

ESSB 5334 - H AMD TO LG COMM AMD (H-1743.1/23) **647**

By Representative Orcutt

NOT CONSIDERED 01/02/2024

1 One page 1 of the striking amendment, strike all material after
2 line 2 and insert the following:

3
4 "Sec. 1. RCW 67.28.180 and 2021 c 27 s 2 are each amended to
5 read as follows:

6 (1) Subject to the conditions set forth in subsections (2) and
7 (3) of this section, the legislative body of any county or any city,
8 is authorized to levy and collect a special excise tax of not to
9 exceed two percent on the sale of or charge made for the furnishing
10 of lodging that is subject to tax under chapter 82.08 RCW.

11 (2) Any levy authorized by this section is subject to the
12 following:

13 (a) Any county ordinance or resolution adopted pursuant to this
14 section must contain, in addition to all other provisions required
15 to conform to this chapter, a provision allowing a credit against
16 the county tax for the full amount of any city tax imposed pursuant
17 to this section upon the same taxable event.

18 (b)(i) In the event that any county has levied the tax
19 authorized by this section and has, prior to June 26, 1975, either
20 pledged the tax revenues for payment of principal and interest on
21 city revenue or general obligation bonds authorized and issued
22 pursuant to RCW 67.28.150 and 67.28.160 or has authorized and issued
23 revenue or general obligation bonds pursuant to the provisions of
24 RCW 67.28.150 and 67.28.160, such county is exempt from the
25 provisions of (a) of this subsection, to the extent that the tax
26 revenues are pledged for payment of principal and interest on bonds
27 issued at any time pursuant to the provisions of RCW 67.28.150 and

1 67.28.160. However, so much of such pledged tax revenues, together
2 with any investment earnings thereon, not immediately necessary for
3 actual payment of principal and interest on such bonds may be used:
4 (A) In any county with a population of one million five hundred
5 thousand or more, for repayment either of limited tax levy general
6 obligation bonds or of any county fund or account from which a loan
7 was made, the proceeds from the bonds or loan being used to pay for
8 constructing, installing, improving, and equipping stadium capital
9 improvement projects, and to pay for any engineering, planning,
10 financial, legal and professional services incident to the
11 development of such stadium capital improvement projects, regardless
12 of the date the debt for such capital improvement projects was or
13 may be incurred; (B) in any county with a population of one million
14 five hundred thousand or more, for repayment or refinancing of
15 bonded indebtedness incurred prior to January 1, 1997, for any
16 purpose authorized by this section or relating to stadium repairs or
17 rehabilitation, including but not limited to the cost of settling
18 legal claims, reimbursing operating funds, interest payments on
19 short-term loans, and any other purpose for which such debt has been
20 incurred if the county has created a public stadium authority to
21 develop a stadium and exhibition center under RCW 36.102.030; or (C)
22 in other counties, for county-owned facilities for agricultural
23 promotion until January 1, 2009, and thereafter for any purpose
24 authorized in this chapter.

25 (ii) A county is exempt under this subsection with respect to
26 city revenue or general obligation bonds issued after April 1, 1991,
27 only if such bonds mature before January 1, 2013. If any county
28 located east of the crest of the Cascade mountains has levied the
29 tax authorized by this section and has, prior to June 26, 1975,
30 pledged the tax revenue for payment of principal and interest on
31 city revenue or general obligation bonds, the county is exempt under
32 this subsection with respect to revenue or general obligation bonds
33 issued after January 1, 2007, only if the bonds mature before
34 January 1, 2035. Such a county may only use funds under this

1 subsection (2)(b) for constructing or improving facilities
2 authorized under this chapter, including county-owned facilities for
3 agricultural promotion.

4 (iii) As used in this subsection (2)(b), "capital improvement
5 projects" may include, but not be limited to a stadium restaurant
6 facility, restroom facilities, artificial turf system, seating
7 facilities, parking facilities and scoreboard and information system
8 adjacent to or within a county owned stadium, together with
9 equipment, utilities, accessories and appurtenances necessary
10 thereto. The stadium restaurant authorized by this subsection (2)(b)
11 must be operated by a private concessionaire under a contract with
12 the county.

13 (c)(i) No city within a county exempt under (b) of this
14 subsection may levy the tax authorized by this section so long as
15 said county is so exempt.

16 (ii) No city within a county with a population of one million
17 five hundred thousand or more may levy the tax authorized by this
18 section.

19 (iii) However, in the event that any city in a county described
20 in (c)(i) or (ii) of this subsection (2) has levied the tax
21 authorized by this section and has, prior to June 26, 1975,
22 authorized and issued revenue or general obligation bonds pursuant
23 to the provisions of RCW 67.28.150 and 67.28.160, such city may levy
24 the tax so long as the tax revenues are pledged for payment of
25 principal and interest on bonds issued at any time pursuant to the
26 provisions of RCW 67.28.150 and 67.28.160.

27 (3) Any levy authorized by this section by a county that has a
28 population of one million five hundred thousand or more is subject
29 to the following:

30 (a) Taxes collected under this section in any calendar year
31 before 2013 in excess of five million three hundred thousand dollars
32 may only be used as follows:

33 (i) Seventy percent from January 1, 2001, through December 31,
34 2012, for art museums, cultural museums, heritage museums, the arts,

1 and the performing arts. Moneys spent under this subsection (3)(a)
2 (i) must be used for the purposes of this subsection (3)(a)(i) in
3 all parts of the county.

4 (ii) Thirty percent from January 1, 2001, through December 31,
5 2012, for the following purposes and in a manner reflecting the
6 following order of priority: Stadium purposes as authorized under
7 subsection (2)(b) of this section; acquisition of open space lands;
8 youth sports activities; and tourism promotion. If all or part of
9 the debt on the stadium is refinanced, all revenues under this
10 subsection (3)(a)(ii) must be used to retire the debt.

11 (b) From January 1, 2013, through December 31, 2015, all
12 revenues under this section must be used to retire the debt on the
13 stadium, until the debt on the stadium is retired. On and after the
14 date the debt on the stadium is retired, and through December 31,
15 2015, all revenues under this section in a county of one million
16 five hundred thousand or more must be deposited in the special
17 account under (e) of this subsection.

18 (c) From January 1, 2016, through December 31, 2020, all
19 revenues under this section must be deposited in the stadium and
20 exhibition center account under RCW 43.99N.060.

21 (d) On and after January 1, 2021, the revenues under this
22 section must be used as follows:

23 (i) At least thirty-seven and one-half percent of the revenues
24 under this section must be deposited in the special account under
25 (e) of this subsection.

26 (ii) At least thirty-seven and one-half percent of the revenues
27 under this section must be used:

28 (A) For contracts, loans, or grants to nonprofit organizations
29 or public housing authorities for affordable workforce housing
30 within one-half mile of a transit station, as described under RCW
31 9.91.025 or for housing, facilities, or services for homeless youth;
32 or

33 (B) To repay:

34

1 (I) General obligation bonds issued pursuant to RCW 67.28.150 to
2 finance such contracts, loans, or grants; or

3 (II) Revenue bonds issued pursuant to RCW 67.28.160 to finance a
4 fund to make such contracts, loans, or grants; or

5 (III) Revenue bonds issued pursuant to RCW 67.28.160 to finance
6 projects authorized by an authority under chapter 43.167 RCW to
7 promote sustainable workplace opportunities near a community
8 impacted by the construction or operation of tourism-related
9 facilities.

10 (iii) The remainder must be used for capital or operating
11 programs that promote tourism and attract tourists to the county or
12 as provided in RCW 67.28.1815(2).

13 (e) At least forty percent of the revenues distributed pursuant
14 to (a)(i) of this subsection must be deposited in a special account.
15 The account may only be used for the purposes of (a)(i) of this
16 subsection.

17 (f) School districts and schools may not receive revenues
18 distributed pursuant to (a)(i) of this subsection.

19 (g) Moneys distributed to art museums, cultural museums,
20 heritage museums, the arts, and the performing arts, and moneys
21 distributed for tourism promotion must be in addition to and may not
22 be used to replace or supplant any other funding by the legislative
23 body of the county.

24 (h) For the purposes of this section:

25 (i) "Affordable workforce housing" means housing for a single
26 person, family, or unrelated persons living together whose income is
27 at or below 80 percent of the median income, adjusted for household
28 size, for the county where the housing is located; and

29 (ii) "Tourism promotion" includes activities intended to attract
30 visitors for overnight stays, arts, heritage, and cultural events,
31 and recreational, professional, and amateur sports events. Moneys
32 allocated to tourism promotion in a county with a population of one
33 million or more must be allocated to local public organizations and
34 nonprofit organizations formed for the express purpose of tourism

1 promotion in the county. Such organizations must use moneys from the
2 taxes to promote events in all parts of the county.

3 (i) No taxes collected under this section may be used for the
4 operation or maintenance of a public stadium that is financed
5 directly or indirectly by bonds to which the tax is pledged.
6 Expenditures for operation or maintenance include all expenditures
7 other than expenditures that directly result in new fixed assets or
8 that directly increase the capacity, life span, or operating economy
9 of existing fixed assets.

10 (j) No ad valorem property taxes may be used for debt service on
11 bonds issued for a public stadium that is financed by bonds to which
12 the tax is pledged, unless the taxes collected under this section
13 are or are projected to be insufficient to meet debt service
14 requirements on such bonds.

15 (k) If a substantial part of the operation and management of a
16 public stadium that is financed directly or indirectly by bonds to
17 which the tax is pledged is performed by a nonpublic entity or if a
18 public stadium is sold that is financed directly or indirectly by
19 bonds to which the tax is pledged, any bonds to which the tax is
20 pledged shall be retired. This subsection (3)(k) does not apply in
21 respect to a public stadium under chapter 36.102 RCW transferred to,
22 owned by, or constructed by a public facilities district under
23 chapter 36.100 RCW or a stadium and exhibition center.

24 (l) The county may not lease a public stadium that is financed
25 directly or indirectly by bonds to which the tax is pledged to, or
26 authorize the use of the public stadium by, a professional major
27 league sports franchise unless the sports franchise gives the right
28 of first refusal to purchase the sports franchise, upon its sale, to
29 local government. This subsection (3)(l) does not apply to contracts
30 in existence on April 1, 1986.

31 (4) If a court of competent jurisdiction declares any provision
32 of subsection (3) of this section invalid, then that invalid
33 provision is null and void and the remainder of this section is not
34 affected.

1 **Sec. 2.** RCW 67.28.1815 and 2008 c 264 s 3 are each amended to
2 read as follows:

3 (1) Except as provided in RCW 67.28.180, all revenue from taxes
4 imposed under this chapter shall be credited to a special fund in
5 the treasury of the municipality imposing such tax and used solely
6 for the purpose of paying all or any part of the cost of tourism
7 promotion, acquisition of tourism-related facilities, or operation
8 of tourism-related facilities. Municipalities may, under chapter
9 39.34 RCW, agree to the utilization of revenue from taxes imposed
10 under this chapter for the purposes of funding a multijurisdictional
11 tourism-related facility.

12 (2)(a) If the municipality imposing a tax under this chapter
13 has, at the time that the tax is imposed or at the time that a
14 determination is made under subsection (2)(c) of this section, a
15 greater percentage of dwelling units within the district being used
16 as short-term rentals than the national average, then the
17 municipality may additionally use a portion of the tax for the
18 operating and capital costs of affordable housing programs. These
19 programs include, but are not limited to, homeless housing
20 assistance, temporary shelters, and other related services, and this
21 use may include contracts, loans, or grants to nonprofit
22 organizations or public housing authorities for services related to
23 affordable housing programs.

24 (b) The percentage of dwelling units being used for short-term
25 rental, and the national average of dwelling units used for short-
26 term rental, shall be determined by the office of financial
27 management and the department of revenue.

28 (c) A municipality that has imposed a tax under this chapter
29 prior to the effective date of this act may ask the office of
30 financial management and the department of revenue for a
31 determination of the percentage of dwelling units being used for
32 short-term rental within the municipality, and the national average
33 of dwelling units used for short-term rental. In such circumstances,
34 the portion of the tax revenue that may be used for the purposes

1 provided for in subsection (2)(a) of this section is based on the
2 percentages of dwelling units being used for short-term rental in
3 the municipality and the national average of dwelling units used for
4 short-term rental as of the date of the determination provided for
5 in this subsection.

6 (d) The portion of the revenue from the taxes imposed under this
7 chapter that may be used for the purposes provided for in subsection
8 (2)(a) of this section shall be determined by the following formula:
9 the national average percentage of dwelling units used for short-
10 term rental divided by the percentage of dwelling units in the
11 municipality used for short-term rental, with the resulting number
12 multiplied by 100 and then subtracted from 100. This final number is
13 the percentage of revenue that may be used for the purposes provided
14 for in subsection (2)(a) of this section.

15 (e) For the purposes of this section, "short-term rental" has
16 the same meaning as in RCW 64.37.010."

17

18 Correct the title.

19

EFFECT:

- Removes all provisions from the underlying striking amendment.
- Allows a local government to use a portion of the revenue from existing lodging taxes for the operating and capital costs of affordable housing programs.
- Provides a formula for determining the portion of revenue that may be used on affordable housing programs based on the percentage of dwelling units in the jurisdiction that are being used for short-term rental compared with the national average.

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