
HOUSE BILL 2192

State of Washington

55th Legislature

1997 Regular Session

By Representatives Van Luven and Wolfe; by request of Governor Locke

Read first time 02/25/97. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to a mechanism for financing stadium and exhibition
2 centers and education technology grants; amending RCW 36.100.010,
3 36.100.020, 36.32.235, 39.04.010, 36.38.010, 82.29A.130, 67.28.180,
4 67.70.240, 67.70.042, 39.10.120, 39.10.050, 39.10.902, and 82.14.049;
5 adding new sections to chapter 36.100 RCW; adding a new section to
6 chapter 39.30 RCW; adding a new section to chapter 36.38 RCW; adding a
7 new section to chapter 82.08 RCW; adding a new section to chapter 82.12
8 RCW; adding new sections to chapter 82.14 RCW; adding new sections to
9 chapter 67.70 RCW; adding a new chapter to Title 82 RCW; creating a new
10 section; providing for submission of sections 14 and 37 of this act to
11 a vote of the people; and declaring an emergency.

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

13 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.100 RCW
14 to read as follows:

15 The definitions in this section apply throughout sections 1, 3, 5,
16 9 through 11, 18, and 20 through 25 of this act unless the context
17 clearly requires otherwise.

18 (1) "Design" includes architectural, engineering, and other related
19 professional services.

1 (2) "Develop" means, generally, the process of planning, designing,
2 financing, constructing, owning, operating, and leasing a project such
3 as a stadium and exhibition center.

4 (3) "Permanent seat license" means a transferable license sold to
5 a third party that, subject to certain conditions, restrictions, and
6 limitations, entitles the third party to purchase a season ticket to
7 professional football games of the professional football team played in
8 the stadium and exhibition center for so long as the team plays its
9 games in that facility.

10 (4) "Preconstruction" includes negotiations, including negotiations
11 with any team affiliate, planning, studies, design, and other
12 activities reasonably necessary before constructing a stadium and
13 exhibition center.

14 (5) "Professional football team" means a team that is a member of
15 the national football league or similar professional football
16 association.

17 (6) "Public facilities district operation" means the formation and
18 ongoing operation of the public facilities district, including the
19 hiring of employees, attorneys, and other contractors, and the
20 acquisition and operation of office facilities.

21 (7) "Site acquisition" means the purchase or other acquisition of
22 any interest in real property including fee simple interests and
23 easements, which property interests constitute the site for a stadium
24 and exhibition center.

25 (8) "Site preparation" includes demolition of existing
26 improvements, environmental remediation, site excavation, shoring, and
27 construction and maintenance of temporary traffic and pedestrian
28 routing.

29 (9) "Stadium and exhibition center" means an open-air stadium
30 suitable for national football league football and for Olympic and
31 world cup soccer, with adjacent exhibition facilities, together with
32 associated parking facilities and other ancillary facilities.

33 (10) "Team affiliate" means a professional football team that will
34 use the stadium and exhibition center, and any affiliate of the team
35 designated by the team. An "affiliate of the team" means any person or
36 entity that controls, is controlled by, or is under common control with
37 the team.

1 **Sec. 2.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each
2 amended to read as follows:

3 (1) A public facilities district may be created in any county and
4 shall be coextensive with the boundaries of the county.

5 (2) A public facilities district shall be created: Upon adoption
6 of a resolution providing for the creation of such a district by the
7 county legislative authority in which the proposed district is located;
8 or for a public facilities district created to develop a stadium and
9 exhibition center under section 5 of this act, as provided in section
10 3 of this act.

11 (3) A public facilities district is a municipal corporation, an
12 independent taxing "authority" within the meaning of Article VII,
13 section 1 of the state Constitution, and a "taxing district" within the
14 meaning of Article VII, section 2 of the state Constitution.

15 (4) No taxes authorized under this chapter may be assessed or
16 levied unless a majority of the voters of the public facilities
17 district has approved such tax at a general or special election. A
18 single ballot proposition may both validate the imposition of the sales
19 and use tax under RCW 82.14.048 and the excise tax under RCW
20 36.100.040.

21 (5) A public facilities district shall constitute a body corporate
22 and shall possess all the usual powers of a corporation for public
23 purposes as well as all other powers that may now or hereafter be
24 specifically conferred by statute, including, but not limited to, the
25 authority to hire employees, staff, and services, to enter into
26 contracts, and to sue and be sued.

27 (6) The county legislative authority or the city council may
28 transfer property to the public facilities district created under this
29 chapter. No property that is encumbered with debt or that is in need
30 of major capital renovation may be transferred to the district without
31 the agreement of the district and revenues adequate to retire the
32 existing indebtedness. This subsection does not apply to a public
33 facilities district created to develop a stadium and exhibition center
34 under section 5 of this act.

35 (7) Property encumbered by debt may be transferred by a county or
36 city to a public facilities district created to develop a stadium and
37 exhibition center under section 5 of this act, but obligation for
38 payment of the debt may not be transferred. This subsection does not

1 apply to a public facilities district, located in a county with a
2 population of one million or more, that constructs a baseball stadium.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.100 RCW
4 to read as follows:

5 (1) A public facilities district is created in every county with a
6 population of one million or more. However, if a car rental tax under
7 section 22 of this act is not adopted by June 24, 1997, then any county
8 with a population of five hundred thousand or more may create a public
9 facilities district within the county for the purpose of developing a
10 stadium and exhibition center under section 5 of this act upon adoption
11 of a resolution providing for the creation of such a district by the
12 county legislative authority.

13 (2) The boundaries of the public facilities district shall be
14 coextensive with the boundaries of the county in which the public
15 facilities district is created.

16 (3) This section applies beginning the effective date of section 14
17 of this act.

18 **Sec. 4.** RCW 36.100.020 and 1995 3rd sp.s. c 1 s 302 are each
19 amended to read as follows:

20 (1)(a) A public facilities district shall be governed by a board of
21 directors consisting of five or seven members as provided in this
22 section. If the largest city in the county has a population that is at
23 least forty percent of the total county population, the board of
24 directors of the public facilities district shall consist of five
25 members selected as follows: ((+a)) (i) Two members appointed by the
26 county legislative authority to serve for four-year staggered terms;
27 ((+b)) (ii) two members appointed by the city council of the largest
28 city in the county to serve for four-year staggered terms; and ((+c))
29 (iii) one person to serve for a four-year term who is selected by the
30 other directors. If the largest city in the county has a population of
31 less than forty percent of the total county population, the county
32 legislative authority shall establish in the resolution creating the
33 public facilities district whether the board of directors of the public
34 facilities district has either five or seven members, and the county
35 legislative authority shall appoint the members of the board of
36 directors to reflect the interests of cities and towns in the county,
37 as well as the unincorporated area of the county. However, if the

1 county has a population of one million or more, the largest city in the
2 county has a population of less than forty percent of the total county
3 population, and the county operates under a county charter, which
4 provides for an elected county executive, three members shall be
5 appointed by the governor and the remaining members shall be appointed
6 by the county executive subject to confirmation by the county
7 legislative authority. Of the members appointed by the governor, the
8 speaker of the house of representatives and the majority leader of the
9 senate shall each recommend to the governor a person to be appointed to
10 the board.

11 (b) Notwithstanding (a) of this subsection, any public facilities
12 district created to develop a stadium and exhibition center, as
13 provided under section 5 of this act, shall have five members on its
14 board of directors appointed by the governor. The speaker of the house
15 of representatives and the majority leader of the senate shall each
16 recommend to the governor a person to be appointed to the board.

17 (2) At least one member on the board of directors shall be
18 representative of the lodging industry in the public facilities
19 district before the public facilities district imposes the excise tax
20 under RCW 36.100.040.

21 (3) Members of the board of directors shall serve four-year terms
22 of office, except that two of the initial five board members or three
23 of the initial seven board members shall serve two-year terms of
24 office.

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

29 (5) A director appointed by the governor may be removed from office
30 by the governor. Any other director may be removed from office by
31 action of at least two-thirds of the members of the legislative
32 authority which made the appointment.

33 NEW SECTION. Sec. 5. A new section is added to chapter 36.100 RCW
34 to read as follows:

35 In addition to other powers and restrictions on a public facilities
36 district, the following shall apply to a public facilities district,
37 located in a county that has authorized a tax under section 22 of this
38 act, created to develop a stadium and exhibition center:

1 (1) The public facilities district, in consultation with the team
2 affiliate, shall have the authority to determine the stadium and
3 exhibition center site;

4 (2) The public facilities district, in consultation with the team
5 affiliate, shall have the authority to establish the overall scope of
6 the stadium and exhibition center project, including, but not limited
7 to, the stadium and exhibition center itself, associated exhibition
8 facilities, associated parking facilities, associated retail and office
9 development that are part of the stadium and exhibition center, and
10 ancillary services or facilities;

11 (3) The public facilities district, in consultation with the team
12 affiliate, shall have the final authority to make the final
13 determination of the stadium and exhibition center design and
14 specifications;

15 (4) The public facilities district shall have the authority to
16 contract with a team affiliate for the provision of architectural,
17 engineering, environmental, and other professional services related to
18 the stadium and exhibition center site, design options, required
19 environmental studies, and necessary permits for the stadium and
20 exhibition center. RCW 36.32.235 and chapters 39.04 and 39.30 RCW do
21 not apply to this subsection;

22 (5) The public facilities district, in consultation with the team
23 affiliate, shall have the authority to establish the project budget on
24 the stadium and exhibition center project;

25 (6) The public facilities district, in consultation with the team
26 affiliate, shall have the authority to structure the financing of the
27 stadium and exhibition center project;

28 (7) The public facilities district shall have the authority to
29 enter into a development agreement with a team affiliate whereby the
30 team affiliate may control the development of the stadium and
31 exhibition center project, consistent with subsections (1) through (6)
32 of this section, in consideration of which the team affiliate assumes
33 the risks of costs of development that are in excess of the project
34 budget established under subsection (5) of this section. Under the
35 development agreement, the team affiliate shall determine bidding
36 specifications and requirements, and other aspects of development. RCW
37 36.32.235 and chapters 39.04 and 39.30 RCW do not apply to this
38 subsection;

1 (8) The public facilities district shall have the authority to
2 enter into a long-term lease agreement with a team affiliate whereby,
3 in consideration of the payment of rent and assumption of certain
4 operating and maintenance responsibilities, risks, and costs associated
5 with the stadium and exhibition center, the team affiliate becomes the
6 sole master tenant of the stadium and exhibition center. The master
7 tenant shall have the power to sublease and enter into use, license,
8 and concession agreements with various users of the stadium and
9 exhibition center including the professional football team, and the
10 master tenant has the right to name the stadium and exhibition center,
11 subject to section 9 of this act. The master tenant shall have the
12 right to retain all revenues derived from the operations of the stadium
13 and exhibition center, including revenues from the subleases and use,
14 license and concession agreements including revenues from suite
15 licenses, permanent seat licenses, concessions, long-term naming rights
16 subject to section 9 of this act, and parking revenues. The amounts,
17 sources, and uses of any payments received by the county, the public
18 facilities district, or any related governmental entity for the use or
19 in respect of the stadium and exhibition center shall be structured and
20 limited in such a manner as to permit the interest on any bonds or
21 other obligations issued to finance the stadium and exhibition center
22 to be treated as tax exempt to the fullest extent permitted by federal
23 law; and

24 (9) The public facilities district shall have the authority, upon
25 the agreement of the team affiliate, to sell permanent seat licenses as
26 part of the money to be raised by the team affiliate contemplated in
27 section 23 of this act, and the team affiliate may act as the sales
28 agent for this purpose.

29 **Sec. 6.** RCW 36.32.235 and 1996 c 219 s 2 are each amended to read
30 as follows:

31 (1) In each county with a population of one million or more which
32 by resolution establishes a county purchasing department, the
33 purchasing department shall enter into leases of personal property on
34 a competitive basis and purchase all supplies, materials, and equipment
35 on a competitive basis, for all departments of the county, as provided
36 in this chapter and chapter 39.04 RCW, except that the county
37 purchasing department is not required to make purchases that are paid
38 from the county road fund or equipment rental and revolving fund.

1 (2) As used in this section, "public works" has the same definition
2 as in RCW 39.04.010.

3 (3) Except as otherwise specified in this chapter or in chapter
4 36.77 RCW, all counties subject to these provisions shall contract on
5 a competitive basis for all public works after bids have been submitted
6 to the county upon specifications therefor. Such specifications shall
7 be in writing and shall be filed with the clerk of the county
8 legislative authority for public inspection.

9 (4) An advertisement shall be published in the county official
10 newspaper stating the time and place where bids will be opened, the
11 time after which bids will not be received, the character of the work
12 to be done, the materials and equipment to be furnished, and that
13 specifications therefor may be seen at the office of the clerk of the
14 county legislative authority. An advertisement shall also be published
15 in a legal newspaper of general circulation in or as near as possible
16 to that part of the county in which such work is to be done. If the
17 county official newspaper is a newspaper of general circulation
18 covering at least forty percent of the residences in that part of the
19 county in which such public works are to be done, then the publication
20 of an advertisement of the applicable specifications in the county
21 official newspaper is sufficient. Such advertisements shall be
22 published at least once at least thirteen days prior to the last date
23 upon which bids will be received.

24 (5) The bids shall be in writing, shall be filed with the clerk,
25 shall be opened and read in public at the time and place named therefor
26 in the advertisements, and after being opened, shall be filed for
27 public inspection. No bid may be considered for public work unless it
28 is accompanied by a bid deposit in the form of a surety bond, postal
29 money order, cash, cashier's check, or certified check in an amount
30 equal to five percent of the amount of the bid proposed.

31 (6) The contract for the public work shall be awarded to the lowest
32 responsible bidder. Any or all bids may be rejected for good cause.
33 The county legislative authority shall require from the successful
34 bidder for such public work a contractor's bond in the amount and with
35 the conditions imposed by law.

36 (7) If the bidder to whom the contract is awarded fails to enter
37 into the contract and furnish the contractor's bond as required within
38 ten days after notice of the award, exclusive of the day of notice, the
39 amount of the bid deposit shall be forfeited to the county and the

1 contract awarded to the next lowest and best bidder. The bid deposit
2 of all unsuccessful bidders shall be returned after the contract is
3 awarded and the required contractor's bond given by the successful
4 bidder is accepted by the county legislative authority. Immediately
5 after the award is made, the bid quotations obtained shall be recorded
6 and open to public inspection and shall be available by telephone
7 inquiry.

8 (8) As limited by subsection (10) of this section, a county subject
9 to these provisions may have public works performed by county employees
10 in any annual or biennial budget period equal to a dollar value not
11 exceeding ten percent of the public works construction budget,
12 including any amount in a supplemental public works construction
13 budget, over the budget period.

14 Whenever a county subject to these provisions has had public works
15 performed in any budget period up to the maximum permitted amount for
16 that budget period, all remaining public works except emergency work
17 under subsection (12) of this section within that budget period shall
18 be done by contract pursuant to public notice and call for competitive
19 bids as specified in subsection (3) of this section. The state auditor
20 shall report to the state treasurer any county subject to these
21 provisions that exceeds this amount and the extent to which the county
22 has or has not reduced the amount of public works it has performed by
23 public employees in subsequent years.

24 (9) If a county subject to these provisions has public works
25 performed by public employees in any budget period that are in excess
26 of this ten percent limitation, the amount in excess of the permitted
27 amount shall be reduced from the otherwise permitted amount of public
28 works that may be performed by public employees for that county in its
29 next budget period. Ten percent of the motor vehicle fuel tax
30 distributions to that county shall be withheld if two years after the
31 year in which the excess amount of work occurred, the county has failed
32 to so reduce the amount of public works that it has performed by public
33 employees. The amount withheld shall be distributed to the county when
34 it has demonstrated in its reports to the state auditor that the amount
35 of public works it has performed by public employees has been reduced
36 as required.

37 (10) In addition to the percentage limitation provided in
38 subsection (8) of this section, counties subject to these provisions
39 containing a population of one million or more shall not have public

1 employees perform a public works project in excess of seventy thousand
2 dollars if more than a single craft or trade is involved with the
3 public works project, or a public works project in excess of twenty-
4 five thousand dollars if only a single craft or trade is involved with
5 the public works project. A public works project means a complete
6 project. The restrictions in this subsection do not permit the
7 division of the project into units of work or classes of work to avoid
8 the restriction on work that may be performed by public employees on a
9 single project.

10 The cost of a separate public works project shall be the costs of
11 materials, supplies, equipment, and labor on the construction of that
12 project. The value of the public works budget shall be the value of
13 all the separate public works projects within the budget.

14 (11) In addition to the accounting and recordkeeping requirements
15 contained in chapter 39.04 RCW, any county which uses public employees
16 to perform public works projects under RCW 36.32.240(1) shall prepare
17 a year-end report to be submitted to the state auditor indicating the
18 total dollar amount of the county's public works construction budget
19 and the total dollar amount for public works projects performed by
20 public employees for that year.

21 The year-end report submitted pursuant to this subsection to the
22 state auditor shall be in accordance with the standard form required by
23 RCW 43.09.205.

24 (12) Notwithstanding any other provision in this section, counties
25 may use public employees without any limitation for emergency work
26 performed under an emergency declared pursuant to RCW 36.32.270, and
27 any such emergency work shall not be subject to the limitations of this
28 section. Publication of the description and estimate of costs relating
29 to correcting the emergency may be made within seven days after the
30 commencement of the work. Within two weeks of the finding that such an
31 emergency existed, the county legislative authority shall adopt a
32 resolution certifying the damage to public facilities and costs
33 incurred or anticipated relating to correcting the emergency.
34 Additionally this section shall not apply to architectural and
35 engineering or other technical or professional services performed by
36 public employees in connection with a public works project.

37 (13) In lieu of the procedures of subsections (3) through (11) of
38 this section, a county may use a small works roster process and award
39 contracts for public works projects with an estimated value of ten

1 thousand dollars up to one hundred thousand dollars as provided in RCW
2 39.04.155.

3 Whenever possible, the county shall invite at least one proposal
4 from a minority or woman contractor who shall otherwise qualify under
5 this section.

6 (14) The allocation of public works projects to be performed by
7 county employees shall not be subject to a collective bargaining
8 agreement.

9 (15) This section does not apply to performance-based contracts, as
10 defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A
11 RCW.

12 (16) Nothing in this section prohibits any county from allowing for
13 preferential purchase of products made from recycled materials or
14 products that may be recycled or reused.

15 (17) This section does not apply to contracts entered into under
16 section 5(4) of this act or development agreements entered into under
17 section 5(7) of this act.

18 **Sec. 7.** RCW 39.04.010 and 1993 c 174 s 1 are each amended to read
19 as follows:

20 The term state shall include the state of Washington and all
21 departments, supervisors, commissioners and agencies thereof.

22 The term municipality shall include every city, county, town,
23 district or other public agency thereof which is authorized by law to
24 require the execution of public work, except drainage districts, diking
25 districts, diking and drainage improvement districts, drainage
26 improvement districts, diking improvement districts, consolidated
27 diking and drainage improvement districts, consolidated drainage
28 improvement districts, consolidated diking improvement districts,
29 irrigation districts or any such other districts as shall from time to
30 time be authorized by law for the reclamation or development of waste
31 or undeveloped lands.

32 The term public work shall include all work, construction,
33 alteration, repair, or improvement other than ordinary maintenance,
34 executed at the cost of the state or of any municipality, or which is
35 by law a lien or charge on any property therein. All public works,
36 including maintenance when performed by contract shall comply with the
37 provisions of RCW 39.12.020. The term does not include works done

1 under contracts entered into under section 5(4) of this act or under
2 development agreements entered into under section 5(7) of this act.

3 The term contract shall mean a contract in writing for the
4 execution of public work for a fixed or determinable amount duly
5 awarded after advertisement and competitive bid. However, a contract
6 which is awarded from a small works roster under the authority of RCW
7 39.04.150, 35.22.620, 28B.10.355, 35.82.075, and 57.08.050 need not be
8 advertised.

9 NEW SECTION. Sec. 8. A new section is added to chapter 39.30 RCW
10 to read as follows:

11 This chapter does not apply to contracts entered into under section
12 5(4) of this act or development agreements entered into under section
13 5(7) of this act.

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

16 Revenues from the sales of naming rights of a stadium and
17 exhibition center developed under section 5 of this act may only be
18 used for costs associated with capital maintenance and operations of
19 the stadium and exhibition center. The sales of naming rights are
20 subject to the reasonable approval of the public facilities district.

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

23 A public facilities district may accept and expend moneys that may
24 be donated for the purpose of a stadium and exhibition center.

25 NEW SECTION. Sec. 11. A new section is added to chapter 36.100
26 RCW to read as follows:

27 (1) The public facilities district, the county, and the city, if
28 any, in which the stadium and exhibition center is to be located shall
29 enter into one or more agreements regarding the construction of a
30 stadium and exhibition center. The agreements shall address, but not
31 be limited to:

32 (a) Expedited permit processing for the design and construction of
33 the project;

34 (b) Expedited environmental review processing;

1 (c) Expedited processing of requests for street, right of way, or
2 easement vacations, if necessary for the construction of the project;
3 and

4 (d) Other items deemed necessary for the design and construction of
5 the project.

6 (2) The county shall assemble such real property as the public
7 facilities district determines to be necessary as a site for the
8 stadium and exhibition center. Property that is necessary for this
9 purpose that is owned by the county on the effective date of this
10 section shall be contributed to the district, and property that is
11 necessary for this purpose that is acquired by the county on or after
12 the effective date of this section shall be conveyed to the district.
13 Property that is encumbered by debt may be transferred by the county to
14 the district, but obligation for payment of the debt may not be
15 transferred.

16 **Sec. 12.** RCW 36.38.010 and 1995 3rd sp.s. c 1 s 203 are each
17 amended to read as follows:

18 (1) Any county may by ordinance enacted by its county legislative
19 authority, levy and fix a tax of not more than one cent on twenty cents
20 or fraction thereof to be paid for county purposes by persons who pay
21 an admission charge to any place, including a tax on persons who are
22 admitted free of charge or at reduced rates to any place for which
23 other persons pay a charge or a regular higher charge for the same or
24 similar privileges or accommodations; and require that one who receives
25 any admission charge to any place shall collect and remit the tax to
26 the county treasurer of the county: PROVIDED, No county shall impose
27 such tax on persons paying an admission to any activity of any
28 elementary or secondary school.

29 (2) As used in this chapter, the term "admission charge" includes
30 a charge made for season tickets or subscriptions, a cover charge, or
31 a charge made for use of seats and tables, reserved or otherwise, and
32 other similar accommodations; a charge made for food and refreshments
33 in any place where any free entertainment, recreation, or amusement is
34 provided; a charge made for rental or use of equipment or facilities
35 for purpose of recreation or amusement, and where the rental of the
36 equipment or facilities is necessary to the enjoyment of a privilege
37 for which a general admission is charged, the combined charges shall be
38 considered as the admission charge. It shall also include any

1 automobile parking charge where the amount of such charge is determined
2 according to the number of passengers in any automobile.

3 (3) Subject to subsections (4) and (5) of this section, the tax
4 herein authorized shall not be exclusive and shall not prevent any city
5 or town within the taxing county, when authorized by law, from imposing
6 within its corporate limits a tax of the same or similar kind:
7 PROVIDED, That whenever the same or similar kind of tax is imposed by
8 any such city or town, no such tax shall be levied within the corporate
9 limits of such city or town by the county(~~, except that~~)).

10 (4) Notwithstanding subsection (3) of this section, the legislative
11 authority of a county with a population of one million or more may
12 exclusively levy taxes on events in baseball stadiums constructed on or
13 after January 1, 1995, that are owned by a public facilities district
14 under chapter 36.100 RCW and that have seating capacities over forty
15 thousand at the rates of:

16 (a) Not more than one cent on twenty cents or fraction thereof, to
17 be used for the purpose of paying the principal and interest payments
18 on bonds issued by a county to construct a baseball stadium as defined
19 in RCW 82.14.0485. If the revenue from the tax exceeds the amount
20 needed for that purpose, the excess shall be placed in a contingency
21 fund which may only be used to pay unanticipated capital costs on the
22 baseball stadium, excluding any cost overruns on initial construction;
23 and

24 (b) Not more than one cent on twenty cents or fraction thereof, to
25 be used for the purpose of paying the principal and interest payments
26 on bonds issued by a county to construct a baseball stadium as defined
27 in RCW 82.14.0485. The tax imposed under this subsection ~~((+3))~~
28 (4)(b) shall expire when the bonds issued for the construction of the
29 baseball stadium are retired, but not later than twenty years after the
30 tax is first collected.

31 (5) Notwithstanding subsections (3) and (4) of this section, the
32 legislative authority of a county that has authorized a tax under
33 section 22 of this act may levy and fix a tax on charges for admission
34 to events in a stadium and exhibition center, as defined in section 1
35 of this act, constructed in the county on or after January 1, 1998,
36 that is owned by a public facilities district under chapter 36.100 RCW.
37 The tax shall be exclusive and shall preclude the county, city, or town
38 within which the stadium and exhibition center is located from imposing
39 a tax of the same or similar kind on charges for admission to events in

1 the stadium and exhibition center. For the purposes of this
2 subsection, "charges for admission to events" means only the actual
3 admission charge, exclusive of taxes and service charges and the value
4 of any other benefit conferred by the admission. The tax authorized
5 under this section shall be at the rate of not more than one cent on
6 twenty cents or fraction thereof, shall be used exclusively for the
7 uses provided in section 23 of this act until the bonds issued for the
8 construction of the stadium and exhibition center are retired, and
9 shall be subject to the conditions of section 25 of this act. After
10 the bonds issued for the construction of the stadium and exhibition
11 center are retired, the tax authorized under this section shall be used
12 exclusively to fund repair, reequipping, and capital improvement of the
13 stadium and exhibition center. The tax under this subsection may be
14 levied upon the first use of any part of the stadium and exhibition
15 center, as defined in section 1 of this act, but shall not be collected
16 at any facility already in operation as of the effective date of this
17 section.

18 NEW SECTION. Sec. 13. A new section is added to chapter 36.38 RCW
19 to read as follows:

20 The legislative authority of a county that has authorized a tax
21 under section 22 of this act may levy and fix a tax on any vehicle
22 parking charges imposed at any parking facility that is part of a
23 stadium and exhibition center, as defined in section 1 of this act.
24 The tax shall be exclusive and shall prevent the county, city, or town
25 within which the stadium and exhibition center is located from imposing
26 within its corporate limits a tax of the same or similar kind. For the
27 purposes of this section, "vehicle parking charges" means only the
28 actual parking charges exclusive of taxes and service charges and the
29 value of any other benefit conferred. The tax authorized under this
30 section shall be at the rate of not more than one cent on ten cents or
31 fraction thereof, shall be used exclusively for the uses provided in
32 section 23 of this act until the bonds issued for the construction of
33 the stadium and exhibition center are retired, and shall be subject to
34 the conditions of section 25 of this act. After the bonds issued for
35 the construction of the stadium and exhibition center are retired, the
36 tax authorized under this section shall be used exclusively to fund
37 repair, reequipping, and capital improvement of the stadium and
38 exhibition center. The tax under this section may be levied upon the

1 first use of any part of the stadium and exhibition center, as defined
2 in section 1 of this act, but shall not be collected at any facility
3 already in operation as of the effective date of this section.

4 NEW SECTION. **Sec. 14.** (1) A tax is imposed on each sale at
5 wholesale of sports memorabilia or sports-licensed goods in this state.
6 The rate of the tax shall be ten percent of the sales price.

7 (a) This tax shall be paid by the buyer to the wholesaler and each
8 wholesaler shall collect from the buyer the full amount of the tax
9 payable in respect to each taxable sale, unless the wholesaler is
10 prohibited from collecting the tax from the buyer under the state
11 Constitution or the Constitution or laws of the United States.

12 (b) The tax shall be stated separately from the selling price in
13 any sales invoice or any instrument of sale. Failure to separately
14 state the tax shall create a conclusive presumption that the tax has
15 not been collected.

16 (c) This tax is in addition to all other taxes imposed by any other
17 chapter of this title.

18 (2) If the tax under subsection (1) of this section has not been
19 paid, a tax is imposed on the possession for sale or use of sports
20 memorabilia or sports-licensed goods in this state. The rate of the
21 tax shall be equal to the tax imposed under subsection (1) of this
22 section and shall be collected from the possessor of the items.

23 (3) The tax imposed by this section does not apply to any
24 successive sale in which the tax was previously imposed and collected
25 on the same sports memorabilia or sports-licensed goods in this state.

26 (4) The tax imposed by this section does not apply to any sale of
27 sports memorabilia or sports-licensed goods that is transferred to a
28 point outside the state for use or sale outside the state.

29 (5) As used in this section, "sports memorabilia or sports-licensed
30 goods" means items that can be available for sale to members of the
31 public such as: One-of-a-kind items related to sports figures, teams,
32 or events; sports trading cards; sports photographs; league and
33 individual-athlete licensed items; collegiate-sports licensed items;
34 and sports-event licensed items. It does not include items licensed by
35 a sports-regulating authority for purposes of proving that the item
36 meets the standards of the sport.

37 (6) Moneys collected under this section shall be distributed under
38 section 23 of this act.

1 (7) This section applies beginning January 1, 1998, and thereafter.

2 NEW SECTION. **Sec. 15.** The secretary of state shall submit
3 sections 14 and 37 of this act to the people for their adoption and
4 ratification, or rejection, at a special election to be held June 3,
5 1997, to be held in this state, in accordance with Article II, section
6 1 of the state Constitution and the laws adopted to facilitate its
7 operation. The ballot title shall be: "Shall the state of Washington
8 impose a ten percent tax on the wholesale value of sports memorabilia
9 or sports-licensed goods sold in this state as part of the public-
10 private funding of a stadium and exhibition center and for the funding
11 of a state-wide education technology grant program?"

12 NEW SECTION. **Sec. 16.** A new section is added to chapter 82.08 RCW
13 to read as follows:

14 (1) The tax levied by RCW 82.08.020 does not apply to:

15 (a) Retail sales made or incurred for the purpose of constructing
16 a stadium and exhibition center authorized under section 5 of this act,
17 including but not limited to the provision of labor or services, the
18 acquisition and delivery of materials and supplies, the rental or
19 leasing of equipment, machinery, or tools, and other retail
20 transactions that are made or incurred for the purpose of constructing
21 the stadium and exhibition center; and

22 (b) Vehicle parking charges as defined in section 13 of this act,
23 if taxed under section 13 of this act.

24 (2)(a) Upon application of the governing board of a public
25 facilities district, the department shall issue a sales and use tax
26 exemption certificate for state and local sales and use taxes due under
27 this chapter and chapters 82.12 and 82.14 RCW on the stadium and
28 exhibition center and permanent seat licenses. The use of the
29 certificate shall be governed by rules adopted by the department.

30 (b) Application for a sales and use tax exemption certificate under
31 this subsection shall be made to the department in a form and manner
32 prescribed by the department. The application shall contain
33 information regarding the location of the public facility, estimated or
34 actual costs, time schedules for completion and operation, and other
35 information required by the department. The department shall approve
36 the application within sixty days if the application meets the
37 requirements of this section. Applications and other information

1 received by the department under this section are not confidential and
2 are subject to disclosure. Chapter 82.32 RCW applies to the
3 administration of this section.

4 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.12 RCW
5 to read as follows:

6 (1) The provisions of this chapter do not apply in respect to the
7 use of:

8 (a) Goods or services used for the purpose of constructing a
9 stadium and exhibition center authorized under section 5 of this act,
10 including but not limited to the provision of labor or services, the
11 acquisition and delivery of materials and supplies, the rental or
12 leasing of equipment, machinery, or tools, and other goods or services
13 used for the purpose of constructing the stadium and exhibition center;

14 (b) Vehicle parking charges as defined in section 13 of this act,
15 if taxed under section 13 of this act.

16 (2) Section 16(2) of this act applies to this section.

17 NEW SECTION. **Sec. 18.** A new section is added to chapter 82.14 RCW
18 to read as follows:

19 (1) The taxes levied by RCW 82.14.030 and 82.14.045 do not apply
20 to:

21 (a) Retail sales and use made or incurred for the purpose of
22 constructing a stadium and exhibition center authorized under section
23 5 of this act, including but not limited to the provision of labor or
24 services, the acquisition and delivery of materials and supplies, the
25 rental or leasing of equipment, machinery, or tools, and other retail
26 transactions that are made or incurred for the purpose of constructing
27 the stadium and exhibition center;

28 (b) Vehicle parking charges as defined in section 13 of this act,
29 if taxed under section 13 of this act.

30 (2) Section 16(2) of this act applies to this section.

31 **Sec. 19.** RCW 82.29A.130 and 1995 3rd sp.s. c 1 s 307 are each
32 amended to read as follows:

33 The following leasehold interests shall be exempt from taxes
34 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

1 (1) All leasehold interests constituting a part of the operating
2 properties of any public utility which is assessed and taxed as a
3 public utility pursuant to chapter 84.12 RCW.

4 (2) All leasehold interests in facilities owned or used by a
5 school, college or university which leasehold provides housing for
6 students and which is otherwise exempt from taxation under provisions
7 of RCW 84.36.010 and 84.36.050.

8 (3) All leasehold interests of subsidized housing where the fee
9 ownership of such property is vested in the government of the United
10 States, or the state of Washington or any political subdivision thereof
11 but only if income qualification exists for such housing.

12 (4) All leasehold interests used for fair purposes of a nonprofit
13 fair association that sponsors or conducts a fair or fairs which
14 receive support from revenues collected pursuant to RCW 67.16.100 and
15 allocated by the director of the department of agriculture where the
16 fee ownership of such property is vested in the government of the
17 United States, the state of Washington or any of its political
18 subdivisions: PROVIDED, That this exemption shall not apply to the
19 leasehold interest of any sublessee of such nonprofit fair association
20 if such leasehold interest would be taxable if it were the primary
21 lease.

22 (5) All leasehold interests in any property of any public entity
23 used as a residence by an employee of that public entity who is
24 required as a condition of employment to live in the publicly owned
25 property.

26 (6) All leasehold interests held by enrolled Indians of lands owned
27 or held by any Indian or Indian tribe where the fee ownership of such
28 property is vested in or held in trust by the United States and which
29 are not subleased to other than to a lessee which would qualify
30 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

31 (7) All leasehold interests in any real property of any Indian or
32 Indian tribe, band, or community that is held in trust by the United
33 States or is subject to a restriction against alienation imposed by the
34 United States: PROVIDED, That this exemption shall apply only where it
35 is determined that contract rent paid is greater than or equal to
36 ninety percent of fair market rental, to be determined by the
37 department of revenue using the same criteria used to establish taxable
38 rent in RCW 82.29A.020(2)(b).

1 (8) All leasehold interests for which annual taxable rent is less
2 than two hundred fifty dollars per year. For purposes of this
3 subsection leasehold interests held by the same lessee in contiguous
4 properties owned by the same lessor shall be deemed a single leasehold
5 interest.

6 (9) All leasehold interests which give use or possession of the
7 leased property for a continuous period of less than thirty days:
8 PROVIDED, That for purposes of this subsection, successive leases or
9 lease renewals giving substantially continuous use of possession of the
10 same property to the same lessee shall be deemed a single leasehold
11 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed
12 to give use or possession for a period of less than thirty days solely
13 by virtue of the reservation by the public lessor of the right to use
14 the property or to allow third parties to use the property on an
15 occasional, temporary basis.

16 (10) All leasehold interests under month-to-month leases in
17 residential units rented for residential purposes of the lessee pending
18 destruction or removal for the purpose of constructing a public highway
19 or building.

20 (11) All leasehold interests in any publicly owned real or personal
21 property to the extent such leasehold interests arises solely by virtue
22 of a contract for public improvements or work executed under the public
23 works statutes of this state or of the United States between the public
24 owner of the property and a contractor.

25 (12) All leasehold interests that give use or possession of state
26 adult correctional facilities for the purposes of operating
27 correctional industries under RCW 72.09.100.

28 (13) All leasehold interests used to provide organized and
29 supervised recreational activities for disabled persons of all ages in
30 a camp facility and for public recreational purposes by a nonprofit
31 organization, association, or corporation that would be exempt from
32 property tax under RCW 84.36.030(1) if it owned the property. If the
33 publicly owned property is used for any taxable purpose, the leasehold
34 excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be
35 imposed and shall be apportioned accordingly.

36 (14) All leasehold interests in the public or entertainment areas
37 of a baseball stadium with natural turf and a retractable roof or
38 canopy that is in a county with a population of over one million, that
39 has a seating capacity of over forty thousand, and that is constructed

1 on or after January 1, 1995. "Public or entertainment areas" include
2 ticket sales areas, ramps and stairs, lobbies and concourses, parking
3 areas, concession areas, restaurants, hospitality and stadium club
4 areas, kitchens or other work areas primarily servicing other public or
5 entertainment areas, public rest room areas, press and media areas,
6 control booths, broadcast and production areas, retail sales areas,
7 museum and exhibit areas, scoreboards or other public displays, storage
8 areas, loading, staging, and servicing areas, seating areas and suites,
9 the playing field, and any other areas to which the public has access
10 or which are used for the production of the entertainment event or
11 other public usage, and any other personal property used for these
12 purposes. "Public or entertainment areas" does not include locker
13 rooms or private offices exclusively used by the lessee.

14 (15) All leasehold interests in the public or entertainment areas
15 of a stadium and exhibition center, as defined in section 1 of this
16 act, that is constructed on or after January 1, 1998.

17 For the purposes of subsections (14) and (15) of this section,
18 "public or entertainment areas" include ticket sales areas, ramps and
19 stairs, lobbies and concourses, exhibition areas, parking areas,
20 concession areas, restaurants, hospitality and stadium club areas,
21 kitchens or other work areas primarily servicing other public or
22 entertainment areas, public restroom areas, press and media areas,
23 control booths, broadcast and production areas, retail sales areas,
24 museum and exhibit areas, scoreboards or other public displays, storage
25 areas, loading, staging, and servicing areas, seating areas and suites,
26 the playing field, any other areas to which the public has access or
27 that are used for the production of the entertainment event or other
28 public usage, and any other personal property used for these purposes.
29 "Public or entertainment areas" does not include locker rooms and
30 private offices exclusively used by the lessee.

31 NEW SECTION. Sec. 20. A new section is added to chapter 82.14 RCW
32 to read as follows:

33 (1) Beginning January 1, 1998, the legislative authority of a
34 county that has authorized a tax under section 22 of this act may
35 impose a sales and use tax in accordance with the terms of this
36 chapter. The tax is in addition to other taxes authorized by law and
37 shall be collected from those persons who are taxable by the state
38 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable

1 event within the county. The rate of tax shall not exceed 0.016
2 percent of the selling price in the case of a sales tax or value of the
3 article used in the case of a use tax.

4 (2) The tax imposed under subsection (1) of this section shall be
5 deducted from the amount of tax otherwise required to be collected or
6 paid over to the department of revenue under chapter 82.08 or 82.12
7 RCW. The department of revenue shall perform the collection of such
8 taxes on behalf of the county at no cost to the county.

9 (3) The tax imposed under this section shall be used exclusively
10 for the uses provided in section 23 of this act, shall be subject to
11 the conditions of section 25 of this act, and shall expire when the
12 bonds issued for the construction of the stadium and exhibition center
13 are retired, but not later than twenty-three years after the tax is
14 first collected.

15 NEW SECTION. **Sec. 21.** A new section is added to chapter 82.14 RCW
16 to read as follows:

17 Sections 14 through 17, 19, and 20, chapter . . . , Laws of 1997
18 (sections 14 through 17, 19, and 20 of this act) and 67.70.240(5)
19 constitute the entire state contribution for a stadium and exhibition
20 center, as defined in section 1 of this act. The state will not make
21 any additional contributions based on revised cost or revenue
22 estimates, cost overruns, unforeseen circumstances, or any other
23 reason.

24 NEW SECTION. **Sec. 22.** A new section is added to chapter 82.14 RCW
25 to read as follows:

26 (1) Between June 4, 1997, and June 23, 1997, the legislative
27 authority of a county with a population of one million or more may
28 authorize a special stadium and exhibition center sales and use tax
29 upon retail car rentals within the county that are taxable by the state
30 under chapters 82.08 and 82.12 RCW. The tax shall not be imposed
31 before January 1, 1998. The rate of the tax shall not exceed two and
32 one-half percent of the selling price in the case of a sales tax, or of
33 the rental value of the vehicle in the case of a use tax. The tax
34 imposed under this subsection is in addition to any other taxes
35 authorized by law and shall not be credited against any other tax
36 imposed upon the same taxable event. If the legislative authority of
37 a county with a population of one million or more has not authorized

1 the tax under this section by June 23, 1997, then the legislative
2 authority of a county with a population of five hundred thousand or
3 more that has created a public facilities district under section 3 of
4 this act may authorize a tax under this section by September 1, 1998.

5 (2) Any sales or use taxes imposed under this section shall be used
6 exclusively for the uses provided in section 23 of this act, shall be
7 subject to the conditions of section 25 of this act, and shall expire
8 when the bonds issued for the construction of the stadium and
9 exhibition center are retired, but not later than twenty-three years
10 after the tax is first collected.

11 NEW SECTION. **Sec. 23.** A new section is added to chapter 36.100
12 RCW to read as follows:

13 (1) The revenue collected by the state from the taxes imposed under
14 RCW 36.38.010(5), sections 13, 14, and 22 of this act and the revenue
15 from the lottery account collected under RCW 67.70.240(5) shall be
16 distributed to the stadium and exhibition center account created in
17 section 24 of this act.

18 (2) All revenues collected on behalf of the county under section 20
19 of this act shall be transferred by the county to the public facilities
20 district created to develop a stadium and exhibition center under
21 section 5 of this act upon receipt by the county, to be used only for
22 predevelopment costs and debt service.

23 (3) The public facilities district created to develop a stadium and
24 exhibition center under section 5 of this act shall issue bonds in an
25 amount necessary for the district to pay for public facilities district
26 operation, preconstruction, site acquisition, design, site preparation,
27 construction, owning, leasing, and equipping the stadium and exhibition
28 center and to reimburse the county or the public facilities district
29 under this chapter for its direct or indirect expenditures or to repay
30 other indebtedness incurred under subsection (1) of this section.

31 NEW SECTION. **Sec. 24.** A new section is added to chapter 36.100
32 RCW to read as follows:

33 The stadium and exhibition center account is created in the custody
34 of the state treasurer. All receipts from section 23(1) of this act
35 must be deposited into the account. Only the treasurer or the
36 treasurer's designee may authorize expenditures from the account, not
37 to exceed the amount available in the account. The account is subject

1 to allotment procedures under chapter 43.88 RCW, but an appropriation
2 is not required for expenditures. Expenditures from the account may be
3 made only as follows:

4 (1) For fiscal year 1998, all revenues shall be distributed to the
5 public facilities district created to develop a stadium and exhibition
6 center under section 5 of this act for predevelopment costs of the
7 district for the stadium and exhibition center;

8 (2) For any fiscal year after fiscal year 1998 and through the
9 fiscal year in which the bonds under section 23(3) of this act are
10 issued:

11 (a) Fifteen million dollars shall be distributed to the district
12 for predevelopment costs of the district for the stadium and exhibition
13 center and payment of debt service if the bonds are issued in that
14 fiscal year; and

15 (b) Any revenues in excess of fifteen million dollars shall be
16 distributed to the technology grant account created in subsection (4)
17 of this section.

18 (3) For each fiscal year after the fiscal year in which the bonds
19 under section 23(3) of this act are issued:

20 (a) Such revenues shall be distributed to the district as are
21 needed by the district beyond those collected under section 20 of this
22 act for direct or indirect payment of, repayment of principal and
23 interest payments on bonds issued by the public facilities district to
24 fund payment of, or repayment of principal and interest payments on
25 other indebtedness incurred by the public facilities district to fund
26 payment of, any costs or expenses incurred by the public facilities
27 district under this chapter for public facilities district operation,
28 preconstruction, site acquisition, design, site preparation,
29 construction, owning, leasing, remodeling, maintaining, equipping,
30 reequipping, repairing, and operation of a stadium and exhibition
31 center. The authority to use the revenue under this subsection (3)(a)
32 is not conditioned upon whether the public facilities district ever
33 enters into any agreement with a professional football team that will
34 use the stadium and exhibition center, or whether the stadium and
35 exhibition center is ever constructed, so long as the public facilities
36 district had a good faith intent to enter into an agreement with the
37 professional football team that proposes to use the stadium and
38 exhibition center or to construct a stadium and exhibition center at
39 the time of the use of the revenue.

1 (b) Any revenues in excess of those needed for the purposes of (a)
2 of this subsection shall be distributed to the technology grant account
3 in subsection (4) of this section.

4 (4)(a) The technology grant account is created in the custody of
5 the state treasurer. All designated receipts from subsections (2) and
6 (3) of this section must be deposited into the account. Only the
7 superintendent of public instruction, or the superintendent's designee,
8 may authorize expenditures from the account. The account is subject to
9 allotment procedures under chapter 43.88 RCW, but an appropriation is
10 not required for expenditures. Expenditures from the account may be
11 used only for the purposes of technology grants to school districts for
12 use in the acquisition of K-12 classroom computer hardware and
13 software, on-line access services and equipment, and teacher training
14 with respect to the acquisitions. A district is eligible for a grant
15 if it either has ongoing programs emphasizing specific approaches to
16 learning assisted by technology or it is identified by the center for
17 the improvement of student learning based on best practices, and the
18 district has plans and means for evaluating the improvement in student
19 learning resulting from the technology-based strategies of the
20 district.

21 (b) The technology grant account funds may be supplemented by a
22 combination of:

23 (i) Private financial contributions;

24 (ii) In-kind contributions through partnerships with technology
25 companies, educational service districts, institutions of higher
26 education, community and technical colleges, or any other organization
27 with expertise in applications of technology to learning that are
28 willing to assist school districts in applying technology to the
29 learning process through in-kind assistance; and

30 (iii) Other school district funds.

31 (c) School districts must submit proposals for grants from the
32 technology grant account. To the extent that funds are available,
33 school districts that meet the eligibility criteria of this subsection
34 shall be provided grants under this subsection in the order they are
35 prioritized by the technology education committee serving under section
36 501(2)(p)(iii), chapter 283, Laws of 1996, based on a competitive
37 application process.

38 (5) Notwithstanding anything seemingly to the contrary in this
39 section, the amounts and uses of the revenues received by the county,

1 the public facilities district, or any related governmental entity,
2 from any taxes levied in respect of the stadium and exhibition center
3 shall be structured and limited in such a manner that their present
4 value shall not exceed the amount that would permit the interest on any
5 bonds or other obligations issued to finance the stadium and exhibition
6 center to be treated as tax exempt to the fullest extent permitted by
7 federal law.

8 NEW SECTION. **Sec. 25.** A new section is added to chapter 36.100
9 RCW to read as follows:

10 (1) The taxes imposed under RCW 36.38.010(5) and section 13 of this
11 act are effective upon the first use of any part of the stadium and
12 exhibition center, but shall not be collected at any facility already
13 in operation as of the effective date of this section.

14 (2) Collection of the revenues distributed under section 23 (1) and
15 (2) of this act is subject to the conditions that:

16 (a) By December 31, 1997, the citizens of the state have approved
17 the taxes under section 14 of this act;

18 (b) On December 31, 1997, the professional football team that will
19 use the stadium and exhibition center is at least majority-owned and
20 controlled by, directly or indirectly, one or more persons who are each
21 residents of the state of Washington and who have been residents of the
22 state of Washington continuously since at least January 1, 1993; and

23 (c) The county in which the stadium and exhibition center is to be
24 constructed has created a public facilities district under this chapter
25 to acquire property, construct, own, remodel, maintain, equip, reequip,
26 repair, and operate a stadium and exhibition center.

27 (3) Bonds shall not be issued under section 23 of this act unless
28 the public facilities district has certified to the department of
29 revenue that:

30 (a) A professional football team has made a binding and legally
31 enforceable contractual commitment to play all of its regular season
32 and playoff home games in the stadium and exhibition center for a
33 period of time not shorter than the term of the bonds issued or to be
34 issued to finance the initial construction of the stadium and
35 exhibition center;

36 (b) If a team affiliate has entered into a development agreement
37 with a public facilities district under section 5 of this act, the
38 agreement includes a binding and legally enforceable contractual

1 commitment by the team affiliate to assume the risks of cost overruns,
2 which are the costs of development that are in excess of the project
3 budget established under section 5 of this act.

4 (c) A team affiliate has made a binding and legally enforceable
5 contractual commitment to raise at least one hundred million dollars,
6 including through an equity contribution of a team affiliate and sale
7 of permanent seat licenses, toward the reasonably necessary
8 preconstruction, site acquisition, design, site preparation,
9 construction, and equipping of the stadium and exhibition center, or to
10 any associated public purpose separate from bond-financed property,
11 including purposes related to parking facilities, equipment,
12 infrastructure, or other similar costs associated with the project,
13 which shall be raised and paid before the completion of construction of
14 the stadium and exhibition center. No part of the payment may be made
15 without the consent of the public facilities district. To the extent
16 possible, contributions shall be structured in a manner that would
17 allow for the issuance of bonds to construct the stadium and exhibition
18 center that are exempt from federal income taxes;

19 (d) At least seven percent of the seats in the stadium must be
20 considered affordable. For the purposes of this subsection (3)(d),
21 "affordable" means that the price is an average of the lowest ticket
22 prices charged by all national football league teams that are not the
23 team that uses the stadium and exhibition center;

24 (e) One luxury box must be made available, on a lottery basis, as
25 a free upgrade, every game, to purchasers of certain specified tickets;
26 and

27 (f) If the professional football team is sold, twenty-five percent
28 of the amount above the seller's original purchase price must be used
29 to retire the public debt of the stadium and exhibition center. If the
30 debt is retired at the time of the sale, then the twenty-five percent
31 must be used for future stadium and exhibition center maintenance. For
32 the purposes of this subsection (3)(f), "seller's original purchase
33 price" means the price paid by the seller for the acquisition of the
34 professional football team, but does not include any costs associated
35 with the ownership or operation of the team, such as operating losses,
36 contributions to stadium and exhibition center construction,
37 predevelopment costs, maintenance, and operation, the additional
38 expenses attributable to a purchase option, and any other costs not
39 included in the stated sale price under the purchase contract.

1 **Sec. 26.** RCW 67.28.180 and 1995 1st sp.s. c 14 s 10 are each
2 amended to read as follows:

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

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

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

20 (b) In the event that any county has levied the tax authorized by
21 this section and has, prior to June 26, 1975, either pledged the tax
22 revenues for payment of principal and interest on city revenue or
23 general obligation bonds authorized and issued pursuant to RCW
24 67.28.150 through 67.28.160 or has authorized and issued revenue or
25 general obligation bonds pursuant to the provisions of RCW 67.28.150
26 through 67.28.160, such county shall be exempt from the provisions of
27 (a) of this subsection, to the extent that the tax revenues are pledged
28 for payment of principal and interest on bonds issued at any time
29 pursuant to the provisions of RCW 67.28.150 through 67.28.160:
30 PROVIDED, That so much of such pledged tax revenues, together with any
31 investment earnings thereon, not immediately necessary for actual
32 payment of principal and interest on such bonds may be used: (i) In
33 any county with a population of one million or more, for repayment
34 either of limited tax levy general obligation bonds or of any county
35 fund or account from which a loan was made, the proceeds from the bonds
36 or loan being used to pay for constructing, installing, improving, and
37 equipping stadium capital improvement projects, and to pay for any
38 engineering, planning, financial, legal and professional services
39 incident to the development of such stadium capital improvement

1 projects, regardless of the date the debt for such capital improvement
2 projects was or may be incurred; ((or)) (ii) in any county with a
3 population of one million or more, for repayment or refinancing of
4 bonded indebtedness incurred prior to January 1, 1997, for any purpose
5 authorized by this section or relating to stadium repairs or
6 rehabilitation, including but not limited to the cost of settling legal
7 claims, reimbursing operating funds, interest payments on short-term
8 loans, and any other purpose for which such debt has been incurred if
9 the county has authorized the tax under section 22 of this act; or
10 (iii) in other counties, for county-owned facilities for agricultural
11 promotion. A county is exempt under this subsection in respect to city
12 revenue or general obligation bonds issued after April 1, 1991, only if
13 such bonds mature before January 1, 2013.

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

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

31 (3) Any levy authorized by this section by a county that has levied
32 the tax authorized by this section and has, prior to June 26, 1975,
33 either pledged the tax revenues for payment of principal and interest
34 on city revenue or general obligation bonds authorized and issued
35 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and
36 issued revenue or general obligation bonds pursuant to the provisions
37 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, or through December 31, 2015, if the county authorized a tax
7 under section 22 of this act, for art museums, cultural museums,
8 heritage museums, the arts, and the performing arts. Moneys spent
9 under this subsection (3)(a)(i) shall be used for the purposes of this
10 subsection (3)(a)(i) in all parts of the county.

11 (ii) Twenty-five percent from January 1, 1992, through December 31,
12 2000, and thirty percent from January 1, 2001, through December 31,
13 2012, or through December 31, 2015, if the county authorized a tax
14 under section 22 of this act, for the following purposes and in a
15 manner reflecting the following order of priority: Stadium capital
16 improvements, as defined in subsection (2)(b) of this section;
17 acquisition of open space lands; youth sports activities; and tourism
18 promotion.

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

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

1 (c) At least forty percent of the revenues distributed pursuant to
2 (a)(i) of this subsection for the period January 1, 2001, through
3 December 31, 2012, or through December 31, 2015, if the county
4 authorized a tax under section 22 of this act, shall be deposited in an
5 account and shall be used to establish an endowment. Principal in the
6 account shall remain permanent and irreducible. The earnings from
7 investments of balances in the account may only be used for the
8 purposes of (a)(i) of this subsection.

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

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

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

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

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

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

1 to which the tax is pledged, any bonds to which the tax is pledged
2 shall be retired. This subsection (3)(i) does not apply in respect to
3 a public stadium, or a stadium and exhibition center, transferred to,
4 owned by, or constructed by a public facilities district under chapter
5 36.100 RCW.

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

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

16 NEW SECTION. Sec. 27. A new section is added to chapter 67.70 RCW
17 to read as follows:

18 The lottery commission shall conduct new games with themes related
19 to activities that will take place at the stadium and exhibition center
20 as defined in section 1 of this act. These games are in addition to
21 any games conducted under RCW 67.70.042 and are intended to generate
22 additional moneys sufficient to cover the distributions under RCW
23 67.70.240(5). For purposes of this section, the lottery may accept and
24 market prize promotions provided in conjunction with private-sector
25 marketing efforts.

26 NEW SECTION. Sec. 28. A new section is added to chapter 67.70 RCW
27 to read as follows:

28 The person or entity responsible for operating a stadium and
29 exhibition center as defined in section 1 of this act shall provide the
30 lottery with any combination of in-kind advertising, sponsorship, or
31 prize promotions, valued at one million dollars annually for the
32 purpose of increasing lottery sales of games authorized under section
33 27 of this act. The content and value of the advertising sponsorship
34 or prize promotions must be approved in advance by the lottery
35 commission.

1 **Sec. 29.** RCW 67.70.240 and 1995 3rd sp.s. c 1 s 105 are each
2 amended to read as follows:

3 The moneys in the state lottery account shall be used only:

4 (1) For the payment of prizes to the holders of winning lottery
5 tickets or shares;

6 (2) For purposes of making deposits into the reserve account
7 created by RCW 67.70.250 and into the lottery administrative account
8 created by RCW 67.70.260;

9 (3) For purposes of making deposits into the state's general fund;

10 (4) (~~for purposes of making deposits into the housing trust fund~~
11 ~~under the provisions of section 7 of this 1987 act; (5))~~) For
12 distribution to a county for the purpose of paying the principal and
13 interest payments on bonds issued by the county to construct a baseball
14 stadium, as defined in RCW 82.14.0485, including reasonably necessary
15 preconstruction costs(~~(; (6) for the purchase and promotion of lottery~~
16 ~~games and game-related services; and (7) for the payment of agent~~
17 ~~compensation))~~). Three million dollars shall be distributed under this
18 subsection (~~((5) of this section)~~) during calendar year 1996. During
19 subsequent years, such distributions shall equal the prior year's
20 distributions increased by four percent. Distributions under this
21 subsection (~~((5) of this section)~~) shall cease when the bonds issued
22 for the construction of the baseball stadium are retired, but not more
23 than twenty years after the tax under RCW 82.14.0485 is first imposed.
24 The office of financial management shall require the allotment of all
25 expenses paid from the account and shall report to the ways and means
26 committees of the senate and house of representatives any changes in
27 the allotments;

28 (5) For distribution to the stadium and exhibition center account,
29 created in section 24 of this act, for the purposes described in
30 section 23 of this act. Subject to the conditions of section 25 of
31 this act, commencing January 1, 1998, six million dollars shall be
32 distributed under this subsection during the calendar year 1998.
33 During subsequent years, such distribution shall equal the prior year's
34 distributions increased by four percent. Distributions under this
35 subsection shall cease when the bonds issued for the construction of
36 the stadium and exhibition center, as defined in section 1 of this act,
37 are retired, but not later than December 31, 2020. The office of
38 financial management shall require the allotment of all expenses paid
39 from the account and shall report to the ways and means committees of

1 the senate and the house of representatives any changes in the
2 allotments;

3 (6) For the purchase and promotion of lottery games and game-
4 related services; and

5 (7) For the payment of agent compensation.

6 **Sec. 30.** RCW 67.70.042 and 1995 3rd sp.s. c 1 s 104 are each
7 amended to read as follows:

8 The lottery commission shall conduct at least two but not more than
9 four scratch games with sports themes per year. These games are
10 intended to generate additional moneys sufficient to cover the
11 distributions under RCW 67.70.240(~~(+5)~~) (4).

12 **Sec. 31.** RCW 39.10.120 and 1995 3rd sp.s. c 1 s 305 are each
13 amended to read as follows:

14 (1) Except as provided in subsection (2) of this section, the
15 alternative public works contracting procedures authorized under this
16 chapter are limited to public works contracts signed before July 1,
17 1997. Methods of public works contracting authorized by RCW 39.10.050
18 and 39.10.060 shall remain in full force and effect until completion of
19 contracts signed before July 1, 1997.

20 (2) For the purposes of a baseball stadium as defined in RCW
21 82.14.0485, the design-build contracting procedures under RCW 39.10.050
22 shall remain in full force and effect until completion of contracts
23 signed before December 31, 1997.

24 (3) For the purposes of a stadium and exhibition center, as defined
25 in section 1 of this act, the design-build contracting procedures under
26 RCW 39.10.050 shall remain in full force and effect until completion of
27 contracts signed before December 31, 2000.

28 **Sec. 32.** RCW 39.10.050 and 1994 c 132 s 5 are each amended to read
29 as follows:

30 (1) Notwithstanding any other provision of law, and after complying
31 with RCW 39.10.030, the following public bodies may utilize the design-
32 build procedure of public works contracting for public works projects
33 authorized under this section: The state department of general
34 administration; the University of Washington; Washington State
35 University; every city with a population greater than one hundred fifty
36 thousand; and every county with a population greater than four hundred

1 fifty thousand. For the purposes of this section, "design-build
2 procedure" means a contract between a public body and another party in
3 which the party agrees to both design and build the structure,
4 facility, or other item specified in the contract.

5 (2) Public bodies authorized under this section may utilize the
6 design-build procedure for public works projects valued over ten
7 million dollars where:

8 (a) The construction activities are highly specialized and a
9 design-build approach is critical in developing the construction
10 methodology;

11 (b) The project design is repetitive in nature and is an incidental
12 part of the installation or construction; or

13 (c) The program elements of the project design are simple and do
14 not involve complex functional interrelationships.

15 (3) The state department of general administration may use the
16 design-build procedure authorized in subsection (2)(c) of this section
17 for one project.

18 (4) Contracts for design-build services shall be awarded through a
19 competitive process utilizing public solicitation of proposals for
20 design-build services. The public body shall publish at least once in
21 a legal newspaper of general circulation published in or as near as
22 possible to that part of the county in which the public work will be
23 done, a notice of its request for proposals for design-build services
24 and the availability and location of the request for proposal
25 documents. The request for proposal documents shall include:

26 (a) A detailed description of the project including programmatic,
27 performance, and technical requirements and specifications, functional
28 and operational elements, and minimum and maximum net and gross areas
29 of any building;

30 (b) The reasons for using the design-build procedure;

31 (c) A description of the qualifications, if any, to be required of
32 the proposer;

33 (d) A description of the process the public body will use to
34 evaluate qualifications and proposals, including evaluation factors and
35 the relative weight of factors. Evaluation factors shall include, but
36 not be limited to: Proposal price; ability of professional personnel;
37 past performance on similar projects; ability to meet time and budget
38 requirements; ability to provide a performance and payment bond for the

1 project; recent, current, and projected work loads of the firm; and the
2 concept of the proposal;

3 (e) The form of the contract to be awarded;

4 (f) The maximum allowable construction cost and minority and women
5 enterprise total project goals;

6 (g) The amount to be paid to finalists submitting best and final
7 proposals who are not awarded a design-build contract; and

8 (h) Other information relevant to the project.

9 (5) The public body shall establish a committee to evaluate the
10 proposals based on the factors, weighting, and process identified in
11 the request for proposals. Based on its evaluation, the public body
12 shall select not fewer than three nor more than five finalists to
13 submit best and final proposals. Best and final proposals shall be
14 evaluated and scored based on the factors, weighting, and process
15 identified in the initial request for proposals. Final proposals may
16 not be considered if the proposal cost is greater than the maximum
17 allowable construction cost identified in the initial request for
18 proposals.

19 (6) The public body shall initiate negotiations with the firm
20 submitting the highest scored final proposal. If the public body is
21 unable to execute a contract with that firm, negotiations with that
22 firm may be suspended or terminated and the public body may proceed to
23 negotiate with the next highest scored firm. Public bodies shall
24 continue in accordance with this procedure until a contract agreement
25 is reached or the selection process is terminated. The public body
26 may, in its sole discretion, reject all proposals. The finalist
27 awarded the contract shall provide a performance and payment bond for
28 the contracted amount. The public body shall provide appropriate
29 honorarium payments to finalists submitting best and final proposals
30 who are not awarded a design-build contract. Honorarium payments shall
31 be sufficient to generate meaningful competition among potential
32 proposers on design-build projects.

33 (7) Beginning July 1, 1997, this section applies only for the
34 purposes of a stadium and exhibition center, as defined in section 1 of
35 this act and has no effect beyond the completion of contracts signed
36 before December 31, 2000.

37 **Sec. 33.** RCW 39.10.902 and 1995 3rd sp.s. c 1 s 306 are each
38 amended to read as follows:

1 The following acts or parts of acts, as now existing or hereafter
2 amended, are each repealed, effective July 1, 1997:

- 3 (1) RCW 39.10.010 and 1994 c 132 s 1;
- 4 (2) RCW 39.10.020 and 1994 c 132 s 2;
- 5 (3) RCW 39.10.030 and 1994 c 132 s 3;
- 6 (4) RCW 39.10.040 and 1994 c 132 s 4;
- 7 (5) (~~RCW 39.10.050 and 1994 c 132 s 5;~~
- 8 ~~(6)~~) RCW 39.10.060 and 1994 c 132 s 6;
- 9 (~~(7)~~) (6) RCW 39.10.070 and 1994 c 132 s 7;
- 10 (~~(8)~~) (7) RCW 39.10.080 and 1994 c 132 s 8;
- 11 (~~(9)~~) (8) RCW 39.10.090 and 1994 c 132 s 9;
- 12 (~~(10)~~) (9) RCW 39.10.100 and 1994 c 132 s 10;
- 13 (~~(11)~~) (10) RCW 39.10.110 and 1994 c 132 s 11;
- 14 (~~(12)~~) (11) RCW 39.10.900 and 1994 c 132 s 13;
- 15 (~~(13)~~) (12) RCW 39.10.901 and 1994 c 132 s 14; and
- 16 (~~(14)~~) (13) RCW 39.10.902 and 1994 c 132 s 15.

17 **Sec. 34.** RCW 82.14.049 and 1992 c 194 s 3 are each amended to read
18 as follows:

19 The legislative authority of any county may impose a sales and use
20 tax, in addition to the tax authorized by RCW 82.14.030, upon retail
21 car rentals within the county that are taxable by the state under
22 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of
23 the selling price in the case of a sales tax or rental value of the
24 vehicle in the case of a use tax. Proceeds of the tax shall not be
25 used to subsidize any professional sports team and shall be used solely
26 for the following purposes:

- 27 (1) Acquiring, constructing, maintaining, or operating public
28 sports stadium facilities;
- 29 (2) Engineering, planning, financial, legal, or professional
30 services incidental to public sports stadium facilities; (~~or~~)
- 31 (3) Youth or amateur sport activities or facilities; or
- 32 (4) Refinancing debt issued for the purposes of subsection (1) of
33 this section.

34 NEW SECTION. **Sec. 35.** A new section is added to chapter 82.14 RCW
35 to read as follows:

36 The definitions in section 1 of this act apply to sections 18 and
37 20 through 22 of this act.

1 NEW SECTION. **Sec. 36.** 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. 37.** Section 14 of this act constitutes a new
6 chapter in Title 82 RCW.

7 NEW SECTION. **Sec. 38.** Sections 1 through 13 and 15 through 36 of
8 this act are necessary for the immediate preservation of the public
9 peace, health, or safety, or support of the state government and its
10 existing public institutions, and take effect immediately.

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