
HOUSE BILL 2821

State of Washington

54th Legislature

1996 Regular Session

By Representatives Van Luven and Appelwick

Read first time 01/22/96. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to financing public sports facilities; and amending
2 RCW 82.14.0485, 46.16.313, 67.70.240, 82.14.360, 36.38.010, and
3 67.70.042.

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

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

7 (1) The legislative authority of a county with a population of one
8 million or more may impose a sales and use tax in accordance with the
9 terms of this chapter. The tax is in addition to other taxes
10 authorized by law and shall be collected from those persons who are
11 taxable by the state under chapters 82.08 and 82.12 RCW upon the
12 occurrence of any taxable event within the county. The rate of tax
13 shall not exceed 0.017 percent of the selling price in the case of a
14 sales tax or value of the article used in the case of a use tax.

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

1 (3) Moneys collected under this section shall only be used for the
2 purpose of paying the principal and interest payments on bonds issued
3 by a county to construct a baseball stadium, or for design and other
4 preconstruction costs of a baseball stadium incurred until bonds are
5 issued to construct the baseball stadium.

6 (4) No tax may be collected under this section before January 1,
7 1996, and no tax may be collected under this section unless the taxes
8 under RCW 82.14.360 are being collected. The tax imposed in this
9 section shall expire when the bonds issued for the construction of the
10 baseball stadium or bonds issued to refund those bonds are retired, but
11 not more than twenty years after the tax is first collected.

12 (5) As used in this section, "baseball stadium" means a baseball
13 stadium with natural turf and a retractable roof or canopy, together
14 with associated parking facilities, constructed in the largest city in
15 a county with a population of one million or more. As used in this
16 section, "preconstruction costs" include but are not limited to the
17 reasonably necessary administrative and operating costs of a public
18 facilities district created under chapter 36.100 RCW to build a
19 baseball stadium.

20 **Sec. 2.** RCW 46.16.313 and 1995 3rd sp.s. c 1 s 103 are each
21 amended to read as follows:

22 (1) The department may establish a fee for each type of special
23 license plates issued under RCW 46.16.301(1) (a), (b), or (c) in an
24 amount calculated to offset the cost of production of the special
25 license plates and the administration of this program. The fee shall
26 not exceed thirty-five dollars and is in addition to all other fees
27 required to register and license the vehicle for which the plates have
28 been requested. All such additional special license plate fees
29 collected by the department shall be deposited in the state treasury
30 and credited to the motor vehicle fund.

31 (2) In addition to all fees and taxes required to be paid upon
32 application, registration, and renewal registration of a motor vehicle,
33 the holder of a collegiate license plate shall pay a fee of thirty
34 dollars. The department shall deduct an amount not to exceed two
35 dollars of each fee collected under this subsection for administration
36 and collection expenses incurred by it. The remaining proceeds, minus
37 the cost of plate production, shall be remitted to the custody of the
38 state treasurer with a proper identifying detailed report. The state

1 treasurer shall credit the funds to the appropriate collegiate license
2 plate fund as provided in RCW 28B.10.890.

3 (3) In addition to all fees and taxes required to be paid upon
4 application, registration, and renewal registration of a motor vehicle,
5 the holder of a special baseball stadium license plate shall pay a fee
6 of thirty dollars. The department shall deduct an amount not to exceed
7 two dollars of each fee collected under this subsection for
8 administration and collection expenses incurred by it. The remaining
9 proceeds, minus the cost of plate production, shall be distributed to
10 a county for the purpose of paying the principal and interest payments
11 on bonds issued by the county to construct a baseball stadium, (~~as~~
12 ~~defined in RCW 82.14.0485,~~) including reasonably necessary
13 preconstruction costs, both as defined in RCW 82.14.0485, while the
14 taxes are being collected under RCW 82.14.360. After this date, the
15 state treasurer shall credit the funds to the state general fund.

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

18 The moneys in the state lottery account shall be used only: (1)
19 For the payment of prizes to the holders of winning lottery tickets or
20 shares; (2) for purposes of making deposits into the reserve account
21 created by RCW 67.70.250 and into the lottery administrative account
22 created by RCW 67.70.260; (3) for purposes of making deposits into the
23 state's general fund; (4) (~~for purposes of making deposits into the~~
24 ~~housing trust fund under the provisions of section 7 of this 1987 act;~~
25 ~~(5))~~) for distribution to a county for the purpose of paying the
26 principal and interest payments on bonds issued by the county to
27 construct a baseball stadium, (~~as defined in RCW 82.14.0485,~~)
28 including reasonably necessary preconstruction costs, both as defined
29 in RCW 82.14.0485; (~~(6))~~) (5) for the purchase and promotion of
30 lottery games and game-related services; and (~~(7))~~) (6) for the
31 payment of agent compensation. Three million dollars shall be
32 distributed under subsection (~~(5))~~) (4) of this section during
33 calendar year 1996. During subsequent years, such distributions shall
34 equal the prior year's distributions increased by four percent.
35 Distributions under subsection (~~(5))~~) (4) of this section shall cease
36 when the bonds issued for the construction of the baseball stadium or
37 bonds issued to refund those bonds are retired, but not more than
38 twenty years after the tax under RCW 82.14.0485 is first imposed.

1 The office of financial management shall require the allotment of
2 all expenses paid from the account and shall report to the ways and
3 means committees of the senate and house of representatives any changes
4 in the allotments.

5 **Sec. 4.** RCW 82.14.360 and 1995 3rd sp.s. c 1 s 201 are each
6 amended to read as follows:

7 (1) The legislative authority of a county with a population of one
8 million or more may impose a special stadium sales and use tax upon the
9 retail sale or use within the county by restaurants, taverns, and bars
10 of food and beverages that are taxable by the state under chapters
11 82.08 and 82.12 RCW. The rate of the tax shall not exceed five-tenths
12 of one percent of the selling price in the case of a sales tax, or
13 value of the article used in the case of a use tax. The tax imposed
14 under this subsection is in addition to any other taxes authorized by
15 law and shall not be credited against any other tax imposed upon the
16 same taxable event. As used in this section, "restaurant" does not
17 include grocery stores, mini-markets, or convenience stores.

18 (2) The legislative authority of a county with a population of one
19 million or more may impose a special stadium sales and use tax upon
20 retail car rentals within the county that are taxable by the state
21 under chapters 82.08 and 82.12 RCW. The rate of the tax shall not
22 exceed two percent of the selling price in the case of a sales tax, or
23 rental value of the vehicle in the case of a use tax. The tax imposed
24 under this subsection is in addition to any other taxes authorized by
25 law and shall not be credited against any other tax imposed upon the
26 same taxable event.

27 (3) The revenue from the taxes imposed under this section shall be
28 used for the purpose of principal and interest payments on bonds,
29 issued by the county, to acquire, construct, own, remodel, maintain,
30 equip, reequip, repair, and operate a baseball stadium. Revenues from
31 the taxes authorized in this section may be used for design and other
32 preconstruction costs of the baseball stadium, as those terms are
33 defined in RCW 82.14.0485, until bonds are issued for the baseball
34 stadium. The county shall issue bonds, in an amount determined to be
35 necessary by the public facilities district, for the district to
36 acquire, construct, own, and equip the baseball stadium. The county
37 shall have no obligation to issue bonds in an amount greater than that
38 which would be supported by the tax revenues under this section, RCW

1 82.14.0485, and 36.38.010(3) (a) and (b), and other revenues provided
2 under RCW 67.70.240. If the revenue from the taxes imposed under this
3 section exceeds the amount needed for such principal and interest
4 payments in any year, the excess shall be used solely:

5 (a) For placement in a contingency reserve fund or funds created by
6 the public facilities district, which may be used by the public
7 facilities district to pay for major maintenance, facility or equipment
8 repair or replacement, or capital costs associated with the baseball
9 stadium. The cumulative amount received from these excess tax sources
10 for placement in any such contingency reserve funds shall not exceed an
11 amount equal to the product of the number of years since the start of
12 construction of the baseball stadium times one-half of one percent of
13 the total replacement cost of the baseball stadium; and

14 (b) After satisfaction of the funding of the contingency reserve
15 requirements as defined in (a) of this subsection, for early retirement
16 of the bonds issued for the baseball stadium((; and

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

22 (4) The taxes authorized under this section shall not be collected
23 after June 30, 1997, unless the county executive has certified to the
24 department of revenue that a professional major league baseball team
25 has made a binding and legally enforceable contractual commitment to:

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

29 (b) Contribute forty-five million dollars toward the reasonably
30 necessary preconstruction costs including, but not limited to
31 architectural, engineering, environmental, and legal services, and the
32 cost of construction of the stadium, or to any associated public
33 purpose separate from bond-financed property, including without
34 limitation land acquisition, parking facilities, equipment,
35 infrastructure, or other similar costs associated with the project,
36 which contribution shall be made during a term not to exceed the term
37 of the bonds issued to finance the initial construction of the stadium.
38 If all or part of the contribution is made after the date of issuance
39 of the bonds, the team shall contribute an additional amount equal to

1 the accruing interest on the deferred portion of the contribution,
2 calculated at the interest rate on the bonds maturing in the year in
3 which the deferred contribution is made. No part of the contribution
4 may be made without the consent of the county until a public facilities
5 district is created under chapter 36.100 RCW to acquire, construct,
6 own, remodel, maintain, equip, reequip, repair, and operate a baseball
7 stadium. To the extent possible, contributions shall be structured in
8 a manner that would allow for the issuance of bonds to construct the
9 stadium that are exempt from federal income taxes; and

10 (c) Share a portion of the profits generated by the baseball team
11 from the operation of the professional franchise for a period of time
12 equal to the term of the bonds issued to finance the initial
13 construction of the stadium, after offsetting any losses incurred by
14 the baseball team after the effective date of chapter 14, Laws of 1995
15 1st sp. sess. Such profits and the portion to be shared shall be
16 defined by agreement between the public facilities district and the
17 baseball team. The shared profits shall be used to retire the bonds
18 issued to finance the initial construction of the stadium. If the
19 bonds are retired before the expiration of their term, the shared
20 profits shall be paid to the public facilities district.

21 (5) No tax may be collected under this section before January 1,
22 1996. Before collecting the taxes under this section or issuing bonds
23 for a baseball stadium, the county shall create a public facilities
24 district under chapter 36.100 RCW to acquire, construct, own, remodel,
25 maintain, equip, reequip, repair, and operate a baseball stadium.

26 (6) The county shall assemble such real property as the district
27 determines to be necessary as a site for the baseball stadium.
28 Property which is necessary for this purpose that is owned by the
29 county on October 17, 1995, shall be contributed to the district, and
30 property which is necessary for this purpose that is acquired by the
31 county on or after October 17, 1995, shall be conveyed to the district.

32 (7) The proceeds of any bonds issued for the baseball stadium shall
33 be provided to the district.

34 (8) As used in this section, "baseball stadium" means "baseball
35 stadium" as defined in RCW 82.14.0485.

36 (9) The taxes imposed under this section shall expire when the
37 bonds issued for the construction of the baseball stadium or bonds
38 issued to refund those bonds are retired, but not later than twenty
39 years after the taxes are first collected.

1 **Sec. 5.** RCW 36.38.010 and 1995 3rd sp.s. c 1 s 203 are each
2 amended to read as follows:

3 (1) Any county may by ordinance enacted by its county legislative
4 authority, levy and fix a tax of not more than one cent on twenty cents
5 or fraction thereof to be paid for county purposes by persons who pay
6 an admission charge to any place, including a tax on persons who are
7 admitted free of charge or at reduced rates to any place for which
8 other persons pay a charge or a regular higher charge for the same or
9 similar privileges or accommodations; and require that one who receives
10 any admission charge to any place shall collect and remit the tax to
11 the county treasurer of the county: PROVIDED, No county shall impose
12 such tax on persons paying an admission to any activity of any
13 elementary or secondary school.

14 (2) As used in this chapter, the term "admission charge" includes
15 a charge made for season tickets or subscriptions, a cover charge, or
16 a charge made for use of seats and tables, reserved or otherwise, and
17 other similar accommodations; a charge made for food and refreshments
18 in any place where any free entertainment, recreation, or amusement is
19 provided; a charge made for rental or use of equipment or facilities
20 for purpose of recreation or amusement, and where the rental of the
21 equipment or facilities is necessary to the enjoyment of a privilege
22 for which a general admission is charged, the combined charges shall be
23 considered as the admission charge. It shall also include any
24 automobile parking charge where the amount of such charge is determined
25 according to the number of passengers in any automobile.

26 (3) The tax herein authorized shall not be exclusive and shall not
27 prevent any city or town within the taxing county, when authorized by
28 law, from imposing within its corporate limits a tax of the same or
29 similar kind: PROVIDED, That whenever the same or similar kind of tax
30 is imposed by any such city or town, no such tax shall be levied within
31 the corporate limits of such city or town by the county, except that
32 the legislative authority of a county with a population of one million
33 or more may exclusively levy taxes on events in stadiums constructed on
34 or after January 1, 1995, that are owned by a public facilities
35 district under chapter 36.100 RCW and that have seating capacities over
36 forty thousand at the rates of:

37 (a) Not more than one cent on twenty cents or fraction thereof, to
38 be used for the purpose of paying the principal and interest payments
39 on bonds issued by a county to construct a baseball stadium as defined

1 in RCW 82.14.0485, or bonds issued to refund those bonds. If the
2 revenue from the tax exceeds the amount needed for that purpose in any
3 year, the excess shall be placed in a contingency fund which may only
4 be used to pay unanticipated capital costs on the baseball stadium,
5 excluding any cost overruns on initial construction; and

6 (b) Not more than one cent on twenty cents or fraction thereof, to
7 be used for the purpose of paying the principal and interest payments
8 on bonds issued by a county to construct a baseball stadium as defined
9 in RCW 82.14.0485. The tax imposed under this subsection (3)(b) shall
10 expire when the bonds issued for the construction of the baseball
11 stadium are retired, but not later than twenty years after the tax is
12 first collected.

13 **Sec. 6.** RCW 67.70.042 and 1995 3rd sp.s. c 1 s 104 are each
14 amended to read as follows:

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

--- END ---