be furnished, and that
35 specifications therefor may be seen at the office of the clerk of the
36 county legislative authority. An advertisement shall also be published
37 in a legal newspaper of general circulation in or as near as possible

1 to that part of the county in which such work is to be done. If the
2 county official newspaper is a newspaper of general circulation
3 covering at least forty percent of the residences in that part of the
4 county in which such public works are to be done, then the publication
5 of an advertisement of the applicable specifications in the county
6 official newspaper is sufficient. Such advertisements shall be
7 published at least once at least thirteen days prior to the last date
8 upon which bids will be received.

9 (5) The bids shall be in writing, shall be filed with the clerk,
10 shall be opened and read in public at the time and place named therefor
11 in the advertisements, and after being opened, shall be filed for
12 public inspection. No bid may be considered for public work unless it
13 is accompanied by a bid deposit in the form of a surety bond, postal
14 money order, cash, cashier's check, or certified check in an amount
15 equal to five percent of the amount of the bid proposed.

16 (6) The contract for the public work shall be awarded to the lowest
17 responsible bidder. Any or all bids may be rejected for good cause.
18 The county legislative authority shall require from the successful
19 bidder for such public work a contractor's bond in the amount and with
20 the conditions imposed by law.

21 (7) If the bidder to whom the contract is awarded fails to enter
22 into the contract and furnish the contractor's bond as required within
23 ten days after notice of the award, exclusive of the day of notice, the
24 amount of the bid deposit shall be forfeited to the county and the
25 contract awarded to the next lowest and best bidder. The bid deposit
26 of all unsuccessful bidders shall be returned after the contract is
27 awarded and the required contractor's bond given by the successful
28 bidder is accepted by the county legislative authority. Immediately
29 after the award is made, the bid quotations obtained shall be recorded
30 and open to public inspection and shall be available by telephone
31 inquiry.

32 (8) As limited by subsection (10) of this section, a county subject
33 to these provisions may have public works performed by county employees
34 in any annual or biennial budget period equal to a dollar value not
35 exceeding ten percent of the public works construction budget,
36 including any amount in a supplemental public works construction
37 budget, over the budget period.

38 Whenever a county subject to these provisions has had public works
39 performed in any budget period up to the maximum permitted amount for

1 that budget period, all remaining public works except emergency work
2 under subsection (12) of this section within that budget period shall
3 be done by contract pursuant to public notice and call for competitive
4 bids as specified in subsection (3) of this section. The state auditor
5 shall report to the state treasurer any county subject to these
6 provisions that exceeds this amount and the extent to which the county
7 has or has not reduced the amount of public works it has performed by
8 public employees in subsequent years.

9 (9) If a county subject to these provisions has public works
10 performed by public employees in any budget period that are in excess
11 of this ten percent limitation, the amount in excess of the permitted
12 amount shall be reduced from the otherwise permitted amount of public
13 works that may be performed by public employees for that county in its
14 next budget period. Ten percent of the motor vehicle fuel tax
15 distributions to that county shall be withheld if two years after the
16 year in which the excess amount of work occurred, the county has failed
17 to so reduce the amount of public works that it has performed by public
18 employees. The amount withheld shall be distributed to the county when
19 it has demonstrated in its reports to the state auditor that the amount
20 of public works it has performed by public employees has been reduced
21 as required.

22 (10) In addition to the percentage limitation provided in
23 subsection (8) of this section, counties subject to these provisions
24 containing a population of one million or more shall not have public
25 employees perform a public works project in excess of seventy thousand
26 dollars if more than a single craft or trade is involved with the
27 public works project, or a public works project in excess of twenty-
28 five thousand dollars if only a single craft or trade is involved with
29 the public works project. A public works project means a complete
30 project. The restrictions in this subsection do not permit the
31 division of the project into units of work or classes of work to avoid
32 the restriction on work that may be performed by public employees on a
33 single project.

34 The cost of a separate public works project shall be the costs of
35 materials, supplies, equipment, and labor on the construction of that
36 project. The value of the public works budget shall be the value of
37 all the separate public works projects within the budget.

38 (11) In addition to the accounting and recordkeeping requirements
39 contained in chapter 39.04 RCW, any county which uses public employees

1 to perform public works projects under RCW 36.32.240(1) shall prepare
2 a year-end report to be submitted to the state auditor indicating the
3 total dollar amount of the county's public works construction budget
4 and the total dollar amount for public works projects performed by
5 public employees for that year.

6 The year-end report submitted pursuant to this subsection to the
7 state auditor shall be in accordance with the standard form required by
8 RCW 43.09.205.

9 (12) Notwithstanding any other provision in this section, counties
10 may use public employees without any limitation for emergency work
11 performed under an emergency declared pursuant to RCW 36.32.270, and
12 any such emergency work shall not be subject to the limitations of this
13 section. Publication of the description and estimate of costs relating
14 to correcting the emergency may be made within seven days after the
15 commencement of the work. Within two weeks of the finding that such an
16 emergency existed, the county legislative authority shall adopt a
17 resolution certifying the damage to public facilities and costs
18 incurred or anticipated relating to correcting the emergency.
19 Additionally this section shall not apply to architectural and
20 engineering or other technical or professional services performed by
21 public employees in connection with a public works project.

22 (13) In lieu of the procedures of subsections (3) through (11) of
23 this section, a county may use a small works roster process and award
24 contracts for public works projects with an estimated value of ten
25 thousand dollars up to one hundred thousand dollars as provided in RCW
26 39.04.155.

27 Whenever possible, the county shall invite at least one proposal
28 from a minority or woman contractor who shall otherwise qualify under
29 this section.

30 (14) The allocation of public works projects to be performed by
31 county employees shall not be subject to a collective bargaining
32 agreement.

33 (15) This section does not apply to performance-based contracts, as
34 defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A
35 RCW.

36 (16) Nothing in this section prohibits any county from allowing for
37 preferential purchase of products made from recycled materials or
38 products that may be recycled or reused.

1 (17) This section does not apply to contracts entered into under
2 section 105(4) of this act or development agreements entered into under
3 section 105(7) of this act.

4 **Sec. 402.** RCW 39.04.010 and 1993 c 174 s 1 are each amended to
5 read as follows:

6 The term state shall include the state of Washington and all
7 departments, supervisors, commissioners and agencies thereof.

8 The term municipality shall include every city, county, town,
9 district or other public agency thereof which is authorized by law to
10 require the execution of public work, except drainage districts, diking
11 districts, diking and drainage improvement districts, drainage
12 improvement districts, diking improvement districts, consolidated
13 diking and drainage improvement districts, consolidated drainage
14 improvement districts, consolidated diking improvement districts,
15 irrigation districts or any such other districts as shall from time to
16 time be authorized by law for the reclamation or development of waste
17 or undeveloped lands.

18 The term public work shall include all work, construction,
19 alteration, repair, or improvement other than ordinary maintenance,
20 executed at the cost of the state or of any municipality, or which is
21 by law a lien or charge on any property therein. All public works,
22 including maintenance when performed by contract shall comply with the
23 provisions of RCW 39.12.020. The term does not include work,
24 construction, alteration, repair, or improvement performed under
25 contracts entered into under section 105(4) of this act or under
26 development agreements entered into under section 105(7) of this act.

27 The term contract shall mean a contract in writing for the
28 execution of public work for a fixed or determinable amount duly
29 awarded after advertisement and competitive bid. However, a contract
30 which is awarded from a small works roster under the authority of RCW
31 39.04.150, 35.22.620, 28B.10.355, 35.82.075, and 57.08.050 need not be
32 advertised.

33 NEW SECTION. **Sec. 403.** A new section is added to chapter 39.30
34 RCW to read as follows:

35 This chapter does not apply to contracts entered into under section
36 105(4) of this act or development agreements entered into under section
37 105(7) of this act.

1 **Sec. 404.** RCW 39.10.120 and 1995 3rd sp.s. c 1 s 305 are each
2 amended to read as follows:

3 (1) Except as provided in subsections (2) and (3) of this section,
4 the alternative public works contracting procedures authorized under
5 this chapter are limited to public works contracts signed before July
6 1, 1997. Methods of public works contracting authorized by RCW
7 39.10.050 and 39.10.060 shall remain in full force and effect until
8 completion of contracts signed before July 1, 1997.

9 (2) For the purposes of a baseball stadium as defined in RCW
10 82.14.0485, the design-build contracting procedures under RCW 39.10.050
11 shall remain in full force and effect until completion of contracts
12 signed before December 31, 1997.

13 (3) For the purposes of a stadium and exhibition center, as defined
14 in section 101 of this act, the design-build contracting procedures
15 under RCW 39.10.050 shall remain in full force and effect until
16 completion of contracts signed before December 31, 2002.

17 **Sec. 405.** RCW 39.10.050 and 1994 c 132 s 5 are each amended to
18 read as follows:

19 (1) Notwithstanding any other provision of law, and after complying
20 with RCW 39.10.030, the following public bodies may utilize the design-
21 build procedure of public works contracting for public works projects
22 authorized under this section: The state department of general
23 administration; the University of Washington; Washington State
24 University; every city with a population greater than one hundred fifty
25 thousand; and every county with a population greater than four hundred
26 fifty thousand. For the purposes of this section, "design-build
27 procedure" means a contract between a public body and another party in
28 which the party agrees to both design and build the structure,
29 facility, or other item specified in the contract.

30 (2) Public bodies authorized under this section may utilize the
31 design-build procedure for public works projects valued over ten
32 million dollars where:

33 (a) The construction activities are highly specialized and a
34 design-build approach is critical in developing the construction
35 methodology;

36 (b) The project design is repetitive in nature and is an incidental
37 part of the installation or construction; or

1 (c) The program elements of the project design are simple and do
2 not involve complex functional interrelationships.

3 (3) The state department of general administration may use the
4 design-build procedure authorized in subsection (2)(c) of this section
5 for one project.

6 (4) Contracts for design-build services shall be awarded through a
7 competitive process utilizing public solicitation of proposals for
8 design-build services. The public body shall publish at least once in
9 a legal newspaper of general circulation published in or as near as
10 possible to that part of the county in which the public work will be
11 done, a notice of its request for proposals for design-build services
12 and the availability and location of the request for proposal
13 documents. The request for proposal documents shall include:

14 (a) A detailed description of the project including programmatic,
15 performance, and technical requirements and specifications, functional
16 and operational elements, and minimum and maximum net and gross areas
17 of any building;

18 (b) The reasons for using the design-build procedure;

19 (c) A description of the qualifications, if any, to be required of
20 the proposer;

21 (d) A description of the process the public body will use to
22 evaluate qualifications and proposals, including evaluation factors and
23 the relative weight of factors. Evaluation factors shall include, but
24 not be limited to: Proposal price; ability of professional personnel;
25 past performance on similar projects; ability to meet time and budget
26 requirements; ability to provide a performance and payment bond for the
27 project; recent, current, and projected work loads of the firm; and the
28 concept of the proposal;

29 (e) The form of the contract to be awarded;

30 (f) The maximum allowable construction cost and minority and women
31 enterprise total project goals;

32 (g) The amount to be paid to finalists submitting best and final
33 proposals who are not awarded a design-build contract; and

34 (h) Other information relevant to the project.

35 (5) The public body shall establish a committee to evaluate the
36 proposals based on the factors, weighting, and process identified in
37 the request for proposals. Based on its evaluation, the public body
38 shall select not fewer than three nor more than five finalists to
39 submit best and final proposals. Best and final proposals shall be

1 evaluated and scored based on the factors, weighting, and process
2 identified in the initial request for proposals. Final proposals may
3 not be considered if the proposal cost is greater than the maximum
4 allowable construction cost identified in the initial request for
5 proposals.

6 (6) The public body shall initiate negotiations with the firm
7 submitting the highest scored final proposal. If the public body is
8 unable to execute a contract with that firm, negotiations with that
9 firm may be suspended or terminated and the public body may proceed to
10 negotiate with the next highest scored firm. Public bodies shall
11 continue in accordance with this procedure until a contract agreement
12 is reached or the selection process is terminated. The public body
13 may, in its sole discretion, reject all proposals. The finalist
14 awarded the contract shall provide a performance and payment bond for
15 the contracted amount. The public body shall provide appropriate
16 honorarium payments to finalists submitting best and final proposals
17 who are not awarded a design-build contract. Honorarium payments shall
18 be sufficient to generate meaningful competition among potential
19 proposers on design-build projects.

20 (7) Beginning July 1, 1997, this section applies only for the
21 purposes of a stadium and exhibition center, as defined in section 101
22 of this act and has no effect beyond the completion of contracts signed
23 before December 31, 2002.

24 **Sec. 406.** RCW 39.10.902 and 1995 3rd sp.s. c 1 s 306 are each
25 amended to read as follows:

26 The following acts or parts of acts, as now existing or hereafter
27 amended, are each repealed, effective July 1, 1997:

- 28 (1) RCW 39.10.010 and 1994 c 132 s 1;
29 (2) RCW 39.10.020 and 1994 c 132 s 2;
30 (3) RCW 39.10.030 and 1994 c 132 s 3;
31 (4) RCW 39.10.040 and 1994 c 132 s 4;
32 (5) (~~RCW 39.10.050 and 1994 c 132 s 5;~~
33 ~~(6)~~) RCW 39.10.060 and 1994 c 132 s 6;
34 (~~(7)~~) (6) RCW 39.10.070 and 1994 c 132 s 7;
35 (~~(8)~~) (7) RCW 39.10.080 and 1994 c 132 s 8;
36 (~~(9)~~) (8) RCW 39.10.090 and 1994 c 132 s 9;
37 (~~(10)~~) (9) RCW 39.10.100 and 1994 c 132 s 10;
38 (~~(11)~~) (10) RCW 39.10.110 and 1994 c 132 s 11;

1 any county with a population of one million or more, for repayment
2 either of limited tax levy general obligation bonds or of any county
3 fund or account from which a loan was made, the proceeds from the bonds
4 or loan 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; ((or)) (ii) in any county with a
10 population of one million or more, for repayment or refinancing of
11 bonded indebtedness incurred prior to January 1, 1997, for any purpose
12 authorized by this section or relating to stadium repairs or
13 rehabilitation, including but not limited to the cost of settling legal
14 claims, reimbursing operating funds, interest payments on short-term
15 loans, and any other purpose for which such debt has been incurred if
16 the county has created a public facilities district to develop a
17 stadium and exhibition center under section 103 of this act; or (iii)
18 in other counties, for county-owned facilities for agricultural
19 promotion. A county is exempt under this subsection in respect to city
20 revenue or general obligation bonds issued after April 1, 1991, only if
21 such bonds mature before January 1, 2013. However, for counties with
22 a population of one million or more, if bonds are issued under section
23 211 of this act and any necessary property transfers have been made
24 under section 108 of this act, the county is exempt under this
25 subsection in respect to city revenue or general obligation bonds
26 issued after April 1, 1991, only if such bonds mature before January 1,
27 2016. The county is not exempt after the bonds are retired.

28 As used in this subsection (2)(b), "capital improvement projects"
29 may include, but not be limited to a stadium restaurant facility,
30 restroom facilities, artificial turf system, seating facilities,
31 parking facilities and scoreboard and information system adjacent to or
32 within a county owned stadium, together with equipment, utilities,
33 accessories and appurtenances necessary thereto. The stadium
34 restaurant authorized by this subsection (2)(b) shall be operated by a
35 private concessionaire under a contract with the county.

36 (c) No city within a county exempt under subsection (2)(b) of this
37 section may levy the tax authorized by this section so long as said
38 county is so exempt: PROVIDED, That in the event that any city in such
39 county has levied the tax authorized by this section and has, prior to

1 June 26, 1975, authorized and issued revenue or general obligation
2 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,
3 such city may levy the tax so long as the tax revenues are pledged for
4 payment of principal and interest on bonds issued at any time pursuant
5 to the provisions of RCW 67.28.150 through 67.28.160.

6 (3) Any levy authorized by this section by a county that has levied
7 the tax authorized by this section and has, prior to June 26, 1975,
8 either pledged the tax revenues for payment of principal and interest
9 on city revenue or general obligation bonds authorized and issued
10 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and
11 issued revenue or general obligation bonds pursuant to the provisions
12 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

13 (a) Taxes collected under this section in any calendar year in
14 excess of five million three hundred thousand dollars shall only be
15 used as follows:

16 (i) Seventy-five percent from January 1, 1992, through December 31,
17 2000, and seventy percent from January 1, 2001, through December 31,
18 2012, for art museums, cultural museums, heritage museums, the arts,
19 and the performing arts. Moneys spent under this subsection (3)(a)(i)
20 shall be used for the purposes of this subsection (3)(a)(i) in all
21 parts of the county.

22 (ii) Twenty-five percent from January 1, 1992, through December 31,
23 2000, and thirty percent from January 1, 2001, through December 31,
24 2012, for the following purposes and in a manner reflecting the
25 following order of priority: Stadium capital improvements, as defined
26 in subsection (2)(b) of this section; acquisition of open space lands;
27 youth sports activities; and tourism promotion. If all or part of the
28 debt on the stadium is refinanced, all revenues under this subsection
29 (3)(a)(ii) shall be used to retire the debt.

30 (iii) After January 1, 2013, in a county with a population of one
31 million or more that is exempt under this subsection in respect to city
32 revenue or general obligation bonds issued after April 1, 1991, all
33 revenues shall be used to retire the debt on the stadium.

34 (b) At least seventy percent of moneys spent under (a)(i) of this
35 subsection for the period January 1, 1992, through December 31, 2000,
36 shall be used only for the purchase, design, construction, and
37 remodeling of performing arts, visual arts, heritage, and cultural
38 facilities, and for the purchase of fixed assets that will benefit art,
39 heritage, and cultural organizations. For purposes of this subsection,

1 fixed assets are tangible objects such as machinery and other equipment
2 intended to be held or used for ten years or more. Moneys received
3 under this subsection (3)(b) may be used for payment of principal and
4 interest on bonds issued for capital projects. Qualifying
5 organizations receiving moneys under this subsection (3)(b) must be
6 financially stable and have at least the following:

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

8 (ii) A record of artistic, heritage, or cultural accomplishments;

9 (iii) Been in existence and operating for at least two years;

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

12 (v) Demonstrated ability to sustain operational capacity subsequent
13 to completion of projects or purchase of machinery and equipment; and

14 (vi) Evidence that there has been independent financial review of
15 the organization.

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

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

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

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

38 (g) No taxes collected under this section may be used for the
39 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 (h) 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 (i) 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)(i) does not apply in respect to
17 a public stadium, or a stadium and exhibition center, transferred to,
18 owned by, or constructed by a public facilities district under chapter
19 36.100 RCW.

20 (j) 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)(j) 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.

30 **Sec. 502.** RCW 82.14.049 and 1992 c 194 s 3 are each amended to
31 read as follows:

32 The legislative authority of any county may impose a sales and use
33 tax, in addition to the tax authorized by RCW 82.14.030, upon retail
34 car rentals within the county that are taxable by the state under
35 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of
36 the selling price in the case of a sales tax or rental value of the
37 vehicle in the case of a use tax. Proceeds of the tax shall not be

1 used to subsidize any professional sports team and shall be used solely
2 for the following purposes:

3 (1) Acquiring, constructing, maintaining, or operating public
4 sports stadium facilities;

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

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

8 (4) Refinancing debt issued for the purposes of subsection (1) of
9 this section.

10 At least seventy-five percent of the tax imposed under this section
11 shall be used for the purposes of subsections (1), (2), and (4) of this
12 section.

13 **PART VI**
14 **MISCELLANEOUS**

15 NEW SECTION. **Sec. 601.** Part headings used in this act are not any
16 part of the law.

17 NEW SECTION. **Sec. 602.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 603.** (1) Section 201 of this act constitutes a
22 new chapter in Title 82 RCW.

23 (2) Sections 210 through 218 of this act constitute a new chapter
24 in Title 43 RCW.

25 NEW SECTION. **Sec. 604.** Notwithstanding any other provision of
26 this act, this act shall be null and void in its entirety unless
27 Football Northwest enters into an agreement with the secretary of state
28 to reimburse the state for the full cost of the special election to be
29 held June 3, 1997.

30 NEW SECTION. **Sec. 605.** This act is the only proposal that the
31 legislature shall put before the voters. Should this act fail to be
32 approved at the special election on June 3, 1997, the legislature shall

1 not pass other legislation to build or finance a new football stadium
2 for Football Northwest or its owners.

3 NEW SECTION. **Sec. 606.** The secretary of state shall submit this
4 act to the people for their adoption and ratification, or rejection, at
5 a special election to be held in this state on June 3, 1997, in
6 accordance with Article II, section 1 of the state Constitution and the
7 laws adopted to facilitate its operation. The special election shall
8 be limited to submission of this act to the people.

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