

SSB 5986 - S AMD 344
By Senator Hobbs

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.14.360 and 2000 c 103 s 10 are each amended to
4 read as follows:

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

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

25 (3) Except as provided in subsection (6) of this section, the
26 revenue from the taxes imposed under this section shall be used for the
27 purpose of principal and interest payments on bonds, issued by the
28 county, to acquire, construct, own, remodel, maintain, equip, reequip,
29 repair, and operate a baseball stadium. Revenues from the taxes
30 authorized in this section may be used for design and other

1 preconstruction costs of the baseball stadium until bonds are issued
2 for the baseball stadium. The county shall issue bonds, in an amount
3 determined to be necessary by the public facilities district, for the
4 district to acquire, construct, own, and equip the baseball stadium.
5 The county shall have no obligation to issue bonds in an amount greater
6 than that which would be supported by the tax revenues under this
7 section, RCW 82.14.0485, and 36.38.010(4) (a) and (b).

8 (4) Except as provided in subsection (6) of this section, if the
9 revenue from the taxes imposed under this section exceeds the amount
10 needed for such principal and interest payments in any year, the excess
11 shall be used solely:

12 (a) For early retirement of the bonds issued for the baseball
13 stadium; and

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

19 ~~((4))~~ (5) The taxes authorized under this section shall not be
20 collected after June 30, 1997, unless the county executive has
21 certified to the department of revenue that a professional major league
22 baseball team has made a binding and legally enforceable contractual
23 commitment to:

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

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

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

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

20 ~~((+5))~~ (6) After the date the bonds issued for the initial
21 construction of a baseball stadium are retired, revenues collected
22 under this section shall be used for the purposes described in section
23 2 of this act.

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

29 ~~((+6))~~ (8) The county shall assemble such real property as the
30 district determines to be necessary as a site for the baseball stadium.
31 Property which is necessary for this purpose that is owned by the
32 county on October 17, 1995, shall be contributed to the district, and
33 property which is necessary for this purpose that is acquired by the
34 county on or after October 17, 1995, shall be conveyed to the district.

35 ~~((+7))~~ (9) The proceeds of any bonds issued for the baseball
36 stadium shall be provided to the district.

37 ~~((+8))~~ (10) As used in this section, "baseball stadium" means
38 "baseball stadium" as defined in RCW 82.14.0485.

1 (~~(9)~~) (11) The taxes imposed under subsection (1) of this section
2 (~~shall~~) expire (~~when~~) at the end of the second full calendar year
3 following the year in which the bonds issued for the initial
4 construction of the baseball stadium are retired(~~(, but not later than~~
5 ~~twenty years after the taxes are first collected)~~).

6 The taxes imposed under subsection (2) of this section expire at
7 the end of the fifth full calendar year following the year in which the
8 bonds issued for the initial construction of the baseball stadium are
9 retired.

10 NEW SECTION. Sec. 2. A new section is added to chapter 82.14 RCW
11 to read as follows:

12 (1) The legislative body of a county with a population of one
13 million or more may apply local tax revenue only to pay, finance, or
14 refinance costs to improve one or more civic amenities designated by
15 the legislative body of the city with the largest population within the
16 county. Local tax revenue may be used to pay, finance, or refinance
17 costs of improving a civic amenity that is a multipurpose public arena
18 that is leased to, or subject to a lease commitment with, a basketball
19 lessee only if: (a) The basketball lessee has entered into a legally
20 binding commitment to pay at least one hundred fifty million dollars
21 toward the cost of improvements to the multipurpose public arena; and
22 (b) the improvements to the multipurpose public arena paid, financed,
23 or refinanced with local tax revenue are limited to base building
24 improvements, such as replacement and enhancement of major systems and
25 structural improvements, and expansion or renovation of functional
26 support and public spaces.

27 (2) The legislative body of a county with a population of one
28 million or more may pledge local tax revenue applied pursuant to
29 subsection (1) of this section to pay bonds, notes, or other
30 obligations issued by the county, the city with the largest population
31 within the county, or a public corporation or authority formed by the
32 city. The legislative body of the city with the largest population
33 within the county, or a public corporation or authority formed by the
34 city, may pledge local tax revenue received from the county to pay
35 bonds, notes, or other obligations issued to finance or refinance costs
36 permitted under subsection (1) of this section. No tax pledged under

1 this subsection may be eliminated or modified if it would impair the
2 pledge made in any agreement or for the benefit of the owner of any
3 bond, note, or other obligation.

4 (3) The total amount of local tax revenue applied under subsection
5 (1) of this section to pay, finance, or refinance costs of a project to
6 improve a multipurpose public arena that is leased to, or subject to a
7 lease commitment with, a basketball lessee shall be an amount that
8 would be necessary to pay principal and interest on bonds issued in one
9 or more series in an aggregate principal amount that produces net bond
10 proceeds of seventy-five million dollars. Net bond proceeds means
11 gross bond proceeds less costs of issuance, less deposits to reasonably
12 required reserves, less capitalized interest, and less earnings on any
13 portion of gross bond proceeds. The limitation on net bond proceeds
14 shall be adjusted for inflation annually beginning in 2009 using the
15 engineering news-record twenty-city construction cost index until the
16 date that construction of the project is commenced. If bonds are not
17 issued to pay the costs of a project to improve such a multipurpose
18 public arena, seventy-five million dollars in local tax revenue may be
19 applied under subsection (1) of this section to pay directly costs of
20 such project, adjusted for inflation annually beginning in 2009 using
21 the engineering news-record twenty-city construction cost index until
22 the date that construction of the project is commenced.

23 (4) A city legislative authority may transfer an existing
24 multipurpose public arena to a public corporation or authority formed
25 by such city. Such transfer may be for no consideration or such
26 consideration as determined by the legislative authorities of the city
27 and public corporation or authority.

28 (5) Leasehold interests in public or entertainment areas of a
29 multipurpose public arena shall be entitled to comparable treatment for
30 the purposes of RCW 82.29A.030 and 82.29A.040 as "public or
31 entertainment areas" described in RCW 82.29A.130 (14) and (15).

32 (6) For the purposes of this section, the following definitions
33 apply unless the context clearly requires otherwise:

34 (a) "Basketball lessee" means an entity that owns or controls a
35 national basketball association franchise, or its successor, directly
36 or through an affiliated entity.

37 (b) "Civic amenity" means any publicly owned facility, including a

1 multipurpose public arena, located at a campus that is a public
2 gathering space at least seventy acres in size and that includes
3 theater, museum, and other public facilities.

4 (c) "Finance" means to issue bonds, notes, or other obligations in
5 accordance with chapter 39.46 RCW.

6 (d) "Improve" means to plan, design, expand, alter, remodel,
7 reequip, modernize, renovate, or refurnish a civic amenity.

8 (e) "Local tax revenue" means revenue collected pursuant to RCW
9 82.14.360 after the date the bonds issued for the initial construction
10 of a baseball stadium are retired.

11 (f) "Multipurpose public arena" means a publicly owned multipurpose
12 public arena with a seating capacity of sixteen thousand or more.

13 (g) "Refinance" means to issue bonds, notes, or other obligations
14 to refund or defease bonds, notes, or other obligations, or otherwise
15 refinance or reimburse costs.

16 NEW SECTION. **Sec. 3.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 4.** The provisions of this act must be liberally
21 construed to give effect to the policies and purposes of this act."

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22 On page 1, line 1 of the title, after "Relating to" strike the
23 remainder of the title and insert "the extension of local taxes to fund
24 improvements to civic amenities; amending RCW 82.14.360; adding a new
25 section to chapter 82.14 RCW; and creating a new section."

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