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**SUBSTITUTE HOUSE BILL 2821**

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**State of Washington                      54th Legislature                      1996 Regular Session**

**By** House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven and Appelwick)

Read first time 02/01/96. Referred to Committee on .

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 total revenues (~~from the taxes imposed~~  
3 ~~under this section~~), other than the county's full faith and credit,  
4 expressly pledged to make principal and interest payments on the bonds  
5 in any year exceeds the amount needed for such principal and interest  
6 payments (~~in any year~~), portion of the taxes imposed under this  
7 section equal to the amount of the excess shall be allocated equally to  
8 the funds described in (a) and (b) of this subsection until the  
9 limitation specified in (a) of this subsection is reached. Once the  
10 limitation specified in (a) of this subsection has been met in any  
11 year, the excess revenue shall be deposited in the reserve fund created  
12 in (b) of this subsection. The excess revenue shall be used solely:

13 (a) For placement in a contingency reserve fund or funds created by  
14 the public facilities district, which may be used by the public  
15 facilities district to pay for major maintenance, facility or equipment  
16 repair or replacement, or capital costs associated with the baseball  
17 stadium. The cumulative amount received from these excess revenue  
18 sources for placement in any such contingency reserve funds shall not  
19 exceed an amount equal to the product of the number of years since the  
20 start of construction of the baseball stadium times one-half of one  
21 percent of the initial total construction cost of the baseball stadium.  
22 All deposits into the contingency reserve fund and interest earned on  
23 the deposits in the contingency reserve fund must be used solely for  
24 the purposes of this subsection (3)(a); and

25 (b) For placement in a reserve fund created by the county, which  
26 shall be used to either: (i) Reimburse the county with respect to its  
27 payments of principal and interest on bonds issued under this section  
28 when revenues, other than the county's full faith and credit, which are  
29 expressly pledged for bond repayment are insufficient in any year; or  
30 (ii) for early retirement of bonds, when the amount in the county  
31 reserve fund is sufficient for early retirement of the bonds issued for  
32 the baseball stadium(~~and~~

33 ~~(b) If the revenue from the taxes imposed under this section~~  
34 ~~exceeds the amount needed for the purposes in (a) of this subsection in~~  
35 ~~any year, the excess shall be placed in a contingency fund which may~~  
36 ~~only be used to pay unanticipated capital costs on the baseball~~  
37 ~~stadium, excluding any cost overruns on initial construction)). All~~  
38 ~~deposits into the reserve fund and interest earned on the deposits in~~  
39 ~~the reserve fund must be used solely for the purposes of this~~

1 subsection (3)(b). Nothing in this section shall require the initial  
2 bonds issued under this section to be callable within ten years of  
3 their issuance.

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

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

11 (b) Contribute forty-five million dollars toward the reasonably  
12 necessary preconstruction costs including, but not limited to  
13 architectural, engineering, environmental, and legal services, and the  
14 cost of construction of the stadium, or to any associated public  
15 purpose separate from bond-financed property, including without  
16 limitation land acquisition, parking facilities, equipment,  
17 infrastructure, or other similar costs associated with the project,  
18 which contribution shall be made during a term not to exceed the term  
19 of the bonds issued to finance the initial construction of the stadium.  
20 If all or part of the contribution is made after the date of issuance  
21 of the bonds, the team shall contribute an additional amount equal to  
22 the accruing interest on the deferred portion of the contribution,  
23 calculated at the interest rate on the bonds maturing in the year in  
24 which the deferred contribution is made. No part of the contribution  
25 may be made without the consent of the county until a public facilities  
26 district is created under chapter 36.100 RCW to acquire, construct,  
27 own, remodel, maintain, equip, reequip, repair, and operate a baseball  
28 stadium. To the extent possible, contributions shall be structured in  
29 a manner that would allow for the issuance of bonds to construct the  
30 stadium that are exempt from federal income taxes; and

31 (c) Share a portion of the profits generated by the baseball team  
32 from the operation of the professional franchise for a period of time  
33 equal to the term of the bonds issued to finance the initial  
34 construction of the stadium, after offsetting any losses incurred by  
35 the baseball team after the effective date of chapter 14, Laws of 1995  
36 1st sp. sess. Such profits and the portion to be shared shall be  
37 defined by agreement between the public facilities district and the  
38 baseball team. The shared profits shall be used to retire the bonds  
39 issued to finance the initial construction of the stadium. If the

1 bonds are retired before the expiration of their term, the shared  
2 profits shall be paid to the public facilities district.

3 (5) No tax may be collected under this section before January 1,  
4 1996. Before collecting the taxes under this section or issuing bonds  
5 for a baseball stadium, the county shall create a public facilities  
6 district under chapter 36.100 RCW to acquire, construct, own, remodel,  
7 maintain, equip, reequip, repair, and operate a baseball stadium.

8 (6) The county shall assemble such real property as the district  
9 determines to be necessary as a site for the baseball stadium.  
10 Property which is necessary for this purpose that is owned by the  
11 county on October 17, 1995, shall be contributed to the district, and  
12 property which is necessary for this purpose that is acquired by the  
13 county on or after October 17, 1995, shall be conveyed to the district.

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

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

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

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

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

35 (2) As used in this chapter, the term "admission charge" includes  
36 a charge made for season tickets or subscriptions, a cover charge, or  
37 a charge made for use of seats and tables, reserved or otherwise, and  
38 other similar accommodations; a charge made for food and refreshments

1 in any place where any free entertainment, recreation, or amusement is  
2 provided; a charge made for rental or use of equipment or facilities  
3 for purpose of recreation or amusement, and where the rental of the  
4 equipment or facilities is necessary to the enjoyment of a privilege  
5 for which a general admission is charged, the combined charges shall be  
6 considered as the admission charge. It shall also include any  
7 automobile parking charge where the amount of such charge is determined  
8 according to the number of passengers in any automobile.

9 (3) The tax herein authorized shall not be exclusive and shall not  
10 prevent any city or town within the taxing county, when authorized by  
11 law, from imposing within its corporate limits a tax of the same or  
12 similar kind: PROVIDED, That whenever the same or similar kind of tax  
13 is imposed by any such city or town, no such tax shall be levied within  
14 the corporate limits of such city or town by the county, except that  
15 the legislative authority of a county with a population of one million  
16 or more may exclusively levy taxes on events in stadiums constructed on  
17 or after January 1, 1995, that are owned by a public facilities  
18 district under chapter 36.100 RCW and that have seating capacities over  
19 forty thousand at the rates of:

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

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

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

37 The lottery commission shall conduct at least two but not more than  
38 four scratch games with sports themes per year. These games are

1 intended to generate additional moneys sufficient to cover the  
2 distributions under RCW 67.70.240(~~(+5)~~)(4).

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