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**SUBSTITUTE HOUSE BILL 3027**

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**State of Washington**                      **61st Legislature**                      **2010 Regular Session**

**By** House Finance (originally sponsored by Representatives Ormsby, White, and Kenney)

READ FIRST TIME 03/01/10.

1            AN ACT Relating to the governance and financing of the Washington  
2 state convention and trade center; amending RCW 36.100.010, 36.100.020,  
3 36.100.030, 36.100.040, 36.100.060, and 36.100.100; adding new sections  
4 to chapter 36.100 RCW; creating new sections; repealing RCW 67.40.010,  
5 67.40.025, 67.40.027, 67.40.030, 67.40.040, 67.40.045, 67.40.050,  
6 67.40.055, 67.40.060, 67.40.070, 67.40.080, 67.40.090, 67.40.100,  
7 67.40.105, 67.40.107, 67.40.110, 67.40.120, 67.40.130, 67.40.140,  
8 67.40.150, 67.40.160, 67.40.170, 67.40.180, 67.40.190, 67.40.900,  
9 67.40.020, and 39.94.020; and providing contingent effective dates.

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

11            NEW SECTION.    **Sec. 1.** (1) The legislature finds that conventions  
12 and trade shows provide both direct and indirect civic and economic  
13 benefits. It is the intent of the legislature to provide for the  
14 transfer of the governance and financing of the state convention and  
15 trade center to a public facilities district formed by a county with a  
16 population of one million five hundred thousand or more to acquire,  
17 own, and operate the convention and trade center. The legislature also  
18 intends to replace, in connection with such transfer, the authority  
19 under chapter 67.40 RCW of the state and city to impose excise taxes on

1 the sale of or charge made for the furnishing of lodging to fund the  
2 state convention and trade center with authority for the public  
3 facilities district to impose lodging taxes at these rates, without  
4 affecting the existing authority of the state, county, cities, and  
5 other municipal corporations to impose taxes on the sale or charge made  
6 for the furnishing of lodging under existing caps on the aggregate rate  
7 that may be charged.

8 (2) The legislature further finds that the location of the  
9 convention and trade center particularly benefits and increases the  
10 occupancy of larger hotels and other lodging facilities in the city in  
11 which it is located and to a lesser extent in the remainder of the  
12 county in which it is located. The legislature finds that imposing  
13 excise taxes on the sale of or charge made for the furnishing of  
14 lodging at the rates authorized in section 5 of this act is an  
15 appropriate method of paying for the cost of acquiring, constructing,  
16 owning, remodeling, maintaining, equipping, reequipping, repairing,  
17 altering, and operating a convention and trade center.

18 **Sec. 2.** RCW 36.100.010 and 2002 c 218 s 26 are each amended to  
19 read as follows:

20 (1) ((A)) One or more public facilities districts may be created in  
21 any county and ((shall)) must be coextensive with the boundaries of the  
22 county.

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

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

31 (4) Except as provided in RCW 36.100.040 (4) and (5), no taxes  
32 authorized under this chapter may be assessed or levied unless a  
33 majority of the voters of the public facilities district has approved  
34 such tax at a general or special election. A single ballot proposition  
35 may both validate the imposition of the sales and use tax under RCW  
36 82.14.048 and the excise tax under RCW 36.100.040(1).

1           (5)(a) A public facilities district (~~(shall)~~) constitutes a body  
2 corporate and (~~(shall)~~) possesses all the usual powers of a corporation  
3 for public purposes as well as all other powers that may now or  
4 hereafter be specifically conferred by statute, including, but not  
5 limited to, the authority to hire employees, staff, and services, to  
6 enter into contracts, including contracts with public and private  
7 parties, to acquire, own, sell, transfer, lease, and otherwise acquire  
8 or dispose of property, to grant concessions under terms approved by  
9 the public facilities district, and to sue and be sued.

10           (b) A public facilities district created by a county with a  
11 population of one million five hundred thousand or more to acquire,  
12 own, and operate a convention and trade center transferred from a  
13 public nonprofit corporation may acquire by condemnation property or  
14 property rights as may be necessary for its purposes under the  
15 procedures set forth in chapter 8.08 RCW. Such a public facilities  
16 district may continue to contract with the Seattle-King county  
17 convention and visitors' bureau or its successor in interest for  
18 marketing the convention and trade center facility and services.

19           (6) A public facilities district may enter into contracts with a  
20 county for the purpose of exercising any powers of a community renewal  
21 agency under chapter 35.81 RCW.

22           (7) The (~~(county)~~) legislative authority (~~(or the city council)~~) of  
23 a city or county, the board of directors of a public nonprofit  
24 corporation, or the state of Washington may transfer property to  
25 (~~(the)~~) a public facilities district created under this chapter, with  
26 or without consideration. No property that is encumbered with debt or  
27 that is in need of major capital renovation may be transferred to the  
28 district without the agreement of the district and revenues adequate to  
29 retire the existing indebtedness.

30           (8) A public facilities district may enter into agreements with the  
31 state, any municipal corporation, or any other governmental entity for  
32 the design, financing, acquisition, development, construction,  
33 reconstruction, lease, remodeling, alteration, maintenance, equipping,  
34 reequipping, repair, operation, or management of one or more facilities  
35 of the parties thereto. Agreements may provide that any party to the  
36 contract designs, finances, acquires, develops, constructs,  
37 reconstructs, remodels, alters, maintains, equips, reequips, repairs,  
38 and operates one or more facilities for the other party or parties to

1 the contract. A public facilities district may enter into an agreement  
2 with the state, any municipal corporation, or other public or private  
3 entity that will assist a public facilities district in the financing  
4 of all or any part of a district facility on such terms as may be  
5 determined by agreement between the respective parties, including  
6 without limitation by a loan, guaranty, or other financing agreement.

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

9 (1)(a) A public facilities district (~~shall~~) must be governed by  
10 a board of directors consisting of five (~~or~~), seven, or nine members  
11 as provided in this section.

12 (b) If the largest city in the county has a population that is at  
13 least forty percent of the total county population, the board of  
14 directors of the public facilities district (~~shall~~) must consist of  
15 five members selected as follows:

16 (~~a~~) (i) Two members appointed by the county legislative  
17 authority to serve for four-year staggered terms;

18 (~~b~~) (ii) Two members appointed by the city council of the  
19 largest city in the county to serve for four-year staggered terms; and

20 (~~c~~) (iii) One person to serve for a four-year term who is  
21 selected by the other directors.

22 (c)(i) Except as provided in (c)(ii) of this subsection (1), if the  
23 largest city in the county has a population of less than forty percent  
24 of the total county population, the county legislative authority  
25 (~~shall~~) must establish in the resolution creating the public  
26 facilities district whether the board of directors of the public  
27 facilities district has either five or seven members, and the county  
28 legislative authority (~~shall~~) must appoint the members of the board  
29 of directors to reflect the interests of cities and towns in the  
30 county, as well as the unincorporated area of the county.

31 (ii) However, if the county has a population of one million five  
32 hundred thousand or more, the largest city in the county has a  
33 population of less than forty percent of the total county population,  
34 and the county operates under a county charter, which provides for an  
35 elected county executive, the members of the board of directors must be  
36 appointed as follows:

1       (A) If the public facilities district is created to construct a  
2 baseball stadium as defined in RCW 82.14.0485, three members ((shall))  
3 must be appointed by the governor and the remaining members ((shall))  
4 must be appointed by the county executive subject to confirmation by  
5 the county legislative authority. Of the members appointed by the  
6 governor, the speaker of the house of representatives and the majority  
7 leader of the senate ((shall)) must each recommend to the governor a  
8 person to be appointed to the board; and

9       (B) If the public facilities district is created to acquire, own,  
10 and operate a convention and trade center, following the expiration of  
11 the terms of the initial board of directors, three members must be  
12 appointed by the governor, three members must be nominated by the  
13 county executive subject to confirmation by the county legislative  
14 authority, and three members must be nominated by the mayor of the city  
15 in which the convention and trade center is located subject to  
16 confirmation by the city legislative authority. Members of the board  
17 of directors may not be members of the legislative authority of the  
18 county or any city within the county.

19       (d) The initial board of directors of a public facilities district  
20 created in a county of one million five hundred thousand or more to  
21 acquire, own, and operate a convention and trade center must be  
22 comprised of the nine members of the board of the public nonprofit  
23 corporation that transfers the convention and trade center to the  
24 public facilities district under section 8 of this act. The governor  
25 must designate which of the initial board members must serve two-year  
26 terms and which must serve four-year terms and identify the board  
27 positions to which successors to initial directors are to be appointed  
28 by the county and the city.

29       (2) At least one member on the board of directors ((shall)) must 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(1). Of the members of the board of directors of  
33 a public facilities district created in a county of one million five  
34 hundred thousand or more to acquire, own, and operate a convention and  
35 trade center, one of the governor's appointments and one of the  
36 county's appointments must be representative of the lodging industry in  
37 the public facilities district and one of the city's appointments must

1 be representative of organized labor, except that these requirements do  
2 not apply to the initial board of such district.

3 (3) Members of the board of directors (~~(shall)~~) must serve four-  
4 year terms of office, except that two of the initial five board members  
5 (~~(or)~~), three of the initial seven board members (shall), and four of  
6 the initial nine board members must serve two-year terms of office.

7 (4) A vacancy (~~(shall)~~) must be filled in the same manner as the  
8 original appointment was made and the person appointed to fill a  
9 vacancy (~~(shall)~~) must serve for the remainder of the unexpired term of  
10 the office for the position to which he or she was appointed.

11 (5) Any director may be removed from office by the person or entity  
12 that appointed or confirmed such director for any reason or for no  
13 reason as follows: A director appointed by the governor may be removed  
14 from office by the governor(~~(-)~~); and any (~~(other)~~) director confirmed  
15 by a city or county legislative authority may be removed from office by  
16 action of at least two-thirds of the members of the legislative  
17 authority (~~(which made the appointment)~~) that confirmed the director.

18 **Sec. 4.** RCW 36.100.030 and 2003 c 376 s 1 are each amended to read  
19 as follows:

20 (1) A public facilities district is authorized to acquire,  
21 construct, own, remodel, maintain, equip, reequip, repair, and operate  
22 (a) sports facilities, entertainment facilities, convention facilities,  
23 including without limitation any convention and trade center  
24 transferred from a public nonprofit corporation under section 8(1) of  
25 this act, or regional centers as defined in RCW 35.57.020, and (b) for  
26 districts formed after January 1, 2000, recreational facilities other  
27 than ski areas, together with contiguous parking facilities. The taxes  
28 that are provided for in this chapter may only be imposed for these  
29 purposes, including without limitation implementing any redemption,  
30 prepayment, or legal defeasance of outstanding obligations under  
31 section 8(3)(a) of this act.

32 (2) A public facilities district may enter into agreements under  
33 chapter 39.34 RCW for the (~~(joint provision and operation)~~) design,  
34 financing, acquisition, development, construction, reconstruction,  
35 lease, remodeling, alteration, maintenance, equipping, reequipping,  
36 repair, operation, or management of such facilities and may enter into  
37 contracts under chapter 39.34 RCW where any party to the contract

1 provides and operates such facilities for the other party or parties to  
2 the contract. A public facilities district may enter into agreements  
3 under chapter 39.34 RCW that will assist a public facilities district  
4 in the financing of all or any part of a district facility on such  
5 terms as may be determined by agreement between the respective parties,  
6 including without limitation by a loan, guaranty, or other financing  
7 agreement.

8 (3) Notwithstanding the establishment of a career, civil, or merit  
9 service system, a public facilities district may contract with a public  
10 or private entity for the operation or management of its public  
11 facilities.

12 (4) A public facilities district is authorized to use the  
13 supplemental alternative public works contracting procedures set forth  
14 in chapter 39.10 RCW in connection with the design, construction,  
15 reconstruction, remodel, or alteration of any of its public facilities.

16 (5) A public facilities district may impose charges and fees for  
17 the use of its facilities, and may accept and expend or use gifts,  
18 grants, and donations.

19 **Sec. 5.** RCW 36.100.040 and 2008 c 137 s 5 are each amended to read  
20 as follows:

21 (1) A public facilities district may impose an excise tax on the  
22 sale of or charge made for the furnishing of lodging that is subject to  
23 tax under chapter 82.08 RCW, except that no such tax may be levied on  
24 any premises having fewer than forty lodging units. ~~((However))~~ Except  
25 for any tax imposed under subsection (4) or (5) of this section, if a  
26 public facilities district has not imposed such an excise tax prior to  
27 December 31, 1995, the public facilities district may only impose the  
28 excise tax if a ballot proposition authorizing the imposition of the  
29 tax has been approved by a simple majority vote of voters of the public  
30 facilities district voting on the proposition.

31 (2) The rate of the tax ~~((shall))~~ may not exceed two percent and  
32 the proceeds of the tax ~~((shall))~~ may only be used for the acquisition,  
33 design, construction, remodeling, maintenance, equipping, reequipping,  
34 repairing, and operation of its public facilities. This excise tax  
35 ~~((shall))~~ may not be imposed until the district has approved the  
36 proposal to acquire, design, and construct the public facilities.

1           (3) ~~((A public facilities district may not impose the tax~~  
2 ~~authorized in this section if, after the tax authorized in this section~~  
3 ~~was imposed, the effective combined rate of state and local excise~~  
4 ~~taxes, including sales and use taxes and excise taxes on lodging,~~  
5 ~~imposed on the sale of or charge made for furnishing of lodging in any~~  
6 ~~jurisdiction in the public facilities district exceeds eleven and one-~~  
7 ~~half percent.~~

8           (4)) Except for a public facilities district created within a  
9 county with a population of one million five hundred thousand or more  
10 for the purpose of acquiring, owning, and operating a convention and  
11 trade center, a public facilities district may not impose the tax  
12 authorized in this section if, after the tax authorized in this section  
13 was imposed, the effective combined rate of state and local excise  
14 taxes, including sales and use taxes and excise taxes on lodging,  
15 imposed on the sale of or charge made for furnishing of lodging in any  
16 jurisdiction in the public facilities district exceeds eleven and one-  
17 half percent.

18           (4) To replace the tax authorized by RCW 67.40.090, a public  
19 facilities district created within a county with a population of one  
20 million five hundred thousand or more for the purpose of acquiring,  
21 owning, and operating a convention and trade center may impose an  
22 excise tax on the sale of or charge made for the furnishing of lodging  
23 that is subject to tax under chapter 82.08 RCW, except that no such tax  
24 may be levied on any premises having fewer than sixty lodging units.  
25 The rate of the tax may not exceed seven percent within the portion of  
26 the district that corresponds to the boundaries of the largest city  
27 within the public facilities district and may not exceed 2.8 percent in  
28 the remainder of the district. The tax imposed under this subsection  
29 (4) may not be collected prior to the transfer date defined in section  
30 8 of this act.

31           (5) To replace the tax authorized by RCW 67.40.130, a public  
32 facilities district created within a county with a population of one  
33 million five hundred thousand or more for the purpose of acquiring,  
34 owning, and operating a convention and trade center may impose an  
35 additional excise tax on the sale of or charge made for the furnishing  
36 of lodging that is subject to tax under chapter 82.08 RCW, except that  
37 no such tax may be levied on any premises having fewer than sixty  
38 lodging units. The rate of the additional excise tax may not exceed



1 two percent and may be imposed only within the portion of the district  
2 that corresponds to the boundaries of the largest city within the  
3 public facilities district and may not be imposed in the remainder of  
4 the district. The tax imposed under this subsection (5) may not be  
5 collected prior to the transfer date specified in section 8 of this  
6 act. The tax imposed under this subsection (5) must be credited  
7 against the amount of the tax otherwise due to the state from those  
8 same taxpayers under chapter 82.08 RCW. The tax under this subsection  
9 (5) may be imposed only for the purpose of paying or securing the  
10 payment of the principal of and interest on obligations issued or  
11 incurred by the public facilities district and paying annual payment  
12 amounts to the state under subsection (6)(a) of this section. The  
13 authority to impose the additional excise tax under this subsection (5)  
14 expires on the date that is the earlier of (a) July 1, 2029, or (b) the  
15 date on which all obligations issued or incurred by the public  
16 facilities district to implement any redemption, prepayment, or legal  
17 defeasance of outstanding obligations under section 8(3)(a) of this act  
18 are no longer outstanding.

19 (6)(a) Commencing with the first full fiscal year of the state  
20 after the transfer date defined in section 8 of this act and for so  
21 long as a public facilities district imposes a tax under subsection (5)  
22 of this section, the public facilities district must transfer to the  
23 state of Washington on June 30th of each fiscal year an annual payment  
24 amount.

25 (b) For the purposes of this subsection (6), "annual payment  
26 amount" means an amount equal to revenues received by the public  
27 facilities district in the fiscal year from the additional excise tax  
28 imposed under subsection (5) of this section.

29 (c)(i) If the public facilities district in any fiscal year is  
30 required to apply additional lodging excise tax revenues to the payment  
31 of principal and interest on obligations it issues or incurs, and the  
32 public facilities district is unable to pay all or any portion of the  
33 annual payment amount to the state, the deficiency is deemed to be a  
34 loan from the state to the public facilities district for the purpose  
35 of assisting the district in paying such principal and interest and  
36 must be repaid by the public facilities district to the state after  
37 providing for the payment of the principal of and interest on  
38 obligations issued or incurred by the public facilities district, all

1 on terms established by an agreement between the state treasurer and  
2 the public facilities district executed prior to the transfer date.  
3 Outstanding obligations to repay any loans deemed to have been made to  
4 the public facilities district as provided in any such agreements  
5 between the state treasurer and the public facilities district survive  
6 the expiration of the additional excise tax under subsection (5) of  
7 this section.

8 (ii) For the purposes of this subsection (6)(c), "additional  
9 lodging excise tax revenues" mean the tax revenues received by the  
10 public facilities district under subsection (5) of this section.

11 (7) A public facilities district is authorized to pledge any of its  
12 revenues, including without limitation revenues from the taxes  
13 authorized in this section, to pay or secure the payment of obligations  
14 issued or incurred by the public facilities district, subject to the  
15 terms established by the board of directors of the public facilities  
16 district. So long as a pledge of the taxes authorized under this  
17 section is in effect, the legislature may not withdraw or modify the  
18 authority to levy and collect the taxes at the rates permitted under  
19 this section and may not increase the annual payment amount to be  
20 transferred to the state under subsection (6) of this section.

21 (8) The department of revenue must perform the collection of such  
22 taxes on behalf of the public facilities district at no cost to the  
23 district, and the state treasurer must distribute those taxes as  
24 available on a monthly basis to the district or, upon the direction of  
25 the district, to a fiscal agent, paying agent or trustee for  
26 obligations issued or incurred by the district.

27 (9) Except as expressly provided in this chapter, all of the  
28 provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32  
29 RCW have full force and application with respect to taxes imposed under  
30 the provisions of this section.

31 (10) The taxes imposed in this section (~~does~~) do not apply to  
32 sales of temporary medical housing exempt under RCW 82.08.997.

33 **Sec. 6.** RCW 36.100.060 and 1999 c 165 s 15 are each amended to  
34 read as follows:

35 (1) To carry out the purpose of this chapter, a public facilities  
36 district may issue general obligation bonds, not to exceed an amount,  
37 together with any outstanding nonvoter approved general obligation

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

12 (2) General obligation bonds may be issued with a maturity of up to  
13 thirty years, and must be issued and sold in accordance with the  
14 provisions of chapter 39.46 RCW. If the public facilities district is  
15 formed by a county with a population of one million five hundred  
16 thousand or more to acquire, own, and operate a convention and trade  
17 center, general obligation bonds may be issued with a maturity of up to  
18 forty years, and ((shall)) must be issued and sold in accordance with  
19 the provisions of chapter 39.46 RCW. In addition to the powers vested  
20 in it under RCW 39.46.030, a public facilities district created by a  
21 county with a population of one million five hundred thousand or more  
22 to acquire, own, and operate a convention and trade center may appoint,  
23 and may specify the rights and duties of, trustees with respect to its  
24 bonds, and such trustees may receive, hold, disburse, invest, and  
25 reinvest funds on the district's behalf and for the protection of the  
26 district's bond owners.

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

30 (4) The excise tax imposed pursuant to RCW 36.100.040 ((shall)) (1)  
31 terminates upon final payment of all bonded indebtedness for its public  
32 facilities, except that the excise tax may be reauthorized by a public  
33 vote, in the same manner as originally authorized, for funding of  
34 additional public facilities or a regional center.

35 **Sec. 7.** RCW 36.100.100 and 1995 c 396 s 7 are each amended to read  
36 as follows:

37 The treasurer of the county in which a public facilities district

1 is located (~~shall~~) must be the ex officio treasurer of the district,  
2 unless the board of directors of a public facilities district created  
3 in a county of one million five hundred thousand or more designates by  
4 resolution another person having experience in financial or fiscal  
5 matters as the treasurer of the district. Such a treasurer possesses  
6 all of the powers, responsibilities, and duties of, and is subject to  
7 the same restrictions as provided by law for, a county treasurer with  
8 regard to district financial matters. Such treasurer must be bonded  
9 for not less than twenty-five thousand dollars.

10 NEW SECTION. Sec. 8. A new section is added to chapter 36.100 RCW  
11 to read as follows:

12 (1) On the transfer date the board of directors of a public  
13 nonprofit corporation formed under RCW 67.40.020 that owns and operates  
14 a state convention and trade center must transfer all lands,  
15 facilities, equipment, assets, other interests in real, personal, and  
16 intangible property, and interests under contracts, leases, licenses,  
17 and agreements under the control of that board of directors to a public  
18 facilities district created as provided in RCW 36.100.010 by the county  
19 in which the convention and trade center is located pursuant to an  
20 agreement with the public facilities district, subject to the review  
21 and approval of the state treasurer.

22 (2) No real estate excise tax or other excise tax may be imposed  
23 with respect to the transfer of assets of the public nonprofit  
24 corporation to the public facilities district.

25 (3) For the purposes of this section, "transfer date" means the  
26 date on or prior to June 30, 2011, on which provision has been made for  
27 all of the following, pursuant to agreements and other necessary  
28 arrangements approved by the state treasurer:

29 (a) The redemption, prepayment, or legal defeasance on or prior to  
30 the transfer date of all outstanding borrowings and other financing  
31 obligations of the state of Washington and the public nonprofit  
32 corporation with respect to the state convention and trade center,  
33 including state bonds and certificates of participation and related  
34 financing contracts;

35 (b) The transfer to the public facilities district on the transfer  
36 date of the balances on deposit in the state convention and trade  
37 center operations account, the state convention and trade center

1 account and other accounts relating to the state convention and trade  
2 center, including the revenues identified under (g)(ii) of this  
3 subsection (3);

4 (c) The imposition by the public facilities district of excise  
5 taxes on the sale of or charge made for the furnishing of lodging under  
6 RCW 36.100.040 (4) and (5) at the maximum rates permitted in those  
7 subsections;

8 (d) The transfer of all other assets and liabilities and, to the  
9 extent permissible by their terms, the assignment or transfer of all  
10 contracts and agreements of the public nonprofit corporation from the  
11 public nonprofit corporation to the public facilities district;

12 (e) The execution of an agreement settling all claims in the case  
13 of Tourism Alliance, a Washington nonprofit corporation; Craig Schafer;  
14 Claridge LLC, a Washington limited liability company; R.C. Hedreen  
15 Corporation, a Washington corporation; and on behalf of taxpayers,  
16 Andrew Olsen, Amy L. Dee, Christopher M. Dee, Clipper Navigation, Inc.,  
17 a Washington corporation v. State of Washington and James L. McIntire,  
18 in his official capacity as State Treasurer of the State of Washington;

19 (f) The payment or provision for payment of all fees, costs, and  
20 expenses incurred by the state of Washington and the public nonprofit  
21 corporation to effect such transfer;

22 (g) An agreement of the public facilities district to transfer to  
23 the state on June 30, 2011, an amount equal to (i) the revenues from  
24 the tax imposed under RCW 36.100.040(5) during the state fiscal year  
25 ending June 30, 2011, plus (ii) the revenues from the tax imposed under  
26 RCW 67.40.130 during the state fiscal year ending June 30, 2011; and

27 (h) The agreement between the state treasurer and the public  
28 facilities district, referred to in section 5(6)(c)(i).

29 NEW SECTION. **Sec. 9.** A new section is added to chapter 36.100 RCW  
30 to read as follows:

31 (1) Except as provided in chapters 35.101, 67.28, and 82.14 RCW,  
32 after January 1, 1983, no city, town, or county in which the tax under  
33 RCW 36.100.040 (4) and (5) is imposed may impose a license fee or tax  
34 on the act or privilege of engaging in business to furnish lodging by  
35 a hotel, rooming house, tourist court, motel, trailer camp, or similar  
36 facilities in excess of the rate imposed upon other persons engaged in  
37 the business of making sales at retail.

1 (2) For the purposes of this section, "sales at retail" has the  
2 same meaning as provided in RCW 82.04.050.

3 NEW SECTION. **Sec. 10.** A new section is added to chapter 36.100  
4 RCW to read as follows:

5 Nothing in this act may be construed to limit the authority of a  
6 public nonprofit corporation under chapter 67.40 RCW prior to the  
7 effective date of section 13 of this act.

8 NEW SECTION. **Sec. 11.** A new section is added to chapter 36.100  
9 RCW to read as follows:

10 Bonds issued under this chapter are hereby made securities in which  
11 all public officers and public bodies of the state and its political  
12 subdivisions, all insurance companies, trust companies in their  
13 commercial departments, savings banks, cooperative banks, banking  
14 associations, investment companies, executors, trustees and other  
15 fiduciaries, and all other persons whatsoever who are now or may  
16 hereafter be authorized to invest in obligations of the state may  
17 properly and legally invest funds, including capital in their control  
18 or belonging to them. Such bonds are hereby made securities which may  
19 properly and legally be deposited with and received by any state or  
20 municipal officer or any agency or political subdivision of the state  
21 for any purpose for which the deposit of bonds and other obligations of  
22 the state are now or may hereafter be authorized by law.

23 **Sec. 12.** RCW 39.94.020 and 1998 c 291 s 3 are each amended to read  
24 as follows:

25 Unless the context clearly requires otherwise, the definitions in  
26 this section apply throughout this chapter.

27 (1) "Credit enhancement" includes insurance, letters of credit,  
28 lines of credit, or other similar agreements which enhance the security  
29 for the payment of the state's or an other agency's obligations under  
30 financing contracts.

31 (2) "Financing contract" means any contract entered into by the  
32 state for itself or on behalf of an other agency which provides for the  
33 use and purchase of real or personal property by the state and provides  
34 for payment by the state over a term of more than one year, and which  
35 provides that title to the subject property may secure performance of

1 the state or transfer to the state or an other agency by the end of the  
2 term, upon exercise of an option, for a nominal amount or for a price  
3 determined without reference to fair market value. Financing contracts  
4 (~~shall~~) include, but are not (~~be~~) limited to, conditional sales  
5 contracts, financing leases, lease purchase contracts, or refinancing  
6 contracts, but (~~shall~~) do not include operating or true leases. For  
7 purposes of this chapter, the term "financing contract" (~~shall~~) does  
8 not include any nonrecourse financing contract or other obligation  
9 payable only from money or other property received from private sources  
10 and not payable from any public money or property. The term "financing  
11 contract" (~~shall~~) includes a "master financing contract."

12 (3) "Master financing contract" means a financing contract which  
13 provides for the use and purchase of property by the state, and which  
14 may include more than one financing contract and appropriation.

15 (4) "Other agency" means any commission established under Title 15  
16 RCW, a library or regional library, an educational service district,  
17 the superintendent of public instruction, the school directors'  
18 association, a health district, a public facilities district, or any  
19 county, city, town, school district, or other municipal corporation or  
20 quasi-municipal corporation described as such by statute.

21 (5) "State" means the state, agency, department, or instrumentality  
22 of the state, the state board for community and technical colleges, and  
23 any state institution of higher education.

24 (6) "State finance committee" means the state finance committee  
25 under chapter 43.33 RCW.

26 (7) "Trustee" means a bank or trust company, within or without the  
27 state, authorized by law to exercise trust powers.

28 NEW SECTION. **Sec. 13.** The following acts or parts of acts are  
29 each repealed:

30 (1) RCW 67.40.010 (Legislative finding) and 1983 2nd ex.s. c 1 s 1  
31 & 1982 c 34 s 1;

32 (2) RCW 67.40.025 (State convention and trade center operations  
33 account--Operating revenues--Expenditures) and 2008 c 329 s 916, 1988  
34 ex.s. c 1 s 2, 1987 1st ex.s. c 8 s 3, & 1985 c 233 s 2;

35 (3) RCW 67.40.027 (Compensation and travel expenses of board  
36 members) and 1985 c 233 s 3;

1 (4) RCW 67.40.030 (General obligation bonds--Authorized--  
2 Appropriation required) and 1990 c 181 s 1, 1988 ex.s. c 1 s 3, 1987  
3 1st ex.s. c 3 s 12, 1985 c 233 s 1, 1983 2nd ex.s. c 1 s 3, & 1982 c 34  
4 s 3;

5 (5) RCW 67.40.040 (Deposit of proceeds in state convention and  
6 trade center account and appropriate subaccounts--Credit against future  
7 borrowings--Use) and 2008 c 329 s 917, 2008 c 328 s 6011, 2007 c 228 s  
8 106, 2005 c 518 s 936, 2003 1st sp.s. c 25 s 929, 1995 c 386 s 13, 1991  
9 sp.s. c 13 s 11, 1990 c 181 s 2, 1988 ex.s. c 1 s 4, 1987 1st ex.s. c  
10 8 s 4, 1985 c 57 s 66, 1983 2nd ex.s. c 1 s 4, & 1982 c 34 s 4;

11 (6) RCW 67.40.045 (Authorization to borrow from state treasury for  
12 project completion costs--Limits--"Project completion" defined--  
13 Legislative intent--Application) and 1995 c 386 s 14, 1993 sp.s. c 12  
14 s 9, 1992 c 4 s 1, 1991 c 2 s 1, 1990 c 181 s 3, 1988 ex.s. c 1 s 9, &  
15 1987 1st ex.s. c 8 s 1;

16 (7) RCW 67.40.050 (Administration of proceeds) and 1982 c 34 s 5;

17 (8) RCW 67.40.055 (Transfer of funds to account--Repayment of  
18 borrowed funds with interest) and 1988 ex.s. c 1 s 5 & 1987 1st ex.s.  
19 c 8 s 11;

20 (9) RCW 67.40.060 (Retirement of bonds from nondebt-limit  
21 proprietary appropriated bond retirement account--Transfer from  
22 accounts--Pledge and promise--Remedies of bondholders) and 2005 c 487  
23 s 9, 1997 c 456 s 25, 1987 1st ex.s. c 8 s 5, 1983 2nd ex.s. c 1 s 5,  
24 & 1982 c 34 s 6;

25 (10) RCW 67.40.070 (Legislature may provide additional means for  
26 payment of bonds) and 1982 c 34 s 7;

27 (11) RCW 67.40.080 (Bonds legal investment for public funds) and  
28 1982 c 34 s 8;

29 (12) RCW 67.40.090 (Lodging tax imposed in King county--Rates--  
30 Proceeds) and 2002 c 178 s 4, 1995 c 386 s 15, 1991 c 2 s 3, 1988 ex.s.  
31 c 1 s 6, 1987 1st ex.s. c 8 s 6, & 1982 c 34 s 9;

32 (13) RCW 67.40.100 (Limitation on license fees and taxes on hotels,  
33 motels, rooming houses, trailer camps, etc.) and 1997 c 452 s 15, 1990  
34 c 242 s 1, 1988 ex.s. c 1 s 25, & 1982 c 34 s 10;

35 (14) RCW 67.40.105 (Exemption from tax--Emergency lodging for  
36 homeless persons--Conditions) and 1988 c 61 s 3;

37 (15) RCW 67.40.107 (Exemption from tax--Temporary medical housing)  
38 and 2008 c 137 s 4;



1 (16) RCW 67.40.110 (Use of revenues from convention and trade  
2 center facilities excise tax by cities for professional sports  
3 franchise facilities limited) and 1997 c 452 s 19 & 1987 1st ex.s. c 8  
4 s 8;

5 (17) RCW 67.40.120 (Contracts for marketing facility and services)  
6 and 2002 c 182 s 1, 1997 c 452 s 20, 1991 c 336 s 2, & 1988 ex.s. c 1  
7 s 8;

8 (18) RCW 67.40.130 (Convention and trade facilities--Tax on  
9 transient lodging authorized--Rates) and 1995 c 386 s 1;

10 (19) RCW 67.40.140 (Convention and trade facilities--Remittance of  
11 tax--Credit) and 1995 c 386 s 2;

12 (20) RCW 67.40.150 (Convention and trade facilities--Contract of  
13 administration and collection to department of revenue--Disposition of  
14 tax--Procedure) and 1995 c 386 s 3;

15 (21) RCW 67.40.160 (Convention and trade facilities--Tax on  
16 construction--Disposition) and 1995 c 386 s 4;

17 (22) RCW 67.40.170 (Convention and trade facilities--Use of  
18 collected taxes) and 1995 c 386 s 5;

19 (23) RCW 67.40.180 (Convention and trade facilities--Use of funds--  
20 Acceptance by board of directors of funding commitment) and 1995 c 386  
21 s 6;

22 (24) RCW 67.40.190 (Convention and trade facilities--Use of funds--  
23 Encumbered revenue) and 1995 c 386 s 7; and

24 (25) RCW 67.40.900 (Severability--1982 c 34) and 1982 c 34 s 13.

25 NEW SECTION. **Sec. 14.** RCW 67.40.020 (State convention and trade  
26 center--Public nonprofit corporation authorized--Board of directors--  
27 Powers and duties) and 1995 c 386 s 12, 1993 c 500 s 9, 1988 ex.s. c 1  
28 s 1, 1987 1st ex.s. c 8 s 2, 1984 c 210 s 1, 1983 2nd ex.s. c 1 s 2, &  
29 1982 c 34 s 2 are each repealed.

30 NEW SECTION. **Sec. 15.** Section 13 of this act is effective  
31 contingent upon the transfer date occurring in section 8 of this act.  
32 If the transfer date occurs in section 8 of this act, section 13 of  
33 this act is effective on the transfer date. For the purposes of this  
34 section, "transfer date" has the same meaning as provided in section 8  
35 of this act.

1        NEW SECTION.    **Sec. 16.**    Section 14 of this act is effective  
2 contingent upon the transfer date occurring in section 8 of this act.  
3 If the transfer date occurs in section 8 of this act, section 14 of  
4 this act is effective thirty days after the transfer date in section 8  
5 of this act. For the purposes of this section, "transfer date" has the  
6 same meaning as provided in section 8 of this act.

7        NEW SECTION.    **Sec. 17.**    The state treasurer must provide written  
8 notice of the effective dates in sections 15 and 16 of this act to the  
9 department of revenue, the office of the code reviser, and others as  
10 deemed appropriate by the state treasurer.

11       NEW SECTION.    **Sec. 18.**    If any provision of this act or its  
12 application to any person or circumstance is held invalid, the  
13 remainder of the act or the application of the provision to other  
14 persons or circumstances is not affected.

15       NEW SECTION.    **Sec. 19.**    The provisions of this chapter must be  
16 liberally construed to effect the policies and purposes of this  
17 chapter.

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