

2 **SSB 5867 - H COMM AMD ADOPTED 4-10-97**

3 By Committee on Trade & Economic Development

4

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

7 "NEW SECTION. Sec. 1. The intent of this act is to provide
8 uniform standards for local option excise taxation of lodging.

9 **Sec. 2.** RCW 67.28.080 and 1991 c 357 s 1 are each amended to read
10 as follows:

11 ~~((In any county located in whole or in part in a national scenic
12 area and the population of which county is less than 20,000, a
13 convention center facility may include a hotel, destination resort,
14 conference center, or similar or related facility. A convention center
15 facility may include the land on which any of the foregoing structures
16 or facilities are sited. A convention center facility may also include
17 land necessary for the operation of a convention center facility))~~ The
18 definitions in this section apply throughout this chapter unless the
19 context clearly requires otherwise.

20 (1) "Acquisition" includes, but is not limited to, siting,
21 acquisition, design, construction, refurbishing, expansion, repair, and
22 improvement, including paying or securing the payment of all or any
23 portion of general obligation bonds, leases, revenue bonds, or other
24 obligations issued or incurred for such purpose or purposes under this
25 chapter.

26 (2) "Municipality" ((as used in this chapter)) means any county,
27 city or town of the state of Washington.

28 (3) "Operation" includes, but is not limited to, operation,
29 management, and marketing.

30 (4) "Person" ((as used in this chapter)) means the federal
31 government or any agency thereof, the state or any agency, subdivision,
32 taxing district or municipal corporation thereof other than county,
33 city or town, any private corporation, partnership, association, or
34 individual.

1 (5) "Tourism" means economic activity resulting from tourists,
2 which may include sales of overnight lodging, meals, tours, gifts, or
3 souvenirs.

4 (6) "Tourism promotion" means activities and expenditures designed
5 to increase tourism, including but not limited to advertising,
6 publicizing, or otherwise distributing information for the purpose of
7 attracting and welcoming tourists; developing strategies to expand
8 tourism; operating tourism promotion agencies; and funding marketing of
9 special events and festivals designed to attract tourists.

10 (7) "Tourism-related facility" means real or tangible personal
11 property with a usable life of three or more years and a monetary value
12 of ten thousand dollars or more used to support tourism or accommodate
13 tourism activities.

14 (8) "Tourist" means a person who travels from a place of residence
15 to a different town, city, county, state, or country, for purposes of
16 business, pleasure, recreation, education, arts, heritage, or culture.

17 NEW SECTION. Sec. 3. A new section is added to chapter 67.28 RCW
18 to read as follows:

19 (1) The legislative body of any municipality may impose an excise
20 tax on the sale of or charge made for the furnishing of lodging that is
21 subject to tax under chapter 82.08 RCW, at a rate not exceeding the
22 applicable limit under subsection (2) of this section. A tax under
23 this chapter shall not be imposed in increments smaller than tenths of
24 a percent.

25 (2)(a) If a municipality imposed taxes under this chapter and RCW
26 67.40.100 with a total rate exceeding four percent on January 1, 1998,
27 the rate of tax imposed under this chapter by the municipality shall
28 not exceed the total rate imposed by the municipality under this
29 chapter and RCW 67.40.100 on January 1, 1998.

30 (b) If a city or town other than a municipality described in (a) of
31 this subsection is located in a county that imposed taxes under this
32 chapter with a total rate of four percent or more on January 1, 1997,
33 the rate of tax imposed under this chapter by the city or town shall
34 not exceed two percent.

35 (c) If a city has a population of four hundred thousand or more and
36 is located in a county with a population of one million or more, the
37 rate of tax imposed under this chapter by the city shall not exceed the
38 lesser of four percent or a rate that, when combined with all other

1 taxes imposed upon sales of lodging in the municipality under this
2 chapter and chapters 36.100, 67.40, 82.08, and 82.14 RCW, equals
3 fifteen and two-tenths percent.

4 (d) If a municipality is not subject to a limit under (a), (b), or
5 (c) of this subsection, the rate of tax imposed under this chapter by
6 the municipality shall not exceed the lesser of four percent or a rate
7 that, when combined with all other taxes imposed upon sales of lodging
8 within the municipality under this chapter and chapters 36.100, 67.40,
9 82.08, and 82.14 RCW, equals twelve percent.

10 (3) Except as provided in RCW 67.28.180, any county ordinance or
11 resolution adopted under this section shall contain a provision
12 allowing a credit against the county tax for the full amount of any
13 city or town tax imposed under this section upon the same taxable
14 event.

15 (4) Tax imposed under this section on a sale of lodging shall be
16 credited against the amount of sales tax due to the state under chapter
17 82.08 RCW on the same sale of lodging, but the total credit for taxes
18 imposed by all municipalities on a sale of lodging shall not exceed the
19 amount that would be imposed under a two percent tax under this
20 section. This subsection does not apply to taxes which are credited
21 against the state sales tax under RCW 67.28.180.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 67.28 RCW
23 to read as follows:

24 All revenue from taxes imposed under this chapter shall be credited
25 to a special fund in the treasury of the municipality imposing such tax
26 and used solely for the purpose of paying all or any part of the cost
27 of tourism promotion, acquisition of tourism-related facilities, or
28 operation of tourism-related facilities. Municipalities may, under
29 chapter 39.34 RCW, agree to the utilization of revenue from taxes
30 imposed under this chapter for the purposes of funding a
31 multijurisdictional tourism-related facility.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 67.28 RCW
33 to read as follows:

34 (1) Before imposing a tax under section 3 of this act, a
35 municipality shall establish a lodging tax advisory committee under
36 this section. A lodging tax advisory committee shall consist of at
37 least five members, appointed by the legislative body of the

1 municipality, unless the municipality has a charter providing for a
2 different appointment authority. At least two members shall be
3 representatives of businesses required to collect tax under this
4 chapter, and at least two members shall be persons involved in
5 activities authorized to be funded by revenue received under this
6 chapter. Organizations representing businesses required to collect tax
7 under this chapter, organizations involved in activities authorized to
8 be funded by revenue received under this chapter, and local agencies
9 involved in tourism promotion may submit recommendations for membership
10 on the committee. The number of members who are representatives of
11 businesses required to collect tax under this chapter shall equal the
12 number of members who are involved in activities authorized to be
13 funded by revenue received under this chapter. One member shall be an
14 elected official of the municipality who shall serve as chair of the
15 committee. An advisory committee for a county may include one
16 nonvoting member who is an elected official of a city or town in the
17 county. An advisory committee for a city or town may include one
18 nonvoting member who is an elected official of the county in which the
19 city or town is located. The appointing authority shall review the
20 membership of the advisory committee annually and make changes as
21 appropriate.

22 (2) Any municipality that proposes imposition of a tax under this
23 chapter, an increase in the rate of a tax imposed under this chapter,
24 repeal of an exemption from a tax imposed under this chapter, or a
25 change in the use of revenue received under this chapter shall submit
26 the proposal to the lodging tax advisory committee for review and
27 comment. The submission shall occur at least forty-five days before
28 final action on or passage of the proposal by the municipality. The
29 advisory committee shall submit comments on the proposal in a timely
30 manner through generally applicable public comment procedures. The
31 comments shall include an analysis of the extent to which the proposal
32 will accommodate activities for tourists or increase tourism, and the
33 extent to which the proposal will affect the long-term stability of the
34 fund created under section 4 of this act. Failure of the advisory
35 committee to submit comments before final action on or passage of the
36 proposal shall not prevent the municipality from acting on the
37 proposal. A municipality is not required to submit an amended proposal
38 to an advisory committee under this section.

1 NEW SECTION. **Sec. 6.** (1) Each municipality imposing a tax under
2 chapter 67.28 RCW shall submit a report to the department of community,
3 trade, and economic development on October 1, 1998, and October 1,
4 2000. Each report shall include the following information:

5 (a) The rate of tax imposed under chapter 67.28 RCW;

6 (b) The total revenue received under chapter 67.28 RCW for each of
7 the preceding six years;

8 (c) A list of projects and activities funded with revenue received
9 under chapter 67.28 RCW; and

10 (d) The amount of revenue under chapter 67.28 RCW expended for each
11 project and activity.

12 (2) The department of community, trade, and economic development
13 shall summarize and analyze the data received under subsection (1) of
14 this section in a report submitted to the legislature on January 1,
15 1999, and January 1, 2001. The report shall include, but not be
16 limited to, analysis of factors contributing to growth in revenue
17 received under chapter 67.28 RCW and the effects of projects and
18 activities funded with revenue received under chapter 67.28 RCW on
19 tourism growth.

20 **Sec. 7.** RCW 67.28.120 and 1979 ex.s. c 222 s 1 are each amended to
21 read as follows:

22 Any municipality is authorized either individually or jointly with
23 any other municipality, or person, or any combination thereof, to
24 acquire (~~((by purchase, gift or grant, to lease as lessee,))~~) and to
25 (~~((construct, install, add to, improve, replace, repair, maintain,))~~)
26 operate (~~((and regulate the use of public stadium facilities, convention
27 center facilities, performing arts center facilities, and/or visual art
28 center))~~) tourism-related facilities, whether located within or without
29 such municipality(~~((, including but not limited to buildings,
30 structures, concession and service facilities, roads, bridges, walks,
31 ramps and other access facilities, terminal and parking facilities for
32 private vehicles and public transportation vehicles and systems,
33 together with all lands, properties, property rights, equipment,
34 utilities, accessories and appurtenances necessary for such public
35 stadium facilities, convention center facilities, performing arts
36 center facilities, or visual arts center facilities, and to pay for any
37 engineering, planning, financial, legal and professional services
38 incident to the development and operation of such public facilities))~~).

1 **Sec. 8.** RCW 67.28.130 and 1979 ex.s. c 222 s 2 are each amended to
2 read as follows:

3 Any municipality, taxing district, or municipal corporation is
4 authorized to convey or lease any lands, properties or facilities to
5 any other municipality for the development by such other municipality
6 of ~~((public stadium facilities, convention center facilities,~~
7 ~~performing arts center facilities, and/or visual art center))~~ tourism-
8 related facilities or to provide for the joint use of such lands,
9 properties or facilities, or to participate in the financing of all or
10 any part of the public facilities on such terms as may be fixed by
11 agreement between the respective legislative bodies without submitting
12 the matter to the voters of such municipalities, unless the provisions
13 of general law applicable to the incurring of municipal indebtedness
14 shall require such submission.

15 **Sec. 9.** RCW 67.28.150 and 1984 c 186 s 56 are each amended to read
16 as follows:

17 To carry out the purposes of this chapter any municipality shall
18 have the power to issue general obligation bonds within the limitations
19 now or hereafter prescribed by the laws of this state. Such general
20 obligation bonds shall be authorized, executed, issued and made payable
21 as other general obligation bonds of such municipality: PROVIDED, That
22 the governing body of such municipality may provide that such bonds
23 mature in not to exceed forty years from the date of their issue, may
24 provide that such bonds also be made payable from any special taxes
25 provided for in ~~((RCW 67.28.180))~~ this chapter, and may provide that
26 such bonds also be made payable from any otherwise unpledged revenue
27 which may be derived from the ownership or operation of any properties.

28 **Sec. 10.** RCW 67.28.160 and 1983 c 167 s 168 are each amended to
29 read as follows:

30 (1) To carry out the purposes of this chapter the legislative body
31 of any municipality shall have the power to issue revenue bonds without
32 submitting the matter to the voters of the municipality: PROVIDED,
33 That the legislative body shall create a special fund or funds for the
34 sole purpose of paying the principal of and interest on the bonds of
35 each such issue, into which fund or funds the legislative body may
36 obligate the municipality to pay all or part of amounts collected from
37 the special taxes provided for in ~~((RCW 67.28.180))~~ this chapter,

1 and/or to pay such amounts of the gross revenue of all or any part of
2 the facilities constructed, acquired, improved, added to, repaired or
3 replaced pursuant to this chapter, as the legislative body shall
4 determine: PROVIDED, FURTHER, That the principal of and interest on
5 such bonds shall be payable only out of such special fund or funds, and
6 the owners of such bonds shall have a lien and charge against the gross
7 revenue pledged to such fund.

8 Such revenue bonds and the interest thereon issued against such
9 fund or funds shall constitute a claim of the owners thereof only as
10 against such fund or funds and the revenue pledged therefor, and shall
11 not constitute a general indebtedness of the municipality.

12 Each such revenue bond shall state upon its face that it is payable
13 from such special fund or funds, and all revenue bonds issued under
14 this chapter shall be negotiable securities within the provisions of
15 the law of this state. Such revenue bonds may be registered either as
16 to principal only or as to principal and interest as provided in RCW
17 39.46.030, or may be bearer bonds; shall be in such denominations as
18 the legislative body shall deem proper; shall be payable at such time
19 or times and at such places as shall be determined by the legislative
20 body; shall be executed in such manner and bear interest at such rate
21 or rates as shall be determined by the legislative body.

22 Such revenue bonds shall be sold in such manner as the legislative
23 body shall deem to be for the best interests of the municipality,
24 either at public or private sale.

25 The legislative body may at the time of the issuance of such
26 revenue bonds make such covenants with the owners of said bonds as it
27 may deem necessary to secure and guaranty the payment of the principal
28 thereof and the interest thereon, including but not being limited to
29 covenants to set aside adequate reserves to secure or guaranty the
30 payment of such principal and interest, to pledge and apply thereto
31 part or all of any lawfully authorized special taxes provided for in
32 ((RCW 67.28.180)) this chapter, to maintain rates, charges or rentals
33 sufficient with other available moneys to pay such principal and
34 interest and to maintain adequate coverage over debt service, to
35 appoint a trustee or trustees for the bond owners, to safeguard the
36 expenditure of the proceeds of sale of such bonds and to fix the powers
37 and duties of such trustee or trustees and to make such other covenants
38 as the legislative body may deem necessary to accomplish the most
39 advantageous sale of such bonds. The legislative body may also provide

1 that revenue bonds payable out of the same source may later be issued
2 on a parity with revenue bonds being issued and sold.

3 The legislative body may include in the principal amount of any
4 such revenue bond issue an amount for engineering, architectural,
5 planning, financial, legal, and other services and charges incident to
6 the acquisition or construction of public stadium facilities,
7 convention center facilities, performing arts center facilities, and/or
8 visual arts center facilities, an amount to establish necessary
9 reserves, an amount for working capital and an amount necessary for
10 interest during the period of construction of any facilities to be
11 financed from the proceeds of such issue plus six months. The
12 legislative body may, if it deems it in the best interest of the
13 municipality, provide in any contract for the construction or
14 acquisition of any facilities or additions or improvements thereto or
15 replacements or extensions thereof that payment therefor shall be made
16 only in such revenue bonds.

17 If the municipality shall fail to carry out or perform any of its
18 obligations or covenants made in the authorization, issuance and sale
19 of such bonds, the owner of any such bond may bring action against the
20 municipality and compel the performance of any or all of such
21 covenants.

22 (2) Notwithstanding subsection (1) of this section, such bonds may
23 be issued and sold in accordance with chapter 39.46 RCW.

24 **Sec. 11.** RCW 67.28.170 and 1979 ex.s. c 222 s 4 are each amended
25 to read as follows:

26 The legislative body of any municipality owning or operating
27 (~~((public stadium facilities, convention center facilities, performing~~
28 ~~arts center facilities, and/or visual arts center))~~ tourism-related
29 facilities acquired (~~((or developed pursuant to))~~ under this chapter
30 shall have power to lease to any municipality or person, or to contract
31 for the use or operation by any municipality or person, of all or any
32 part of the facilities authorized by this chapter, including but not
33 limited to parking facilities, concession facilities of all kinds and
34 any property or property rights appurtenant to such (~~((stadium~~
35 ~~facilities, convention center facilities, performing arts center~~
36 ~~facilities, and/or visual arts center))~~ tourism-related facilities, for
37 such period and under such terms and conditions and upon such rentals,
38 fees and charges as such legislative body may determine, and may pledge

1 all or any portion of such rentals, fees and charges and all other
2 revenue derived from the ownership and/or operation of such facilities
3 to pay and to secure the payment of general obligation bonds and/or
4 revenue bonds of such municipality issued for authorized ((public
5 stadium, convention center, performing arts center, and/or visual arts
6 center)) tourism-related facilities purposes.

7 **Sec. 12.** RCW 67.28.180 and 1995 1st sp.s. c 14 s 10 are each
8 amended to read as follows:

9 (1) (~~Subject to the conditions set forth in subsections (2) and~~
10 ~~(3) of this section, the legislative body of any county or any city, is~~
11 ~~authorized to levy and collect a special excise tax of not to exceed~~
12 ~~two percent on the sale of or charge made for the furnishing of lodging~~
13 ~~by a hotel, rooming house, tourist court, motel, trailer camp, and the~~
14 ~~granting of any similar license to use real property, as distinguished~~
15 ~~from the renting or leasing of real property: PROVIDED, That it shall~~
16 ~~be presumed that the occupancy of real property for a continuous period~~
17 ~~of one month or more constitutes a rental or lease of real property and~~
18 ~~not a mere license to use or to enjoy the same.)) (a) Tax imposed under
19 section 3 of this act on a sale of lodging by a county exempt under
20 subsection (2) of this section shall be credited against the amount of
21 sales tax due to the state under chapter 82.08 RCW on the same sale of
22 lodging, but the credit under this subsection (1)(a) shall not exceed
23 the amount that would be imposed under a two percent tax under section
24 3 of this act.~~

25 (b) If a city in a county exempt under subsection (2) of this
26 section has imposed a tax under this chapter and has, prior to June 26,
27 1975, authorized and issued revenue or general obligation bonds
28 pursuant to the provisions of RCW 67.28.150 through 67.28.160, the tax
29 imposed under section 3 of this act on a sale of lodging by such city
30 shall be credited against the amount of sales tax due to the state
31 under chapter 82.08 RCW on the same sale of lodging, but the credit
32 under this subsection (1)(b) shall not exceed the amount that would be
33 collected under a two percent tax under section 3 of this act.

34 (2) (~~Any levy authorized by this section shall be subject to the~~
35 ~~following:~~

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

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

3 ~~(b))~~) In the event that any county has levied (~~(the tax authorized~~
4 ~~by this section)~~) a tax under this chapter and has, prior to June 26,
5 1975, either pledged the tax revenues for payment of principal and
6 interest on city revenue or general obligation bonds authorized and
7 issued pursuant to RCW 67.28.150 through 67.28.160 or has authorized
8 and issued revenue or general obligation bonds pursuant to the
9 provisions of RCW 67.28.150 through 67.28.160, such county shall be
10 exempt from (~~(the provisions of (a) of this subsection)~~) section 3(3)
11 of this act, to the extent that the tax rate imposed by the county
12 under this chapter does not exceed two percent and the revenues are
13 pledged for payment of principal and interest on bonds issued at any
14 time pursuant to the provisions of RCW 67.28.150 through 67.28.160:
15 PROVIDED, That so much of such pledged tax revenues, together with any
16 investment earnings thereon, not immediately necessary for actual
17 payment of principal and interest on such bonds may be used: ((+i))
18 (a) In any county with a population of one million or more, for
19 repayment either of limited tax levy general obligation bonds or of any
20 county fund or account from which a loan was made, the proceeds from
21 the bonds or loan being used to pay for constructing, installing,
22 improving, and equipping stadium capital improvement projects, and to
23 pay for any engineering, planning, financial, legal and professional
24 services incident to the development of such stadium capital
25 improvement projects, regardless of the date the debt for such capital
26 improvement projects was or may be incurred; or (~~((+i))~~) (b) in other
27 counties, for county-owned facilities for agricultural promotion. A
28 county is exempt under this subsection in respect to city revenue or
29 general obligation bonds issued after April 1, 1991, only if such bonds
30 mature before January 1, 2013.

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

1 (~~(c) No city within a county exempt under subsection (2)(b) of~~
2 ~~this section may levy the tax authorized by this section so long as~~
3 ~~said county is so exempt: PROVIDED, That in the event that any city in~~
4 ~~such county has levied the tax authorized by this section and has,~~
5 ~~prior to June 26, 1975, authorized and issued revenue or general~~
6 ~~obligation bonds pursuant to the provisions of RCW 67.28.150 through~~
7 ~~67.28.160, such city may levy the tax so long as the tax revenues are~~
8 ~~pledged for payment of principal and interest on bonds issued at any~~
9 ~~time pursuant to the provisions of RCW 67.28.150 through 67.28.160.))~~

10 (3) Any levy (~~(authorized by this section)~~) under this chapter by
11 a county that (~~(has levied the tax authorized by this section and has,~~
12 ~~prior to June 26, 1975, either pledged the tax revenues for payment of~~
13 ~~principal and interest on city revenue or general obligation bonds~~
14 ~~authorized and issued pursuant to RCW 67.28.150 through 67.28.160 or~~
15 ~~has authorized and issued revenue or general obligation bonds pursuant~~
16 ~~to the provisions of RCW 67.28.150 through 67.28.160)) is exempt under
17 subsection (2) of this section shall be subject to the following:~~

18 (a) Taxes collected under this (~~(section)~~) chapter in any calendar
19 year in excess of five million three hundred thousand dollars shall
20 only be used as follows:

21 (i) Seventy-five percent from January 1, 1992, through December 31,
22 2000, and seventy percent from January 1, 2001, through December 31,
23 2012, for art museums, cultural museums, heritage museums, the arts,
24 and the performing arts. Moneys spent under this subsection (3)(a)(i)
25 shall be used for the purposes of this subsection (3)(a)(i) in all
26 parts of the county.

27 (ii) Twenty-five percent from January 1, 1992, through December 31,
28 2000, and thirty percent from January 1, 2001, through December 31,
29 2012, for the following purposes and in a manner reflecting the
30 following order of priority: Stadium capital improvements, as defined
31 in subsection (2)(~~(b)~~) of this section; acquisition of open space
32 lands; youth sports activities; and tourism promotion.

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

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

6 (i) A legally constituted and working board of directors;
7 (ii) A record of artistic, heritage, or cultural accomplishments;
8 (iii) Been in existence and operating for at least two years;
9 (iv) Demonstrated ability to maintain net current liabilities at
10 less than thirty percent of general operating expenses;

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

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

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

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

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

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

37 (g) No taxes (~~collected~~) distributed under this section may be
38 used for the operation or maintenance of a public stadium that is
39 financed directly or indirectly by bonds to which the tax is pledged.

1 Expenditures for operation or maintenance include all expenditures
2 other than expenditures that directly result in new fixed assets or
3 that directly increase the capacity, life span, or operating economy of
4 existing fixed assets.

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

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

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

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

28 (4) This section expires January 1, 2013.

29 **Sec. 13.** RCW 67.28.184 and 1987 1st ex.s. c 8 s 7 are each amended
30 to read as follows:

31 No city imposing the tax authorized under (~~RCW 67.28.180~~) this
32 chapter may use the tax proceeds directly or indirectly to acquire,
33 construct, operate, or maintain facilities or land intended to be used
34 by a professional sports franchise if the county within which the city
35 is located uses the proceeds of its tax imposed under (~~RCW 67.28.180~~)
36 this chapter to directly or indirectly acquire, construct, operate, or
37 maintain a facility used by a professional sports franchise.

1 **Sec. 14.** RCW 67.28.200 and 1993 c 389 s 2 are each amended to read
2 as follows:

3 The legislative body of any ~~((county or city))~~ municipality may
4 establish reasonable exemptions ~~((and may adopt such reasonable rules
5 and regulations as may be necessary for the levy and collection of
6 the))~~ for taxes authorized under this chapter. The department of
7 revenue shall perform the collection of such taxes on behalf of such
8 ~~((county or city))~~ municipality at no cost to such ~~((county or city))~~
9 municipality.

10 **Sec. 15.** RCW 67.40.100 and 1990 c 242 s 1 are each amended to read
11 as follows:

12 ~~((1))~~ Except as provided in chapters 67.28 and 82.14 RCW and
13 ~~((subsection (2) of this))~~ section 3 of this act, after January 1,
14 1983, no city, town, or county in which the tax under RCW 67.40.090 is
15 imposed may impose a license fee or tax on the act or privilege of
16 engaging in business to furnish lodging by a hotel, rooming house,
17 tourist court, motel, trailer camp, or similar facilities in excess of
18 the rate imposed upon other persons engaged in the business of making
19 sales at retail as that term is defined in chapter 82.04 RCW.

20 ~~((2) A city incorporated before January 1, 1982, with a population
21 over sixty thousand located in a county with a population over one
22 million, other than the city of Seattle, may impose a special excise
23 tax under the following conditions:~~

24 ~~(a) The proceeds of the tax must be used for the acquisition,
25 design, construction, and marketing of convention and trade facilities
26 and may be used for and pledged to the payment of bonds, leases, or
27 other obligations issued or incurred for such purposes. The proceeds
28 of the tax may be used for maintenance and operation only as part of a
29 budget which includes the use of the tax for debt service and
30 marketing.~~

31 ~~(b) The legislative body of the city, before imposing the tax, must
32 authorize a complete study and investigation of the desirability and
33 economic feasibility of the proposed convention and trade facilities.~~

34 ~~(c) The rate of the tax shall not exceed three percent.~~

35 ~~(d) The tax shall be imposed on the sale of or charge made for the
36 furnishing of lodging by a hotel, rooming house, tourist court, motel,
37 or trailer camp, and the granting of any similar license to use real
38 property, as distinguished from the renting or leasing of real~~

1 ~~property, except that no such tax may be levied on any premises having~~
2 ~~fewer than sixty lodging units.))~~

3 **Sec. 16.** RCW 35.43.040 and 1989 c 277 s 1 are each amended to read
4 as follows:

5 Whenever the public interest or convenience may require, the
6 legislative authority of any city or town may order the whole or any
7 part of any local improvement including but not restricted to those, or
8 any combination thereof, listed below to be constructed, reconstructed,
9 repaired, or renewed and landscaping including but not restricted to
10 the planting, setting out, cultivating, maintaining, and renewing of
11 shade or ornamental trees and shrubbery thereon; may order any and all
12 work to be done necessary for completion thereof; and may levy and
13 collect special assessments on property specially benefited thereby to
14 pay the whole or any part of the expense thereof, viz:

15 (1) Alleys, avenues, boulevards, lanes, park drives, parkways,
16 parking facilities, public places, public squares, public streets,
17 their grading, regrading, planking, replanking, paving, repaving,
18 macadamizing, remacadamizing, graveling, regraveling, piling, repiling,
19 capping, recapping, or other improvement; if the management and control
20 of park drives, parkways, and boulevards is vested in a board of park
21 commissioners, the plans and specifications for their improvement must
22 be approved by the board of park commissioners before their adoption;

23 (2) Auxiliary water systems;

24 (3) Auditoriums, field houses, gymnasiums, swimming pools, or other
25 recreational, playground, museum, cultural, or arts facilities or
26 structures;

27 (4) Bridges, culverts, and trestles and approaches thereto;

28 (5) Bulkheads and retaining walls;

29 (6) Dikes and embankments;

30 (7) Drains, sewers, and sewer appurtenances which as to trunk
31 sewers shall include as nearly as possible all the territory which can
32 be drained through the trunk sewer and subsewers connected thereto;

33 (8) Escalators or moving sidewalks together with the expense of
34 operation and maintenance;

35 (9) Parks and playgrounds;

36 (10) Sidewalks, curbing, and crosswalks;

37 (11) Street lighting systems together with the expense of
38 furnishing electrical energy, maintenance, and operation;

1 (12) Underground utilities transmission lines;

2 (13) Water mains, hydrants, and appurtenances which as to trunk
3 water mains shall include as nearly as possible all the territory in
4 the zone or district to which water may be distributed from the trunk
5 water mains through lateral service and distribution mains and
6 services;

7 (14) Fences, culverts, syphons, or coverings or any other feasible
8 safeguards along, in place of, or over open canals or ditches to
9 protect the public from the hazards thereof;

10 (15) Roadbeds, trackage, signalization, storage facilities for
11 rolling stock, overhead and underground wiring, and any other
12 stationary equipment reasonably necessary for the operation of an
13 electrified public streetcar line;

14 (16) Systems of surface, underground, or overhead railways,
15 tramways, buses, or any other means of local transportation except
16 taxis, and including passenger, terminal, station parking, and related
17 facilities and properties, and such other facilities as may be
18 necessary for passenger and vehicular access to and from such terminal,
19 station, parking, and related facilities and properties, together with
20 all lands, rights of way, property, equipment, and accessories
21 necessary for such systems and facilities;

22 (17) Convention center facilities or structures in cities
23 (~~((imposing a special excise tax pursuant to RCW 67.40.100(2))~~)
24 incorporated before January 1, 1982, with a population over sixty
25 thousand located in a county with a population over one million, other
26 than the city of Seattle. Assessments for purposes of convention
27 center facilities or structures may be levied only to the extent
28 necessary to cover a funding shortfall that occurs when funds received
29 from special excise taxes imposed pursuant to chapter 67.28 RCW
30 (~~((67.28.180 and 67.40.100(2))~~) are insufficient to fund the annual debt
31 service for such facilities or structures, and may not be levied on
32 property exclusively maintained as single-family or multifamily
33 permanent residences whether they are rented, leased, or owner
34 occupied; and

35 (18) Programs of aquatic plant control, lake or river restoration,
36 or water quality enhancement. Such programs shall identify all the
37 area of any lake or river which will be improved and shall include the
38 adjacent waterfront property specially benefited by such programs of
39 improvements. Assessments may be levied only on waterfront property

1 including any waterfront property owned by the department of natural
2 resources or any other state agency. Notice of an assessment on a
3 private leasehold in public property shall comply with provisions of
4 chapter 79.44 RCW. Programs under this subsection shall extend for a
5 term of not more than five years.

6 **Sec. 17.** RCW 59.18.440 and 1995 c 399 s 151 are each amended to
7 read as follows:

8 (1) Any city, town, county, or municipal corporation that is
9 required to develop a comprehensive plan under RCW 36.70A.040(1) is
10 authorized to require, after reasonable notice to the public and a
11 public hearing, property owners to provide their portion of reasonable
12 relocation assistance to low-income tenants upon the demolition,
13 substantial rehabilitation whether due to code enforcement or any other
14 reason, or change of use of residential property, or upon the removal
15 of use restrictions in an assisted-housing development. No city, town,
16 county, or municipal corporation may require property owners to provide
17 relocation assistance to low-income tenants, as defined in this
18 chapter, upon the demolition, substantial rehabilitation, upon the
19 change of use of residential property, or upon the removal of use
20 restrictions in an assisted-housing development, except as expressly
21 authorized herein or when authorized or required by state or federal
22 law. As used in this section, "assisted housing development" means a
23 multifamily rental housing development that either receives government
24 assistance and is defined as federally assisted housing in RCW
25 59.28.020, or that receives other federal, state, or local government
26 assistance and is subject to use restrictions.

27 (2) As used in this section, "low-income tenants" means tenants
28 whose combined total income per dwelling unit is at or below fifty
29 percent of the median income, adjusted for family size, in the county
30 where the tenants reside.

31 The department of community, trade, and economic development shall
32 adopt rules defining county median income in accordance with the
33 definitions promulgated by the federal department of housing and urban
34 development.

35 (3) A requirement that property owners provide relocation
36 assistance shall include the amounts of such assistance to be provided
37 to low-income tenants. In determining such amounts, the jurisdiction
38 imposing the requirement shall evaluate, and receive public testimony

1 on, what relocation expenses displaced tenants would reasonably incur
2 in that jurisdiction including:

3 (a) Actual physical moving costs and expenses;

4 (b) Advance payments required for moving into a new residence such
5 as the cost of first and last month's rent and security and damage
6 deposits;

7 (c) Utility connection fees and deposits; and

8 (d) Anticipated additional rent and utility costs in the residence
9 for one year after relocation.

10 (4)(a) Relocation assistance provided to low-income tenants under
11 this section shall not exceed two thousand dollars for each dwelling
12 unit displaced by actions of the property owner under subsection (1) of
13 this section. A city, town, county, or municipal corporation may make
14 future annual adjustments to the maximum amount of relocation
15 assistance required under this subsection in order to reflect any
16 changes in the housing component of the consumer price index as
17 published by the United States department of labor, bureau of labor
18 statistics.

19 (b) The property owner's portion of any relocation assistance
20 provided to low-income tenants under this section shall not exceed one-
21 half of the required relocation assistance under (a) of this subsection
22 in cash or services.

23 (c) The portion of relocation assistance not covered by the
24 property owner under (b) of this subsection shall be paid by the city,
25 town, county, or municipal corporation authorized to require relocation
26 assistance under subsection (1) of this section. The relocation
27 assistance may be paid from proceeds collected from the excise tax
28 imposed under RCW 82.46.010.

29 (5) A city, town, county, or municipal corporation requiring the
30 provision of relocation assistance under this section shall adopt
31 policies, procedures, or regulations to implement such requirement.
32 Such policies, procedures, or regulations shall include provisions for
33 administrative hearings to resolve disputes between tenants and
34 property owners relating to relocation assistance or unlawful detainer
35 actions during relocation, and shall require a decision within thirty
36 days of a request for a hearing by either a tenant or property owner.

37 Judicial review of an administrative hearing decision relating to
38 relocation assistance may be had by filing a petition, within ten days
39 of the decision, in the superior court in the county where the

1 residential property is located. Judicial review shall be confined to
2 the record of the administrative hearing and the court may reverse the
3 decision only if the administrative findings, inferences, conclusions,
4 or decision is:

5 (a) In violation of constitutional provisions;

6 (b) In excess of the authority or jurisdiction of the
7 administrative hearing officer;

8 (c) Made upon unlawful procedure or otherwise is contrary to law;
9 or

10 (d) Arbitrary and capricious.

11 (6) Any city, town, county, or municipal corporation may require
12 relocation assistance, under the terms of this section, for otherwise
13 eligible tenants whose living arrangements are exempted from the
14 provisions of this chapter under RCW 59.18.040(3) and if the living
15 arrangement is considered to be a rental or lease (~~pursuant to RCW~~
16 ~~67.28.180(1)~~) not defined as a retail sale under RCW 82.04.050.

17 (7)(a) Persons who move from a dwelling unit prior to the
18 application by the owner of the dwelling unit for any governmental
19 permit necessary for the demolition, substantial rehabilitation, or
20 change of use of residential property or prior to any notification or
21 filing required for condominium conversion shall not be entitled to the
22 assistance authorized by this section.

23 (b) Persons who move into a dwelling unit after the application for
24 any necessary governmental permit or after any required condominium
25 conversion notification or filing shall not be entitled to the
26 assistance authorized by this section if such persons receive written
27 notice from the property owner prior to taking possession of the
28 dwelling unit that specifically describes the activity or condition
29 that may result in their temporary or permanent displacement and
30 advises them of their ineligibility for relocation assistance.

31 **Sec. 18.** RCW 67.38.140 and 1982 1st ex.s. c 22 s 14 are each
32 amended to read as follows:

33 The county or counties and each component city included in the
34 district collecting or planning to collect the hotel/motel tax
35 (~~pursuant to~~) under chapter 67.28 RCW ((67.28.180)) may contribute
36 such revenue (~~towards the expense for maintaining and operating the~~
37 ~~cultural arts, stadium and convention system~~) in such manner as shall

1 be agreed upon between them, consistent with this chapter and chapter
2 67.28 RCW.

3 **Sec. 19.** RCW 67.40.110 and 1987 1st ex.s. c 8 s 8 are each amended
4 to read as follows:

5 No city imposing the tax authorized under chapter 67.28 RCW
6 (~~67.40.100(2)~~) may use the tax proceeds directly or indirectly to
7 acquire, construct, operate, or maintain facilities or land intended to
8 be used by a professional sports franchise if the county within which
9 the city is located uses the proceeds of its tax imposed under chapter
10 67.28 RCW (~~67.28.180~~) to directly or indirectly acquire, construct,
11 operate, or maintain a facility used by a professional sports
12 franchise.

13 **Sec. 20.** RCW 67.40.120 and 1991 c 336 s 2 are each amended to read
14 as follows:

15 The state convention and trade center corporation may contract with
16 the Seattle-King county convention and visitors bureau for marketing
17 the convention and trade center facility and services. Any contract
18 with the Seattle-King county convention and visitors bureau shall
19 include, but is not limited to, the following condition: Each dollar
20 in convention and trade center operations account funds provided to the
21 Seattle-King county convention and visitors bureau shall be matched by
22 at least one dollar and ten cents in nonstate funds. "Nonstate funds"
23 does not include funds received under chapter 67.28 RCW (~~67.28.180~~).

24 **Sec. 21.** RCW 82.02.020 and 1996 c 230 s 1612 are each amended to
25 read as follows:

26 Except only as expressly provided in (~~RCW 67.28.180 and 67.28.190~~
27 ~~and the provisions of~~) chapters 67.28 and 82.14 RCW, the state
28 preempts the field of imposing taxes upon retail sales of tangible
29 personal property, the use of tangible personal property, parimutuel
30 wagering authorized pursuant to RCW 67.16.060, conveyances, and
31 cigarettes, and no county, town, or other municipal subdivision shall
32 have the right to impose taxes of that nature. Except as provided in
33 RCW 82.02.050 through 82.02.090, no county, city, town, or other
34 municipal corporation shall impose any tax, fee, or charge, either
35 direct or indirect, on the construction or reconstruction of
36 residential buildings, commercial buildings, industrial buildings, or

1 on any other building or building space or appurtenance thereto, or on
2 the development, subdivision, classification, or reclassification of
3 land. However, this section does not preclude dedications of land or
4 easements within the proposed development or plat which the county,
5 city, town, or other municipal corporation can demonstrate are
6 reasonably necessary as a direct result of the proposed development or
7 plat to which the dedication of land or easement is to apply.

8 This section does not prohibit voluntary agreements with counties,
9 cities, towns, or other municipal corporations that allow a payment in
10 lieu of a dedication of land or to mitigate a direct impact that has
11 been identified as a consequence of a proposed development,
12 subdivision, or plat. A local government shall not use such voluntary
13 agreements for local off-site transportation improvements within the
14 geographic boundaries of the area or areas covered by an adopted
15 transportation program authorized by chapter 39.92 RCW. Any such
16 voluntary agreement is subject to the following provisions:

17 (1) The payment shall be held in a reserve account and may only be
18 expended to fund a capital improvement agreed upon by the parties to
19 mitigate the identified, direct impact;

20 (2) The payment shall be expended in all cases within five years of
21 collection; and

22 (3) Any payment not so expended shall be refunded with interest at
23 the rate applied to judgments to the property owners of record at the
24 time of the refund; however, if the payment is not expended within five
25 years due to delay attributable to the developer, the payment shall be
26 refunded without interest.

27 No county, city, town, or other municipal corporation shall require
28 any payment as part of such a voluntary agreement which the county,
29 city, town, or other municipal corporation cannot establish is
30 reasonably necessary as a direct result of the proposed development or
31 plat.

32 Nothing in this section prohibits cities, towns, counties, or other
33 municipal corporations from collecting reasonable fees from an
34 applicant for a permit or other governmental approval to cover the cost
35 to the city, town, county, or other municipal corporation of processing
36 applications, inspecting and reviewing plans, or preparing detailed
37 statements required by chapter 43.21C RCW.

38 This section does not limit the existing authority of any county,
39 city, town, or other municipal corporation to impose special

1 assessments on property specifically benefitted thereby in the manner
2 prescribed by law.

3 Nothing in this section prohibits counties, cities, or towns from
4 imposing or permits counties, cities, or towns to impose water, sewer,
5 natural gas, drainage utility, and drainage system charges: PROVIDED,
6 That no such charge shall exceed the proportionate share of such
7 utility or system's capital costs which the county, city, or town can
8 demonstrate are attributable to the property being charged: PROVIDED
9 FURTHER, That these provisions shall not be interpreted to expand or
10 contract any existing authority of counties, cities, or towns to impose
11 such charges.

12 Nothing in this section prohibits a transportation benefit district
13 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits
14 the legislative authority of a county, city, or town from approving the
15 imposition of such fees within a transportation benefit district.

16 Nothing in this section prohibits counties, cities, or towns from
17 imposing transportation impact fees authorized pursuant to chapter
18 39.92 RCW.

19 Nothing in this section prohibits counties, cities, or towns from
20 requiring property owners to provide relocation assistance to tenants
21 under RCW 59.18.440 and 59.18.450.

22 This section does not apply to special purpose districts formed and
23 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority
24 conferred by these titles affected.

25 NEW SECTION. **Sec. 22.** The following acts or parts of acts are
26 each repealed:

27 (1) RCW 67.28.090 and 1991 c 363 s 138 & 1967 c 236 s 2;

28 (2) RCW 67.28.100 and 1967 c 236 s 3;

29 (3) RCW 67.28.110 and 1967 c 236 s 4;

30 (4) RCW 67.28.182 and 1995 c 386 s 9 & 1987 c 483 s 2;

31 (5) RCW 67.28.185 and 1975 1st ex.s. c 225 s 2;

32 (6) RCW 67.28.190 and 1967 c 236 s 12;

33 (7) RCW 67.28.210 and 1996 c 159 s 4, 1995 c 290 s 1, & 1994 c 290
34 s 1;

35 (8) RCW 67.28.240 and 1995 c 386 s 10, 1993 sp.s. c 16 s 3, 1991 c
36 363 s 140, & 1988 ex.s. c 1 s 21;

37 (9) RCW 67.28.260 and 1991 c 331 s 1;

38 (10) RCW 67.28.270 and 1995 c 290 s 2 & 1991 c 357 s 4;

- 1 (11) RCW 67.28.280 and 1993 c 389 s 1;
2 (12) RCW 67.28.290 and 1993 sp.s. c 16 s 1;
3 (13) RCW 67.28.300 and 1994 c 65 s 1;
4 (14) RCW 67.28.310 and 1995 c 340 s 1;
5 (15) RCW 67.28.320 and 1996 c 159 s 1;
6 (16) RCW 67.28.360 and 1996 c 159 s 2; and
7 (17) RCW 67.28.370 and 1996 c 159 s 3.

8 NEW SECTION. **Sec. 23.** This act does not affect any existing right
9 acquired or liability or obligation incurred under the sections amended
10 or repealed in this act or under any rule or order adopted under those
11 sections, nor does it affect any proceeding instituted under those
12 sections. As provided in RCW 1.12.020, the sections amended or
13 repealed in this act are continued by section 3 of this act for
14 purposes such as redemption payments on bonds issued in reliance on
15 taxes imposed under those sections. Any moneys held in a fund created
16 under a section repealed in this act shall be deposited in a fund
17 created under section 4 of this act.

18 NEW SECTION. **Sec. 24.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 25.** This act takes effect January 1, 1998."

23 **SSB 5867** - H COMM AMD
24 By Committee on Trade & Economic Development

25
26 On page 1, line 2 of the title, after "towns;" strike the remainder
27 of the title and insert "amending RCW 67.28.080, 67.28.120, 67.28.130,
28 67.28.150, 67.28.160, 67.28.170, 67.28.180, 67.28.184, 67.28.200,
29 67.40.100, 35.43.040, 59.18.440, 67.38.140, 67.40.110, 67.40.120, and
30 82.02.020; adding new sections to chapter 67.28 RCW; creating new
31 sections; repealing RCW 67.28.090, 67.28.100, 67.28.110, 67.28.182,
32 67.28.185, 67.28.190, 67.28.210, 67.28.240, 67.28.260, 67.28.270,
33 67.28.280, 67.28.290, 67.28.300, 67.28.310, 67.28.320, 67.28.360, and

1 67.28.370; providing an effective date; and providing an expiration
2 date."

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