
HOUSE BILL 2897

State of Washington 53rd Legislature 1994 Regular Session

By Representatives Jacobsen, Appelwick, Horn and Wineberry

Read first time 01/31/94. Referred to Committee on Revenue.

1 AN ACT Relating to conditions imposed on levies for special excise
2 taxes on hotels, rooming houses, tourist county motels, trailer camps,
3 and similar licenses; and reenacting and amending RCW 67.28.180.

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

5 **Sec. 1.** RCW 67.28.180 and 1991 c 363 s 139 and 1991 c 336 s 1 are
6 each reenacted and amended to read as follows:

7 (1) Subject to the conditions set forth in subsections (2) and (3)
8 of this section, the legislative body of any county or any city, is
9 authorized to levy and collect a special excise tax of not to exceed
10 two percent on the sale of or charge made for the furnishing of lodging
11 by a hotel, rooming house, tourist court, motel, trailer camp, and the
12 granting of any similar license to use real property, as distinguished
13 from the renting or leasing of real property: PROVIDED, That it shall
14 be presumed that the occupancy of real property for a continuous period
15 of one month or more constitutes a rental or lease of real property and
16 not a mere license to use or to enjoy the same.

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

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

6 (b) (~~(In the event that any county has levied the tax authorized by~~
7 ~~this section and))~~ (i) A county with a population of one million or
8 more is exempt from (a) of this subsection if the county has, prior to
9 June 26, 1975, either pledged the tax revenues for payment of principal
10 and interest on city revenue or general obligation bonds authorized and
11 issued pursuant to RCW 67.28.150 through 67.28.160 or has authorized
12 and issued revenue or general obligation bonds pursuant to the
13 provisions of RCW 67.28.150 through 67.28.160(~~(, such county shall be~~
14 ~~exempt from the provisions of (a) of this subsection))~~), to the extent
15 that the tax revenues are pledged for payment of principal and interest
16 on bonds issued at any time pursuant to the provisions of RCW 67.28.150
17 through 67.28.160(~~(: PROVIDED, That))~~). So much of such pledged tax
18 revenues, together with any investment earnings thereon, not
19 immediately necessary for actual payment of principal and interest on
20 such bonds may be used: ((+i)) (A) In any county with a population of
21 one million or more, for repayment either of limited tax levy general
22 obligation bonds or of any county fund or account from which a loan was
23 made, the proceeds from the bonds or loan being used to pay for
24 constructing, installing, improving, and equipping stadium capital
25 improvement projects, and to pay for any engineering, planning,
26 financial, legal and professional services incident to the development
27 of such stadium capital improvement projects, regardless of the date
28 the debt for such capital improvement projects was or may be incurred;
29 or ((+ii)) (B) in other counties, for county-owned facilities for
30 agricultural promotion. A county is exempt under (b)(i) of this
31 subsection in respect to city revenue or general obligation bonds
32 issued after April 1, 1991(~~(, only if such bonds mature before January~~
33 ~~1, 2013))~~).

34 (ii) A county other than a county with a population of one million
35 or more is exempt from (a) of this subsection if the county has, prior
36 to June 26, 1975, either pledged the tax revenues for payment of
37 principal and interest on city revenue or general obligation bonds
38 authorized and issued pursuant to RCW 67.28.150 through 67.28.160 or
39 has authorized and issued revenue or general obligation bonds pursuant

1 to the provisions of RCW 67.28.150 through 67.28.160, to the extent
2 that the tax revenues are pledged for payment of principal and interest
3 on bonds issued at any time pursuant to the provisions of RCW 67.28.150
4 through 67.28.160: PROVIDED, That so much of such pledged tax
5 revenues, together with any investment earnings thereon, not
6 immediately necessary for actual payment of principal and interest on
7 such bonds may be used: (A) In any county with a population of one
8 million or more, for repayment either of limited tax levy general
9 obligation bonds or of any county fund or account from which a loan was
10 made, the proceeds from the bonds or loan being used to pay for
11 constructing, installing, improving, and equipping stadium capital
12 improvement projects, and to pay for any engineering, planning,
13 financial, legal and professional services incident to the development
14 of such stadium capital improvement projects, regardless of the date
15 the debt for such capital improvement projects was or may be incurred;
16 or (B) in other counties, for county-owned facilities for agricultural
17 promotion. A county is exempt under (b)(ii) of this subsection in
18 respect to city revenue or general obligation bonds issued after April
19 1, 1991, only if such bonds mature before January 1, 2013.

20 (iii) As used in this subsection (2)(b), "capital improvement
21 projects" may include, but not be limited to a stadium restaurant
22 facility, restroom facilities, artificial turf system, seating
23 facilities, parking facilities and scoreboard and information system
24 adjacent to or within a county owned stadium, together with equipment,
25 utilities, accessories and appurtenances necessary thereto. The
26 stadium restaurant authorized by this subsection (2)(b) shall be
27 operated by a private concessionaire under a contract with the county.

28 (c) No city within a county exempt under subsection (2)(b) of this
29 section may levy the tax authorized by this section so long as said
30 county is so exempt: PROVIDED, That in the event that any city in such
31 county has levied the tax authorized by this section and has, prior to
32 June 26, 1975, authorized and issued revenue or general obligation
33 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,
34 such city may levy the tax so long as and to the extent that the tax
35 revenues are pledged for payment of principal and interest on bonds
36 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

37 (3) Any levy authorized by this section by a county that has levied
38 the tax authorized by this section and has, prior to June 26, 1975,
39 either pledged the tax revenues for payment of principal and interest

1 on city revenue or general obligation bonds authorized and issued
2 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and
3 issued revenue or general obligation bonds pursuant to the provisions
4 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

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

8 (i) Seventy-five percent from January 1, 1992, through December 31,
9 2000, and seventy percent from January 1, 2001, through December 31,
10 2012, for art museums, cultural museums, heritage museums, the arts,
11 and the performing arts. Moneys spent under this subsection (3)(a)(i)
12 shall be used for the purposes of this subsection (3)(a)(i) in all
13 parts of the county.

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

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

- 32 (i) A legally constituted and working board of directors;
33 (ii) A record of artistic, heritage, or cultural accomplishments;
34 (iii) Been in existence and operating for at least two years;
35 (iv) Demonstrated ability to maintain net current liabilities at
36 less than thirty percent of general operating expenses;
37 (v) Demonstrated ability to sustain operational capacity subsequent
38 to completion of projects or purchase of machinery and equipment; and

1 (vi) Evidence that there has been independent financial review of
2 the organization.

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

10 (d) School districts and schools shall not receive revenues
11 distributed pursuant to (a)(i) of this subsection.

12 (e) Moneys distributed to art museums, cultural museums, heritage
13 museums, the arts, and the performing arts, and moneys distributed for
14 tourism promotion shall be in addition to and may not be used to
15 replace or supplant any other funding by the legislative body of the
16 county.

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

25 (g) No taxes collected under this section may be used for the
26 operation or maintenance of a public stadium that is financed directly
27 or indirectly by bonds to which the tax is pledged. Expenditures for
28 operation or maintenance include all expenditures other than
29 expenditures that directly result in new fixed assets or that directly
30 increase the capacity, life span, or operating economy of existing
31 fixed assets.

32 (h) No ad valorem property taxes may be used for debt service on
33 bonds issued for a public stadium that is financed by bonds to which
34 the tax is pledged, unless the taxes collected under this section are
35 or are projected to be insufficient to meet debt service requirements
36 on such bonds.

37 (i) If a substantial part of the operation and management of a
38 public stadium that is financed directly or indirectly by bonds to
39 which the tax is pledged is performed by a nonpublic entity or if a

1 public stadium is sold that is financed directly or indirectly by bonds
2 to which the tax is pledged, any bonds to which the tax is pledged
3 shall be retired.

4 (j) The county shall not lease a public stadium that is financed
5 directly or indirectly by bonds to which the tax is pledged to, or
6 authorize the use of the public stadium by, a professional major league
7 sports franchise unless the sports franchise gives the right of first
8 refusal to purchase the sports franchise, upon its sale, to local
9 government. This subsection (3)(j) does not apply to contracts in
10 existence on April 1, 1986.

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

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