

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2093

Chapter 336, Laws of 1991

52nd Legislature
1991 Regular Session

LODGING TAX--DISTRIBUTION OF REVENUES

EFFECTIVE DATE: 1/1/92

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

JOE KING
Speaker of the
House of Representatives

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

JOEL PRITCHARD
President of the Senate

Approved May 21, 1991

BOOTH GARDNER
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.

ALAN THOMPSON
Chief Clerk

FILED

May 21, 1991 - 11:01 a.m.

Secretary of State
State of Washington

ENGROSSED HOUSE BILL 2093

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.

Passed the House April 28, 1991.

Passed the Senate April 28, 1991.

Approved by the Governor May 21, 1991.

Filed in Office of Secretary of State May 21, 1991.