

# SENATE BILL REPORT

## SB 6040

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As Reported By Senate Committee On:  
Transportation, February 28, 2005

**Title:** An act relating to authorizing county taxes for the construction, design, repair, or improvement of viaducts and bridges.

**Brief Description:** Authorizing a county to impose taxes for certain viaduct or bridge projects.

**Sponsors:** Senators Jacobsen, Haugen, Swecker and Spanel.

**Brief History:**

**Committee Activity:** Transportation: 2/28/05 [DP-WM, DNP, w/oRec].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Swecker, Ranking Minority Member; Eide, Kastama, Oke, Spanel and Weinstein.

**Minority Report:** Do not pass.

Signed by Senators Benson and Mulliken.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Esser.

**Staff:** David Ward (786-7341)

**Background:** For the purpose of retiring debt associated with financing the construction of a baseball stadium, an additional .017 percent general sales and use tax is currently authorized in King County. The .017 percent general sales and use tax can only be collected so long as the following local option taxes are also levied; up to a .5 percent retail sales tax on food and beverage sales, up to a 2 percent sales tax on car rentals, and a 5 percent admissions tax on events other than elementary and secondary school events. The county admissions tax does not apply within cities that also impose the tax. The .017 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired, but not later than 20 years after the bonds are issued.

For the purpose of retiring debt associated with financing the construction of a football stadium, an additional .016 percent general sales and use tax is currently authorized in King County. The .016 percent general sales and use tax can only be collected so long as the following local option taxes are also levied; a 10 percent tax on admissions to events at the facility, a 10 percent tax on vehicle parking at the facility, and extension of the 2 percent hotel-motel tax through 2020. The .016 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired, but not later than 23 years after the tax was first collected.

**Summary of Bill:** Upon the retirement of debt associated with financing the construction of a baseball stadium, an additional .017 percent general sales and use tax is authorized in a county with a population of one million or more for the payment of principal and interest on bonds issued for the construction, design, repair or improvement of a viaduct costing more than one billion dollars or a bridge over Lake Washington. The .017 percent general sales and use tax can only be collected if the following local option taxes are also levied by the county legislative authority; up to a .5 percent retail sales tax on food and beverage sales, up to a 2 percent sales tax on car rentals, and a 5 percent admissions tax on events other than elementary and secondary school events. The county admissions tax does not apply within cities that also impose the tax. The .017 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired.

Upon the retirement of debt associated with financing the construction of a football stadium, an additional .016 percent general sales and use tax is authorized in a county with a population of one million or more for the payment of principal and interest on bonds issued for the construction, design, repair, or improvement of a viaduct costing more than one billion dollars or a bridge over Lake Washington. The .016 percent general sales and use tax can only be collected so long as the following local option taxes are also levied by the county legislative authority; a 10 percent tax on admissions to events at the facility, a 10 percent tax on vehicle parking at the facility, and extension of the 2 percent hotel-motel tax. The .016 percent general sales and use tax is credited against the state sales and use tax. The tax and credit expire when the bonds are retired.

**Appropriation:** None.

**Fiscal Note:** Requested on February 24, 2005.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** Restaurants are generally a lower margin business where it is not easy to pass additional costs on to consumers. Higher prices through higher taxes tends to lower the number of restaurant patrons and can lead to lower restaurant employment. For the rental car industry, the original stadium agreements were predicated on the belief the rental car tax would go away with the retirement of stadium debt. The rental car tax in King County is currently 15.4 percent and would be lowered by 2 percent upon elimination of the stadium obligation. The tax was originally thought to be a tourist tax but many people other than tourists are renting cars in King County.

**Who Testified:** CON: Michael Transue, Washington Restaurant Association; Ron Main, Hertz Corporation and Avis Rent a Car.