

CERTIFICATION OF ENROLLMENT  
**ENGROSSED HOUSE BILL 2093**

52nd Legislature  
1991 Regular Session

Passed by the House April 28, 1991  
Yeas 98 Nays 0

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**Speaker of the  
House of Representatives**

Passed by the Senate April 28, 1991  
Yeas 40 Nays 6

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED HOUSE BILL 2093** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

Secretary of State  
State of Washington





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**ENGROSSED HOUSE BILL 2093**

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AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1991 Regular Session

**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** Representatives Locke, Miller, Anderson, Hine, Ferguson, Brough and Valle.

Read first time February 22, 1991. Referred to Committee on Revenue.

1            AN ACT Relating to distributing excise taxes on lodgings in  
2 counties that have, prior to June 26, 1975, pledged tax revenues or  
3 issued bonds for purposes of public stadium, convention, performing  
4 arts and/or visual arts center facilities; amending RCW 67.28.180 and  
5 67.40.120; and providing an effective date.

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

7            **Sec. 1.** RCW 67.28.180 and 1987 c 483 s 1 are each amended to read  
8 as follows:

9            (1) Subject to the conditions set forth in subsections (2) and (3)  
10 of this section, the legislative body of any county or any city, is  
11 authorized to levy and collect a special excise tax of not to exceed  
12 two percent on the sale of or charge made for the furnishing of lodging  
13 by a hotel, rooming house, tourist court, motel, trailer camp, and the  
14 granting of any similar license to use real property, as distinguished  
15 from the renting or leasing of real property: PROVIDED, That it shall

1 be presumed that the occupancy of real property for a continuous period  
2 of one month or more constitutes a rental or lease of real property and  
3 not a mere license to use or to enjoy the same.

4 (2) Any levy authorized by this section shall be subject to the  
5 following:

6 (a) Any county ordinance or resolution adopted pursuant to this  
7 section shall contain, in addition to all other provisions required to  
8 conform to this chapter, a provision allowing a credit against the  
9 county tax for the full amount of any city tax imposed pursuant to this  
10 section upon the same taxable event.

11 (b) In the event that any county has levied the tax authorized by  
12 this section and has, prior to June 26, 1975, either pledged the tax  
13 revenues for payment of principal and interest on city revenue or  
14 general obligation bonds authorized and issued pursuant to RCW  
15 67.28.150 through 67.28.160 or has authorized and issued revenue or  
16 general obligation bonds pursuant to the provisions of RCW 67.28.150  
17 through 67.28.160, such county shall be exempt from the provisions of  
18 subsection (a), to the extent that the tax revenues are pledged for  
19 payment of principal and interest on bonds issued at any time pursuant  
20 to the provisions of RCW 67.28.150 through 67.28.160: PROVIDED, That  
21 so much of such pledged tax revenues, together with any investment  
22 earnings thereon, not immediately necessary for actual payment of  
23 principal and interest on such bonds may be used: (i) In class AA  
24 counties, for repayment either of limited tax levy general obligation  
25 bonds or of any county fund or account from which a loan was made, the  
26 proceeds from the bonds or loan being used to pay for constructing,  
27 installing, improving, and equipping stadium capital improvement  
28 projects, and to pay for any engineering, planning, financial, legal  
29 and professional services incident to the development of such stadium  
30 capital improvement projects, regardless of the date the debt for such

1 capital improvement projects was or may be incurred; or (ii) in  
2 counties other than class AA counties, for county-owned facilities for  
3 agricultural promotion. A county is exempt under this subsection in  
4 respect to city revenue or general obligation bonds issued after April  
5 1, 1991, only if such bonds mature before January 1, 2013.

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

14 (c) No city within a county exempt under subsection (2)(b) of this  
15 section may levy the tax authorized by this section so long as said  
16 county is so exempt: PROVIDED, That in the event that any city in such  
17 county has levied the tax authorized by this section and has, prior to  
18 June 26, 1975, authorized and issued revenue or general obligation  
19 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,  
20 such city may levy the tax so long as and to the extent that the tax  
21 revenues are pledged for payment of principal and interest on bonds  
22 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

23 (3) Any levy authorized by this section by a county that has levied  
24 the tax authorized by this section and has, prior to June 26, 1975,  
25 either pledged the tax revenues for payment of principal and interest  
26 on city revenue or general obligation bonds authorized and issued  
27 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and  
28 issued revenue or general obligation bonds pursuant to the provisions  
29 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

1 (a) Taxes collected under this section in any calendar year in  
2 excess of five million three hundred thousand dollars shall only be  
3 used as follows:

4 (i) Seventy-five percent from January 1, 1992, through December 31,  
5 2000, and seventy percent from January 1, 2001, through December 31,  
6 2012, for art museums, cultural museums, heritage museums, the arts,  
7 ((and/or)) and the performing arts. Moneys spent under this subsection  
8 (3)(a)(i) shall be used for the purposes of this subsection (3)(a)(i)  
9 in all parts of the county.

10 ((~~b~~)) (ii) Twenty-five percent from January 1, 1992, through  
11 December 31, 2000, and thirty percent from January 1, 2001, through  
12 December 31, 2012, for the following purposes and in a manner  
13 reflecting the following order of priority: Stadium capital  
14 improvements, as defined in subsection (2)(b) of this section;  
15 acquisition of open space lands; youth sports activities; and tourism  
16 promotion.

17 (b) At least seventy percent of moneys spent under (a)(i) of this  
18 subsection for the period January 1, 1992, through December 31, 2000,  
19 shall be used only for the purchase, design, construction, and  
20 remodeling of performing arts, visual arts, heritage, and cultural  
21 facilities, and for the purchase of fixed assets that will benefit art,  
22 heritage, and cultural organizations. For purposes of this subsection,  
23 fixed assets are tangible objects such as machinery and other equipment  
24 intended to be held or used for ten years or more. Moneys received  
25 under this subsection (3)(b) may be used for payment of principal and  
26 interest on bonds issued for capital projects. Qualifying  
27 organizations receiving moneys under this subsection (3)(b) must be  
28 financially stable and have at least the following:

29 (i) A legally constituted and working board of directors;

30 (ii) A record of artistic, heritage, or cultural accomplishments;

1 (iii) Been in existence and operating for at least two years;

2 (iv) Demonstrated ability to maintain net current liabilities at  
3 less than thirty percent of general operating expenses;

4 (v) Demonstrated ability to sustain operational capacity subsequent  
5 to completion of projects or purchase of machinery and equipment; and

6 (vi) Evidence that there has been independent financial review of  
7 the organization.

8 (c) At least forty percent of the revenues distributed pursuant to  
9 (a)(i) of this subsection for the period January 1, 2001, through  
10 December 31, 2012, shall be deposited in an account and shall be used  
11 to establish an endowment. Principal in the account shall remain  
12 permanent and irreducible. The earnings from investments of balances  
13 in the account may only be used for the purposes of (a)(i) of this  
14 subsection.

15 (d) Schools districts and schools shall not receive revenues  
16 distributed pursuant to (a)(i) of this subsection.

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

22 (f) As used in this section, "tourism promotion" includes  
23 activities intended to attract visitors for overnight stays, arts,  
24 heritage, and cultural events, and recreational, professional, and  
25 amateur sports events. Moneys allocated to tourism promotion in a  
26 class AA county shall be allocated to nonprofit organizations formed  
27 for the express purpose of tourism promotion in the county. Such  
28 organizations shall use moneys from the taxes to promote events in all  
29 parts of the class AA county.

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

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

13        ~~((d))~~ (i) If a substantial part of the operation and management  
14 of a public stadium that is financed directly or indirectly by bonds to  
15 which the tax is pledged is performed by a nonpublic entity or if a  
16 public stadium is sold that is financed directly or indirectly by bonds  
17 to which the tax is pledged, any bonds to which the tax is pledged  
18 shall be retired.

19        ~~((e))~~ (j) The county shall not lease a public stadium that is  
20 financed directly or indirectly by bonds to which the tax is pledged  
21 to, or authorize the use of the public stadium by, a professional major  
22 league sports franchise unless the sports franchise gives the right of  
23 first refusal to purchase the sports franchise, upon its sale, to local  
24 government. This subsection (3)~~((e))~~ (j) does not apply to contracts  
25 in existence on April 1, 1986.

26        If a court of competent jurisdiction declares any provision of this  
27 subsection (3) invalid, then that invalid provision shall be null and  
28 void and the remainder of this section is not affected.

1       **Sec. 2.** RCW 67.40.120 and 1988 ex.s. c 1 s 8 are each amended to  
2 read as follows:

3       The state convention and trade center corporation may contract with  
4 the Seattle-King county convention and visitors bureau for marketing  
5 the convention and trade center facility and services. Any contract  
6 with the Seattle-King county convention and visitors bureau shall  
7 include, but is not limited to, the following condition: Each dollar  
8 in convention and trade center operations account funds provided to the  
9 Seattle-King county convention and visitors bureau shall be matched by  
10 at least one dollar and ten cents in nonstate funds. "Nonstate funds"  
11 does not include funds received under RCW 67.28.180.

12       NEW SECTION. **Sec. 3.**       This act shall take effect January 1,  
13 1992.