
SENATE BILL 6889

State of Washington 61st Legislature 2010 1st Special Session

By Senators McDermott, Kohl-Welles, Kline, Murray, Prentice, Keiser, McAuliffe, Kauffman, and Hewitt

Read first time 03/18/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to the governance and financing of the Washington
2 state convention and trade center; amending RCW 36.100.010, 36.100.020,
3 36.100.030, 36.100.040, 36.100.060, and 36.100.100; adding new sections
4 to chapter 36.100 RCW; creating new sections; repealing RCW 67.40.010,
5 67.40.025, 67.40.027, 67.40.030, 67.40.040, 67.40.045, 67.40.050,
6 67.40.055, 67.40.060, 67.40.070, 67.40.080, 67.40.090, 67.40.100,
7 67.40.105, 67.40.107, 67.40.110, 67.40.120, 67.40.130, 67.40.140,
8 67.40.150, 67.40.160, 67.40.170, 67.40.180, 67.40.190, 67.40.900,
9 67.40.020, and 39.94.020; and providing contingent effective dates.

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

11 NEW SECTION. **Sec. 1.** (1) The legislature finds that conventions
12 and trade shows provide both direct and indirect civic and economic
13 benefits. It is the intent of the legislature to provide for the
14 transfer of the governance and financing of the state convention and
15 trade center to a public facilities district formed by a county with a
16 population of one million five hundred thousand or more to acquire,
17 own, and operate the convention and trade center. The legislature also
18 intends to replace, in connection with such transfer, the authority
19 under chapter 67.40 RCW of the state and city to impose excise taxes on

1 the sale of or charge made for the furnishing of lodging to fund the
2 state convention and trade center with authority for the public
3 facilities district to impose lodging taxes at these rates, without
4 affecting the existing authority of the state, county, cities, and
5 other municipal corporations to impose taxes on the sale or charge made
6 for the furnishing of lodging under existing caps on the aggregate rate
7 that may be charged.

8 (2) The legislature further finds that the location of the
9 convention and trade center particularly benefits and increases the
10 occupancy of larger hotels and other lodging facilities in the city in
11 which it is located and to a lesser extent in the remainder of the
12 county in which it is located. The legislature finds that imposing
13 excise taxes on the sale of or charge made for the furnishing of
14 lodging at the rates authorized in section 5 of this act is an
15 appropriate method of paying for the cost of acquiring, constructing,
16 owning, remodeling, maintaining, equipping, reequipping, repairing,
17 altering, and operating a convention and trade center.

18 **Sec. 2.** RCW 36.100.010 and 2002 c 218 s 26 are each amended to
19 read as follows:

20 (1) ((A)) One or more public facilities districts may be created in
21 any county and ((shall)) must be coextensive with the boundaries of the
22 county.

23 (2) A public facilities district ((shall be)) is created upon
24 adoption of a resolution providing for the creation of such a district
25 by the county legislative authority in which the proposed district is
26 located.

27 (3) A public facilities district is a municipal corporation, an
28 independent taxing "authority" within the meaning of Article VII,
29 section 1 of the state Constitution, and a "taxing district" within the
30 meaning of Article VII, section 2 of the state Constitution.

31 (4) Except as provided in RCW 36.100.040 (4) and (5), no taxes
32 authorized under this chapter may be assessed or levied unless a
33 majority of the voters of the public facilities district has approved
34 such tax at a general or special election. A single ballot proposition
35 may both validate the imposition of the sales and use tax under RCW
36 82.14.048 and the excise tax under RCW 36.100.040(1).

1 (5)(a) A public facilities district (~~shall~~) constitutes a body
2 corporate and (~~shall~~) possesses all the usual powers of a corporation
3 for public purposes as well as all other powers that may now or
4 hereafter be specifically conferred by statute, including, but not
5 limited to, the authority to hire employees, staff, and services, to
6 enter into contracts, including contracts with public and private
7 parties, to acquire, own, sell, transfer, lease, and otherwise acquire
8 or dispose of property, to grant concessions under terms approved by
9 the public facilities district, and to sue and be sued.

10 (b) A public facilities district created by a county with a
11 population of one million five hundred thousand or more to acquire,
12 own, and operate a convention and trade center transferred from a
13 public nonprofit corporation may continue to contract with the Seattle-
14 King county convention and visitors' bureau or its successor in
15 interest for marketing the convention and trade center facility and
16 services.

17 (6) A public facilities district may enter into contracts with a
18 county for the purpose of exercising any powers of a community renewal
19 agency under chapter 35.81 RCW.

20 (7) The (~~county~~) legislative authority (~~or the city council~~) of
21 a city or county, the board of directors of a public nonprofit
22 corporation, or the state of Washington may transfer property to
23 (~~the~~) a public facilities district created under this chapter, with
24 or without consideration. No property that is encumbered with debt or
25 that is in need of major capital renovation may be transferred to the
26 district without the agreement of the district and revenues adequate to
27 retire the existing indebtedness.

28 (8) A public facilities district may enter into agreements with the
29 state, any municipal corporation, or any other governmental entity for
30 the design, financing, acquisition, development, construction,
31 reconstruction, lease, remodeling, alteration, maintenance, equipping,
32 reequipping, repair, operation, or management of one or more facilities
33 of the parties thereto. Agreements may provide that any party to the
34 contract designs, finances, acquires, develops, constructs,
35 reconstructs, remodels, alters, maintains, equips, reequips, repairs,
36 and operates one or more facilities for the other party or parties to
37 the contract. A public facilities district may enter into an agreement
38 with the state, any municipal corporation, or other public or private

1 entity that will assist a public facilities district in the financing
2 of all or any part of a district facility on such terms as may be
3 determined by agreement between the respective parties, including
4 without limitation by a loan, guaranty, or other financing agreement.

5 **Sec. 3.** RCW 36.100.020 and 1995 3rd sp.s. c 1 s 302 are each
6 amended to read as follows:

7 (1)(a) A public facilities district (~~shall~~) must be governed by
8 a board of directors consisting of five (~~or~~), seven, or nine members
9 as provided in this section.

10 (b) If the largest city in the county has a population that is at
11 least forty percent of the total county population, the board of
12 directors of the public facilities district (~~shall~~) must consist of
13 five members selected as follows:

14 (~~a~~) (i) Two members appointed by the county legislative
15 authority to serve for four-year staggered terms;

16 (~~b~~) (ii) Two members appointed by the city council of the
17 largest city in the county to serve for four-year staggered terms; and

18 (~~c~~) (iii) One person to serve for a four-year term who is
19 selected by the other directors.

20 (c)(i) Except as provided in (c)(ii) of this subsection (1), if the
21 largest city in the county has a population of less than forty percent
22 of the total county population, the county legislative authority
23 (~~shall~~) must establish in the resolution creating the public
24 facilities district whether the board of directors of the public
25 facilities district has either five or seven members, and the county
26 legislative authority (~~shall~~) must appoint the members of the board
27 of directors to reflect the interests of cities and towns in the
28 county, as well as the unincorporated area of the county.

29 (ii) However, if the county has a population of one million five
30 hundred thousand or more, the largest city in the county has a
31 population of less than forty percent of the total county population,
32 and the county operates under a county charter, which provides for an
33 elected county executive, the members of the board of directors must be
34 appointed as follows:

35 (A) If the public facilities district is created to construct a
36 baseball stadium as defined in RCW 82.14.0485, three members (~~shall~~)
37 must be appointed by the governor and the remaining members (~~shall~~)

1 must be appointed by the county executive subject to confirmation by
2 the county legislative authority. Of the members appointed by the
3 governor, the speaker of the house of representatives and the majority
4 leader of the senate (~~shall~~) must each recommend to the governor a
5 person to be appointed to the board; and

6 (B) If the public facilities district is created to acquire, own,
7 and operate a convention and trade center, following the expiration of
8 the terms of the initial board of directors, three members must be
9 appointed by the governor, three members must be nominated by the
10 county executive subject to confirmation by the county legislative
11 authority, and three members must be nominated by the mayor of the city
12 in which the convention and trade center is located subject to
13 confirmation by the city legislative authority. Members of the board
14 of directors may not be members of the legislative authority of the
15 county or any city within the county.

16 (d) The initial board of directors of a public facilities district
17 created in a county of one million five hundred thousand or more to
18 acquire, own, and operate a convention and trade center must be
19 comprised of the nine members of the board of the public nonprofit
20 corporation that transfers the convention and trade center to the
21 public facilities district under section 8 of this act. The governor
22 must designate which of the initial board members must serve two-year
23 terms and which must serve four-year terms and identify the board
24 positions to which successors to initial directors are to be appointed
25 by the county and the city.

26 (2) At least one member on the board of directors (~~shall~~) must be
27 representative of the lodging industry in the public facilities
28 district before the public facilities district imposes the excise tax
29 under RCW 36.100.040(1). Of the members of the board of directors of
30 a public facilities district created in a county of one million five
31 hundred thousand or more to acquire, own, and operate a convention and
32 trade center, one of the governor's appointments and one of the
33 county's appointments must be representative of the lodging industry in
34 the public facilities district and one of the city's appointments must
35 be representative of organized labor, except that these requirements do
36 not apply to the initial board of such district.

37 (3) Members of the board of directors (~~shall~~) must serve four-

1 year terms of office, except that two of the initial five board members
2 (~~or~~), three of the initial seven board members (~~shall~~), and four of
3 the initial nine board members must serve two-year terms of office.

4 (4) A vacancy (~~shall~~) must be filled in the same manner as the
5 original appointment was made and the person appointed to fill a
6 vacancy (~~shall~~) must serve for the remainder of the unexpired term of
7 the office for the position to which he or she was appointed.

8 (5) Any director may be removed from office by the person or entity
9 that appointed or confirmed such director for any reason or for no
10 reason as follows: A director appointed by the governor may be removed
11 from office by the governor(~~-~~); and any (~~other~~) director confirmed
12 by a city or county legislative authority may be removed from office by
13 action of at least two-thirds of the members of the legislative
14 authority (~~which made the appointment~~) that confirmed the director.

15 **Sec. 4.** RCW 36.100.030 and 2003 c 376 s 1 are each amended to read
16 as follows:

17 (1) A public facilities district is authorized to acquire,
18 construct, own, remodel, maintain, equip, reequip, repair, and operate
19 (a) sports facilities, entertainment facilities, convention facilities,
20 including without limitation any convention and trade center
21 transferred from a public nonprofit corporation under section 8(1) of
22 this act, or regional centers as defined in RCW 35.57.020, and (b) for
23 districts formed after January 1, 2000, recreational facilities other
24 than ski areas, together with contiguous parking facilities. The taxes
25 that are provided for in this chapter may only be imposed for these
26 purposes, including without limitation implementing any redemption,
27 prepayment, or legal defeasance of outstanding obligations under
28 section 8(3)(a) of this act.

29 (2) A public facilities district may enter into agreements under
30 chapter 39.34 RCW for the (~~joint provision and operation~~) design,
31 financing, acquisition, development, construction, reconstruction,
32 lease, remodeling, alteration, maintenance, equipping, reequipping,
33 repair, operation, or management of such facilities and may enter into
34 contracts under chapter 39.34 RCW where any party to the contract
35 provides and operates such facilities for the other party or parties to
36 the contract. A public facilities district may enter into agreements
37 under chapter 39.34 RCW that will assist a public facilities district

1 in the financing of all or any part of a district facility on such
2 terms as may be determined by agreement between the respective parties,
3 including without limitation by a loan, guaranty, or other financing
4 agreement.

5 (3) Notwithstanding the establishment of a career, civil, or merit
6 service system, a public facilities district may contract with a public
7 or private entity for the operation or management of its public
8 facilities.

9 (4) A public facilities district is authorized to use the
10 supplemental alternative public works contracting procedures set forth
11 in chapter 39.10 RCW in connection with the design, construction,
12 reconstruction, remodel, or alteration of any of its public facilities.

13 (5) A public facilities district may impose charges and fees for
14 the use of its facilities, and may accept and expend or use gifts,
15 grants, and donations.

16 **Sec. 5.** RCW 36.100.040 and 2008 c 137 s 5 are each amended to read
17 as follows:

18 (1) A public facilities district may impose an excise tax on the
19 sale of or charge made for the furnishing of lodging that is subject to
20 tax under chapter 82.08 RCW, except that no such tax may be levied on
21 any premises having fewer than forty lodging units. ~~((However))~~ Except
22 for any tax imposed under subsection (4) or (5) of this section, if a
23 public facilities district has not imposed such an excise tax prior to
24 December 31, 1995, the public facilities district may only impose the
25 excise tax if a ballot proposition authorizing the imposition of the
26 tax has been approved by a simple majority vote of voters of the public
27 facilities district voting on the proposition.

28 (2) The rate of the tax ~~((shall))~~ may not exceed two percent and
29 the proceeds of the tax ~~((shall))~~ may only be used for the acquisition,
30 design, construction, remodeling, maintenance, equipping, reequipping,
31 repairing, and operation of its public facilities. This excise tax
32 ~~((shall))~~ may not be imposed until the district has approved the
33 proposal to acquire, design, and construct the public facilities.

34 ~~((A public facilities district may not impose the tax~~
35 ~~authorized in this section if, after the tax authorized in this section~~
36 ~~was imposed, the effective combined rate of state and local excise~~
37 ~~taxes, including sales and use taxes and excise taxes on lodging,~~

1 ~~imposed on the sale of or charge made for furnishing of lodging in any~~
2 ~~jurisdiction in the public facilities district exceeds eleven and one-~~
3 ~~half percent.~~

4 ~~(4)) Except for a public facilities district created within a~~
5 ~~county with a population of one million five hundred thousand or more~~
6 ~~for the purpose of acquiring, owning, and operating a convention and~~
7 ~~trade center, a public facilities district may not impose the tax~~
8 ~~authorized in this section if, after the tax authorized in this section~~
9 ~~was imposed, the effective combined rate of state and local excise~~
10 ~~taxes, including sales and use taxes and excise taxes on lodging,~~
11 ~~imposed on the sale of or charge made for furnishing of lodging in any~~
12 ~~jurisdiction in the public facilities district exceeds eleven and one-~~
13 ~~half percent.~~

14 ~~(4) To replace the tax authorized by RCW 67.40.090, a public~~
15 ~~facilities district created within a county with a population of one~~
16 ~~million five hundred thousand or more for the purpose of acquiring,~~
17 ~~owning, and operating a convention and trade center may impose an~~
18 ~~excise tax on the sale of or charge made for the furnishing of lodging~~
19 ~~that is subject to tax under chapter 82.08 RCW, except that no such tax~~
20 ~~may be levied on any premises having fewer than sixty lodging units.~~
21 ~~The rate of the tax may not exceed seven percent within the portion of~~
22 ~~the district that corresponds to the boundaries of the largest city~~
23 ~~within the public facilities district and may not exceed 2.8 percent in~~
24 ~~the remainder of the district. The tax imposed under this subsection~~
25 ~~(4) may not be collected prior to the transfer date defined in section~~
26 ~~8 of this act.~~

27 ~~(5) To replace the tax authorized by RCW 67.40.130, a public~~
28 ~~facilities district created within a county with a population of one~~
29 ~~million five hundred thousand or more for the purpose of acquiring,~~
30 ~~owning, and operating a convention and trade center may impose an~~
31 ~~additional excise tax on the sale of or charge made for the furnishing~~
32 ~~of lodging that is subject to tax under chapter 82.08 RCW, except that~~
33 ~~no such tax may be levied on any premises having fewer than sixty~~
34 ~~lodging units. The rate of the additional excise tax may not exceed~~
35 ~~two percent and may be imposed only within the portion of the district~~
36 ~~that corresponds to the boundaries of the largest city within the~~
37 ~~public facilities district and may not be imposed in the remainder of~~
38 ~~the district. The tax imposed under this subsection (5) may not be~~

1 collected prior to the transfer date specified in section 8 of this
2 act. The tax imposed under this subsection (5) must be credited
3 against the amount of the tax otherwise due to the state from those
4 same taxpayers under chapter 82.08 RCW. The tax under this subsection
5 (5) may be imposed only for the purpose of paying or securing the
6 payment of the principal of and interest on obligations issued or
7 incurred by the public facilities district and paying annual payment
8 amounts to the state under subsection (6)(a) of this section. The
9 authority to impose the additional excise tax under this subsection (5)
10 expires on the date that is the earlier of (a) July 1, 2029, or (b) the
11 date on which all obligations issued or incurred by the public
12 facilities district to implement any redemption, prepayment, or legal
13 defeasance of outstanding obligations under section 8(3)(a) of this act
14 are no longer outstanding.

15 (6)(a) Commencing with the first full fiscal year of the state
16 after the transfer date defined in section 8 of this act and for so
17 long as a public facilities district imposes a tax under subsection (5)
18 of this section, the public facilities district must transfer to the
19 state of Washington on June 30th of each state fiscal year an annual
20 payment amount.

21 (b) For the purposes of this subsection (6), "annual payment
22 amount" means an amount equal to revenues received by the public
23 facilities district in the fiscal year from the additional excise tax
24 imposed under subsection (5) of this section plus an interest charge
25 calculated on one-half the annual payment amount times an interest rate
26 equal to the average annual rate of return for the prior calendar year
27 in the Washington state local government investment pool created in
28 chapter 43.250 RCW.

29 (c)(i) If the public facilities district in any fiscal year is
30 required to apply additional lodging excise tax revenues to the payment
31 of principal and interest on obligations it issues or incurs, and the
32 public facilities district is unable to pay all or any portion of the
33 annual payment amount to the state, the deficiency is deemed to be a
34 loan from the state to the public facilities district for the purpose
35 of assisting the district in paying such principal and interest and
36 must be repaid by the public facilities district to the state after
37 providing for the payment of the principal of and interest on
38 obligations issued or incurred by the public facilities district, all

1 on terms established by an agreement between the state treasurer and
2 the public facilities district executed prior to the transfer date.
3 Any agreement between the state treasurer and the public facilities
4 district must specify the term for the repayment of the deficiency in
5 the annual payment amount with an interest rate equal to the twenty
6 bond general obligation bond buyer index plus one percentage point.

7 (ii) Outstanding obligations to repay any loans deemed to have been
8 made to the public facilities district as provided in any such
9 agreements between the state treasurer and the public facilities
10 district survive the expiration of the additional excise tax under
11 subsection (5) of this section.

12 (iii) For the purposes of this subsection (6)(c), "additional
13 lodging excise tax revenues" mean the tax revenues received by the
14 public facilities district under subsection (5) of this section.

15 (7) A public facilities district is authorized to pledge any of its
16 revenues, including without limitation revenues from the taxes
17 authorized in this section, to pay or secure the payment of obligations
18 issued or incurred by the public facilities district, subject to the
19 terms established by the board of directors of the public facilities
20 district. So long as a pledge of the taxes authorized under this
21 section is in effect, the legislature may not withdraw or modify the
22 authority to levy and collect the taxes at the rates permitted under
23 this section and may not increase the annual payment amount to be
24 transferred to the state under subsection (6) of this section.

25 (8) The department of revenue must perform the collection of such
26 taxes on behalf of the public facilities district at no cost to the
27 district, and the state treasurer must distribute those taxes as
28 available on a monthly basis to the district or, upon the direction of
29 the district, to a fiscal agent, paying agent or trustee for
30 obligations issued or incurred by the district.

31 (9) Except as expressly provided in this chapter, all of the
32 provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32
33 RCW have full force and application with respect to taxes imposed under
34 the provisions of this section.

35 (10) The taxes imposed in this section (~~does~~) do not apply to
36 sales of temporary medical housing exempt under RCW 82.08.997.

1 **Sec. 6.** RCW 36.100.060 and 1999 c 165 s 15 are each amended to
2 read as follows:

3 (1) To carry out the purpose of this chapter, a public facilities
4 district may issue general obligation bonds, not to exceed an amount,
5 together with any outstanding nonvoter approved general obligation
6 indebtedness, equal to one-half of one percent of the value of taxable
7 property within the district, as the term "value of taxable property"
8 is defined in RCW 39.36.015. A public facilities district additionally
9 may issue general obligation bonds for capital purposes only, together
10 with any outstanding general obligation indebtedness, not to exceed an
11 amount equal to one and one-fourth percent of the value of the taxable
12 property within the district, as the term "value of taxable property"
13 is defined in RCW 39.36.015, when authorized by the voters of the
14 public facilities district pursuant to Article VIII, section 6 of the
15 state Constitution, and to provide for the retirement thereof by excess
16 property tax levies as provided in this chapter.

17 (2) General obligation bonds may be issued with a maturity of up to
18 thirty years, and must be issued and sold in accordance with the
19 provisions of chapter 39.46 RCW. If the public facilities district is
20 formed by a county with a population of one million five hundred
21 thousand or more to acquire, own, and operate a convention and trade
22 center, general obligation bonds may be issued with a maturity of up to
23 forty years, and ((shall)) must be issued and sold in accordance with
24 the provisions of chapter 39.46 RCW. In addition to the powers vested
25 in it under RCW 39.46.030, a public facilities district created by a
26 county with a population of one million five hundred thousand or more
27 to acquire, own, and operate a convention and trade center may appoint,
28 and may specify the rights and duties of, trustees with respect to its
29 bonds, and such trustees may receive, hold, disburse, invest, and
30 reinvest funds on the district's behalf and for the protection of the
31 district's bond owners.

32 (3) The general obligation bonds may be payable from the operating
33 revenues of the public facilities district in addition to the tax
34 receipts of the district.

35 (4) The excise tax imposed pursuant to RCW 36.100.040 ((shall)) (1)
36 terminates upon final payment of all bonded indebtedness for its public
37 facilities, except that the excise tax may be reauthorized by a public

1 vote, in the same manner as originally authorized, for funding of
2 additional public facilities or a regional center.

3 **Sec. 7.** RCW 36.100.100 and 1995 c 396 s 7 are each amended to read
4 as follows:

5 The treasurer of the county in which a public facilities district
6 is located (~~shall~~) must be the ex officio treasurer of the district,
7 unless the board of directors of a public facilities district created
8 in a county of one million five hundred thousand or more designates by
9 resolution another person having experience in financial or fiscal
10 matters as the treasurer of the district. Such a treasurer possesses
11 all of the powers, responsibilities, and duties of, and is subject to
12 the same restrictions as provided by law for, a county treasurer with
13 regard to district financial matters. Such treasurer must be bonded
14 for not less than twenty-five thousand dollars.

15 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.100 RCW
16 to read as follows:

17 (1) On the transfer date the board of directors of a public
18 nonprofit corporation formed under RCW 67.40.020 that owns and operates
19 a state convention and trade center must transfer all lands,
20 facilities, equipment, assets, other interests in real, personal, and
21 intangible property, and interests under contracts, leases, licenses,
22 and agreements under the control of that board of directors to a public
23 facilities district created as provided in RCW 36.100.010 by the county
24 in which the convention and trade center is located pursuant to an
25 agreement with the public facilities district, subject to the review
26 and approval of the state treasurer.

27 (2) No real estate excise tax or other excise tax may be imposed
28 with respect to the transfer of assets of the public nonprofit
29 corporation to the public facilities district.

30 (3) For the purposes of this section, "transfer date" means the
31 date on or prior to June 30, 2011, on which provision has been made for
32 all of the following, pursuant to agreements and other necessary
33 arrangements approved by the state treasurer:

34 (a) The redemption, prepayment, or legal defeasance on or prior to
35 the transfer date of all outstanding borrowings and other financing
36 obligations of the state of Washington and the public nonprofit

1 corporation with respect to the state convention and trade center,
2 including state bonds and certificates of participation and related
3 financing contracts;

4 (b) The transfer to the public facilities district on the transfer
5 date of the balances on deposit in the state convention and trade
6 center operations account, the state convention and trade center
7 account and other accounts relating to the state convention and trade
8 center, including the revenues identified under (g)(ii) of this
9 subsection (3);

10 (c) The imposition by the public facilities district of excise
11 taxes on the sale of or charge made for the furnishing of lodging under
12 RCW 36.100.040 (4) and (5) at the maximum rates permitted in those
13 subsections;

14 (d) The transfer of all other assets and liabilities and, to the
15 extent permissible by their terms, the assignment or transfer of all
16 contracts and agreements of the public nonprofit corporation from the
17 public nonprofit corporation to the public facilities district;

18 (e) The execution of an agreement settling all claims in the case
19 of Tourism Alliance, a Washington nonprofit corporation; Craig Schafer;
20 Claridge LLC, a Washington limited liability company; R.C. Hedreen
21 Corporation, a Washington corporation; and on behalf of taxpayers,
22 Andrew Olsen, Amy L. Dee, Christopher M. Dee, Clipper Navigation, Inc.,
23 a Washington corporation v. State of Washington and James L. McIntire,
24 in his official capacity as State Treasurer of the State of Washington;

25 (f) The payment or provision for payment of all fees, costs, and
26 expenses incurred by the state of Washington and the public nonprofit
27 corporation to effect such transfer;

28 (g) An agreement of the public facilities district to transfer to
29 the state on June 30, 2011, an amount equal to (i) the revenues from
30 the tax imposed under RCW 36.100.040(5) during the state fiscal year
31 ending June 30, 2011, plus (ii) the revenues from the tax imposed under
32 RCW 67.40.130 during the state fiscal year ending June 30, 2011; and

33 (h) The agreement between the state treasurer and the public
34 facilities district, referred to in section 5(6)(c)(i).

35 NEW SECTION. **Sec. 9.** A new section is added to chapter 36.100 RCW
36 to read as follows:

37 (1) Except as provided in chapters 35.101, 67.28, and 82.14 RCW,

1 after January 1, 1983, no city, town, or county in which the tax under
2 RCW 36.100.040 (4) and (5) is imposed may impose a license fee or tax
3 on the act or privilege of engaging in business to furnish lodging by
4 a hotel, rooming house, tourist court, motel, trailer camp, or similar
5 facilities in excess of the rate imposed upon other persons engaged in
6 the business of making sales at retail.

7 (2) For the purposes of this section, "sales at retail" has the
8 same meaning as provided in RCW 82.04.050.

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 36.100
10 RCW to read as follows:

11 Nothing in this act may be construed to limit the authority of a
12 public nonprofit corporation under chapter 67.40 RCW prior to the
13 effective date of section 14 of this act.

14 NEW SECTION. **Sec. 11.** A new section is added to chapter 36.100
15 RCW to read as follows:

16 Bonds issued under this chapter are hereby made securities in which
17 all public officers and public bodies of the state and its political
18 subdivisions, all insurance companies, trust companies in their
19 commercial departments, savings banks, cooperative banks, banking
20 associations, investment companies, executors, trustees and other
21 fiduciaries, and all other persons whatsoever who are now or may
22 hereafter be authorized to invest in obligations of the state may
23 properly and legally invest funds, including capital in their control
24 or belonging to them. Such bonds are hereby made securities which may
25 properly and legally be deposited with and received by any state or
26 municipal officer or any agency or political subdivision of the state
27 for any purpose for which the deposit of bonds and other obligations of
28 the state are now or may hereafter be authorized by law.

29 NEW SECTION. **Sec. 12.** A new section is added to chapter 36.100
30 RCW to read as follows:

31 (1) Any county with a population of one million five hundred
32 thousand or more that creates a public facilities district pursuant to
33 this chapter to acquire, own, and operate a convention and trade center
34 transferred from a public nonprofit corporation is authorized to
35 acquire by condemnation property or property rights as may be necessary

1 to carry out the purposes of such district. If the legislative body of
2 such county chooses to exercise its authority to acquire property by
3 eminent domain on behalf of such public facilities district, it must do
4 so pursuant to the procedures set forth in chapter 8.08 RCW.

5 (2) The accomplishment of the activities authorized by this chapter
6 is declared to be a strictly public purpose of the municipality or
7 municipal entities authorized to perform the same.

8 (3) The powers and authority conferred by this section are in
9 addition and supplemental to existing powers or authority. Nothing
10 contained in this section limits any other powers or authority of any
11 agency, political subdivision, or unit of local government of this
12 state.

13 **Sec. 13.** RCW 39.94.020 and 1998 c 291 s 3 are each amended to read
14 as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 this section apply throughout this chapter.

17 (1) "Credit enhancement" includes insurance, letters of credit,
18 lines of credit, or other similar agreements which enhance the security
19 for the payment of the state's or an other agency's obligations under
20 financing contracts.

21 (2) "Financing contract" means any contract entered into by the
22 state for itself or on behalf of an other agency which provides for the
23 use and purchase of real or personal property by the state and provides
24 for payment by the state over a term of more than one year, and which
25 provides that title to the subject property may secure performance of
26 the state or transfer to the state or an other agency by the end of the
27 term, upon exercise of an option, for a nominal amount or for a price
28 determined without reference to fair market value. Financing contracts
29 (~~shall~~) include, but are not (~~be~~) limited to, conditional sales
30 contracts, financing leases, lease purchase contracts, or refinancing
31 contracts, but (~~shall~~) do not include operating or true leases. For
32 purposes of this chapter, the term "financing contract" (~~shall~~) does
33 not include any nonrecourse financing contract or other obligation
34 payable only from money or other property received from private sources
35 and not payable from any public money or property. The term "financing
36 contract" (~~shall~~) includes a "master financing contract."

1 (3) "Master financing contract" means a financing contract which
2 provides for the use and purchase of property by the state, and which
3 may include more than one financing contract and appropriation.

4 (4) "Other agency" means any commission established under Title 15
5 RCW, a library or regional library, an educational service district,
6 the superintendent of public instruction, the school directors'
7 association, a health district, a public facilities district, or any
8 county, city, town, school district, or other municipal corporation or
9 quasi-municipal corporation described as such by statute.

10 (5) "State" means the state, agency, department, or instrumentality
11 of the state, the state board for community and technical colleges, and
12 any state institution of higher education.

13 (6) "State finance committee" means the state finance committee
14 under chapter 43.33 RCW.

15 (7) "Trustee" means a bank or trust company, within or without the
16 state, authorized by law to exercise trust powers.

17 NEW SECTION. **Sec. 14.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 67.40.010 (Legislative finding) and 1983 2nd ex.s. c 1 s 1
20 & 1982 c 34 s 1;

21 (2) RCW 67.40.025 (State convention and trade center operations
22 account--Operating revenues--Expenditures) and 2008 c 329 s 916, 1988
23 ex.s. c 1 s 2, 1987 1st ex.s. c 8 s 3, & 1985 c 233 s 2;

24 (3) RCW 67.40.027 (Compensation and travel expenses of board
25 members) and 1985 c 233 s 3;

26 (4) RCW 67.40.030 (General obligation bonds--Authorized--
27 Appropriation required) and 1990 c 181 s 1, 1988 ex.s. c 1 s 3, 1987
28 1st ex.s. c 3 s 12, 1985 c 233 s 1, 1983 2nd ex.s. c 1 s 3, & 1982 c 34
29 s 3;

30 (5) RCW 67.40.040 (Deposit of proceeds in state convention and
31 trade center account and appropriate subaccounts--Credit against future
32 borrowings--Use) and 2008 c 329 s 917, 2008 c 328 s 6011, 2007 c 228 s
33 106, 2005 c 518 s 936, 2003 1st sp.s. c 25 s 929, 1995 c 386 s 13, 1991
34 sp.s. c 13 s 11, 1990 c 181 s 2, 1988 ex.s. c 1 s 4, 1987 1st ex.s. c
35 8 s 4, 1985 c 57 s 66, 1983 2nd ex.s. c 1 s 4, & 1982 c 34 s 4;

36 (6) RCW 67.40.045 (Authorization to borrow from state treasury for
37 project completion costs--Limits--"Project completion" defined--

1 Legislative intent--Application) and 1995 c 386 s 14, 1993 sp.s. c 12
2 s 9, 1992 c 4 s 1, 1991 c 2 s 1, 1990 c 181 s 3, 1988 ex.s. c 1 s 9, &
3 1987 1st ex.s. c 8 s 1;

4 (7) RCW 67.40.050 (Administration of proceeds) and 1982 c 34 s 5;

5 (8) RCW 67.40.055 (Transfer of funds to account--Repayment of
6 borrowed funds with interest) and 1988 ex.s. c 1 s 5 & 1987 1st ex.s.
7 c 8 s 11;

8 (9) RCW 67.40.060 (Retirement of bonds from nondebt-limit
9 proprietary appropriated bond retirement account--Transfer from
10 accounts--Pledge and promise--Remedies of bondholders) and 2005 c 487
11 s 9, 1997 c 456 s 25, 1987 1st ex.s. c 8 s 5, 1983 2nd ex.s. c 1 s 5,
12 & 1982 c 34 s 6;

13 (10) RCW 67.40.070 (Legislature may provide additional means for
14 payment of bonds) and 1982 c 34 s 7;

15 (11) RCW 67.40.080 (Bonds legal investment for public funds) and
16 1982 c 34 s 8;

17 (12) RCW 67.40.090 (Lodging tax imposed in King county--Rates--
18 Proceeds) and 2002 c 178 s 4, 1995 c 386 s 15, 1991 c 2 s 3, 1988 ex.s.
19 c 1 s 6, 1987 1st ex.s. c 8 s 6, & 1982 c 34 s 9;

20 (13) RCW 67.40.100 (Limitation on license fees and taxes on hotels,
21 motels, rooming houses, trailer camps, etc.) and 1997 c 452 s 15, 1990
22 c 242 s 1, 1988 ex.s. c 1 s 25, & 1982 c 34 s 10;

23 (14) RCW 67.40.105 (Exemption from tax--Emergency lodging for
24 homeless persons--Conditions) and 1988 c 61 s 3;

25 (15) RCW 67.40.107 (Exemption from tax--Temporary medical housing)
26 and 2008 c 137 s 4;

27 (16) RCW 67.40.110 (Use of revenues from convention and trade
28 center facilities excise tax by cities for professional sports
29 franchise facilities limited) and 1997 c 452 s 19 & 1987 1st ex.s. c 8
30 s 8;

31 (17) RCW 67.40.120 (Contracts for marketing facility and services)
32 and 2002 c 182 s 1, 1997 c 452 s 20, 1991 c 336 s 2, & 1988 ex.s. c 1
33 s 8;

34 (18) RCW 67.40.130 (Convention and trade facilities--Tax on
35 transient lodging authorized--Rates) and 1995 c 386 s 1;

36 (19) RCW 67.40.140 (Convention and trade facilities--Remittance of
37 tax--Credit) and 1995 c 386 s 2;

1 (20) RCW 67.40.150 (Convention and trade facilities--Contract of
2 administration and collection to department of revenue--Disposition of
3 tax--Procedure) and 1995 c 386 s 3;

4 (21) RCW 67.40.160 (Convention and trade facilities--Tax on
5 construction--Disposition) and 1995 c 386 s 4;

6 (22) RCW 67.40.170 (Convention and trade facilities--Use of
7 collected taxes) and 1995 c 386 s 5;

8 (23) RCW 67.40.180 (Convention and trade facilities--Use of funds--
9 Acceptance by board of directors of funding commitment) and 1995 c 386
10 s 6;

11 (24) RCW 67.40.190 (Convention and trade facilities--Use of funds--
12 Encumbered revenue) and 1995 c 386 s 7; and

13 (25) RCW 67.40.900 (Severability--1982 c 34) and 1982 c 34 s 13.

14 NEW SECTION. **Sec. 15.** RCW 67.40.020 (State convention and trade
15 center--Public nonprofit corporation authorized--Board of directors--
16 Powers and duties) and 1995 c 386 s 12, 1993 c 500 s 9, 1988 ex.s. c 1
17 s 1, 1987 1st ex.s. c 8 s 2, 1984 c 210 s 1, 1983 2nd ex.s. c 1 s 2, &
18 1982 c 34 s 2 are each repealed.

19 NEW SECTION. **Sec. 16.** Section 14 of this act is effective
20 contingent upon the transfer date occurring in section 8 of this act.
21 If the transfer date occurs in section 8 of this act, section 14 of
22 this act is effective on the transfer date. For the purposes of this
23 section, "transfer date" has the same meaning as provided in section 8
24 of this act.

25 NEW SECTION. **Sec. 17.** Section 15 of this act is effective
26 contingent upon the transfer date occurring in section 8 of this act.
27 If the transfer date occurs in section 8 of this act, section 15 of
28 this act is effective thirty days after the transfer date in section 8
29 of this act. For the purposes of this section, "transfer date" has the
30 same meaning as provided in section 8 of this act.

31 NEW SECTION. **Sec. 18.** The state treasurer must provide written
32 notice of the effective dates in sections 16 and 17 of this act to the
33 department of revenue, the office of the code reviser, and others as
34 deemed appropriate by the state treasurer.

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

5 NEW SECTION. **Sec. 20.** The provisions of this chapter must be
6 liberally construed to effect the policies and purposes of this
7 chapter.

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