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SENATE BILL 6079

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State of Washington

56th Legislature

1999 Regular Session

By Senator Bauer

Read first time 03/05/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to funding for convention, conference, or special  
2 events centers in cities with a population greater than one hundred  
3 thousand that are located in counties with a population of less than  
4 four hundred thousand; amending RCW 36.38.010; adding a new section to  
5 chapter 82.14 RCW; adding a new chapter to Title 35 RCW; providing an  
6 effective date; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** The definitions in this section apply  
9 throughout this chapter.

10 (1) "City" means any city with a population greater than one  
11 hundred thousand that is located in a county with a population of less  
12 than four hundred thousand; and

13 (2) "Convention center" means a convention, conference, or special  
14 events center, or any combination of such facilities, and related  
15 parking facilities.

16 NEW SECTION. **Sec. 2.** (1) A city is authorized to acquire,  
17 construct, own, remodel, maintain, equip, reequip, repair, and operate  
18 a convention center.

1 (2) The city may impose charges and fees for the use of the  
2 convention center and may accept and expend or use gifts, grants, and  
3 donations for the purpose of the convention center.

4 (3) The city may impose taxes authorized in this chapter and use  
5 revenues derived therefrom for the purpose of paying principal and  
6 interest payments on bonds issued by the city to construct a convention  
7 center under this chapter.

8 (4) A city may use the supplemental alternative public works  
9 contracting procedures set forth in chapter 39.10 RCW in connection  
10 with the design, construction, reconstruction, remodel, or alteration  
11 of a convention center under this chapter.

12 NEW SECTION. **Sec. 3.** (1) A city may issue revenue bonds to fund  
13 a convention center under this chapter, or portions of facilities,  
14 which it is authorized to provide or operate under this chapter.  
15 Whenever revenue bonds are to be issued, the city shall create or have  
16 created a special fund or funds from which, along with any reserves  
17 created pursuant to RCW 39.44.140, the principal and interest on such  
18 revenue bonds shall exclusively be payable. The city may obligate  
19 itself to set aside and pay into the special fund or funds a fixed  
20 proportion or a fixed amount of the revenues from the convention  
21 center, and all related additions, that are funded by the revenue  
22 bonds. This amount or proportion shall be a lien and charge against  
23 these revenues, subject only to operating and maintenance expenses.  
24 The city shall have due regard for the cost of operation and  
25 maintenance of the convention center, or additions, that are funded by  
26 the revenue bonds, and shall not set aside into the special fund or  
27 funds a greater amount or proportion of the revenues that in its  
28 judgment will be available over and above the cost of maintenance and  
29 operation and the amount or proportion, if any, of the revenue so  
30 previously pledged. The city may also provide that revenue bonds  
31 payable out of the same source or sources of revenue may later be  
32 issued on a parity with any revenue bonds being issued and sold.

33 (2) Revenue bonds issued pursuant to this section shall not be an  
34 indebtedness of the city issuing the bonds, and the interest and  
35 principal on the bonds shall only be payable from the revenues lawfully  
36 pledged to meet the principal and interest requirements and any  
37 reserves created pursuant to RCW 39.44.140. The owner or bearer of a  
38 revenue bond or any interest coupon issued pursuant to this section

1 shall not have any claim against the city arising from the bond or  
2 coupon except for payment from the revenues lawfully pledged to meet  
3 the principal and interest requirements and any reserves created  
4 pursuant to RCW 39.44.140. The substance of the limitations included  
5 in this subsection shall be plainly printed, written, or engraved on  
6 each bond issued pursuant to this section.

7 (3) Revenue bonds with a maturity in excess of thirty years shall  
8 not be issued. The city shall by resolution determine for each revenue  
9 bond issue, the amount, date, form, terms, conditions, denominations,  
10 maximum fixed or variable interest rate or rates, maturity or  
11 maturities, redemption rights, registration privileges, manner of  
12 execution, manner of sale, callable provisions, if any, and covenants  
13 including the refunding of existing revenue bonds. Facsimile  
14 signatures may be used on the bonds and any coupons. Refunding revenue  
15 bonds may be issued in the same manner as revenue bonds are issued.

16 NEW SECTION. **Sec. 4.** A city may levy and fix a tax of not more  
17 than one cent on twenty cents or fraction thereof to be paid by the  
18 person who pays an admission charge to the convention center. This  
19 includes a tax on persons who are admitted free of charge or at reduced  
20 rates if other persons pay a charge or a regular higher charge for the  
21 same privileges or accommodations.

22 The term "admission charge" includes:

23 (1) A charge made for season tickets or subscriptions;

24 (2) A cover charge, or a charge made for use of seats and tables  
25 reserved or otherwise, and other similar accommodations;

26 (3) A charge made for food and refreshment if free entertainment,  
27 recreation, or amusement is provided;

28 (4) A charge made for rental or use of equipment or facilities for  
29 purposes of recreation or amusement; if the rental of the equipment or  
30 facilities is necessary to the enjoyment of a privilege for which a  
31 general admission is charged, the combined charges shall be considered  
32 as the admission charge;

33 (5) Automobile parking charges if the amount of the charge is  
34 determined according to the number of passengers in the automobile.

35 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.14 RCW  
36 to read as follows:

1 (1) A city authorized to construct a convention center under  
2 chapter 35.--- RCW (sections 1 through 4 of this act) may impose a  
3 sales and use tax in accordance with the terms of this chapter. The  
4 tax is in addition to other taxes authorized by law and shall be  
5 collected from those persons who are taxable by the state under  
6 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event  
7 within the city. The rate of tax shall not exceed 0.033 percent of the  
8 selling price in the case of a sales tax or value of the article used  
9 in the case of a use tax.

10 (2) The tax imposed under subsection (1) of this section shall be  
11 deducted from the amount of tax otherwise required to be collected or  
12 paid over to the department of revenue under chapter 82.08 or 82.12  
13 RCW. The department of revenue shall perform the collection of such  
14 taxes on behalf of the county at no cost to the city.

15 (3) No tax may be collected under this section before August 1,  
16 2000. The tax imposed in this section shall expire when the bonds  
17 issued for the construction of the convention center are retired, but  
18 not more than twenty years after the tax is first collected.

19 (4) Moneys collected under this section shall only be used for the  
20 purposes set forth in section 2 of this act.

21 (5) The definitions in section 1 of this act apply to this section.

22 **Sec. 6.** RCW 36.38.010 and 1997 c 220 s 301 (Referendum Bill No.  
23 48) are each amended to read as follows:

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

35 (2) As used in this chapter, the term "admission charge" includes  
36 a charge made for season tickets or subscriptions, a cover charge, or  
37 a charge made for use of seats and tables, reserved or otherwise, and  
38 other similar accommodations; a charge made for food and refreshments

1 in any place where any free entertainment, recreation, or amusement is  
2 provided; a charge made for rental or use of equipment or facilities  
3 for purpose of recreation or amusement, and where the rental of the  
4 equipment or facilities is necessary to the enjoyment of a privilege  
5 for which a general admission is charged, the combined charges shall be  
6 considered as the admission charge. It shall also include any  
7 automobile parking charge where the amount of such charge is determined  
8 according to the number of passengers in any automobile.

9 (3) Subject to subsections (4) and (5) of this section, the tax  
10 herein authorized shall not be exclusive and shall not prevent any city  
11 or town within the taxing county, when authorized by law, from imposing  
12 within its corporate limits a tax of the same or similar kind:  
13 PROVIDED, That whenever the same or similar kind of tax is imposed by  
14 any such city or town under RCW 35.21.280, no such tax shall be levied  
15 within the corporate limits of such city or town by the county.

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

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

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

37 (5) Notwithstanding subsection (3) of this section, the legislative  
38 authority of a county that has created a public stadium authority to  
39 develop a stadium and exhibition center under RCW 36.102.050 may levy

1 and fix a tax on charges for admission to events in a stadium and  
2 exhibition center, as defined in RCW 36.102.010, constructed in the  
3 county on or after January 1, 1998, that is owned by a public stadium  
4 authority under chapter 36.102 RCW. The tax shall be exclusive and  
5 shall preclude the city or town within which the stadium and exhibition  
6 center is located from imposing a tax of the same or similar kind on  
7 charges for admission to events in the stadium and exhibition center,  
8 and shall preclude the imposition of a general county admissions tax on  
9 charges for admission to events in the stadium and exhibition center.  
10 For the purposes of this subsection, "charges for admission to events"  
11 means only the actual admission charge, exclusive of taxes and service  
12 charges and the value of any other benefit conferred by the admission.  
13 The tax authorized under this subsection shall be at the rate of not  
14 more than one cent on ten cents or fraction thereof. Revenues  
15 collected under this subsection shall be deposited in the stadium and  
16 exhibition center account under RCW 43.99N.060 until the bonds issued  
17 under RCW 43.99N.020 for the construction of the stadium and exhibition  
18 center are retired. After the bonds issued for the construction of the  
19 stadium and exhibition center are retired, the tax authorized under  
20 this section shall be used exclusively to fund repair, reequipping, and  
21 capital improvement of the stadium and exhibition center. The tax  
22 under this subsection may be levied upon the first use of any part of  
23 the stadium and exhibition center but shall not be collected at any  
24 facility already in operation as of July 17, 1997.

25 NEW SECTION. **Sec. 7.** Sections 1 through 4 of this act constitute  
26 a new chapter in Title 35 RCW.

27 NEW SECTION. **Sec. 8.** If any provision of this act or its  
28 application to any person or circumstance is held invalid, the  
29 remainder of the act or the application of the provision to other  
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 9.** This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of the  
33 state government and its existing public institutions, and takes effect  
34 July 1, 1999.

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