

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 5452

Chapter 165, Laws of 1999

56th Legislature
1999 Regular Session

REGIONAL CONVENTION, CONFERENCE, OR SPECIAL EVENTS CENTERS

EFFECTIVE DATE: 7/25/99

Passed by the Senate April 21, 1999
YEAS 39 NAYS 7

BRAD OWEN
President of the Senate

Passed by the House April 14, 1999
YEAS 86 NAYS 10

CLYDE BALLARD
**Speaker of the
House of Representatives**

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved May 4, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 5452** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

May 4, 1999 - 1:51 p.m.

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 5452

AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Bauer, Deccio, Benton, Goings, Winsley, Rasmussen, Franklin, Eide, Zarelli, Wojahn and Hale)

Read first time 03/08/1999.

1 AN ACT Relating to funding for regional convention, conference, or
2 special events centers; amending RCW 82.14.048, 82.14.050, 36.100.060,
3 36.100.030, 35.21.280, 36.38.010, and 82.29A.130; adding a new section
4 to chapter 82.14 RCW; adding new sections to chapter 36.100 RCW; and
5 adding a new chapter to Title 35 RCW.

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

7 NEW SECTION. **Sec. 1.** (1) The legislative authority of any town or
8 city located in a county with a population of less than one million may
9 create a public facilities district. The legislative authorities of
10 any contiguous group of towns or cities located in a county or counties
11 each with a population of less than one million may enter an agreement
12 under chapter 39.34 RCW for the creation and joint operation of a
13 public facilities district.

14 (2) A public facilities district shall be coextensive with the
15 boundaries of the city or town or contiguous group of cities or towns
16 that created the district.

17 (3)(a) A public facilities district created by a single city or
18 town shall be governed by a board of directors consisting of five
19 members selected as follows: (i) Two members appointed by the

1 legislative authority of the city or town; and (ii) three members
2 appointed by legislative authority based on recommendations from local
3 organizations. The members appointed under (a)(i) of this subsection,
4 shall not be members of the legislative authority of the city or town.
5 The members appointed under (a)(ii) of this subsection, shall be based
6 on recommendations received from local organizations that may include,
7 but are not limited to the local chamber of commerce, local economic
8 development council, and local labor council. The members shall serve
9 four-year terms. Of the initial members, one must be appointed for a
10 one-year term, one must be appointed for a two-year term, one must be
11 appointed for a three-year term, and the remainder must be appointed
12 for four-year terms.

13 (b) A public facilities district created by contiguous group of
14 cities and towns shall be governed by a board of directors consisting
15 of seven members selected as follows: (i) Three members appointed by
16 the legislative authorities of the cities and towns; and (ii) four
17 members appointed by the legislative authority based on recommendations
18 from local organizations. The members appointed under (b)(i) of this
19 subsection shall not be members of the legislative authorities of the
20 cities and towns. The members appointed under (b)(ii) of this
21 subsection, shall be based on recommendations received from local
22 organizations that include, but are not limited to the local chamber of
23 commerce, local economic development council, local labor council, and
24 a neighborhood organization that is directly affected by the location
25 of the regional center in their area. The members of the board of
26 directors shall be appointed in accordance with the terms of the
27 agreement under chapter 39.34 RCW for the joint operation of the
28 district and shall serve four-year terms. Of the initial members, one
29 must be appointed for a one-year term, one must be appointed for a two-
30 year term, one must be appointed for a three-year term, and the
31 remainder must be appointed for four-year terms.

32 (4) A public facilities district is a municipal corporation, an
33 independent taxing "authority" within the meaning of Article VII,
34 section 1 of the state Constitution, and a "taxing district" within the
35 meaning of Article VII, section 2 of the state Constitution.

36 (5) A public facilities district shall constitute a body corporate
37 and shall possess all the usual powers of a corporation for public
38 purposes as well as all other powers that may now or hereafter be
39 specifically conferred by statute, including, but not limited to, the

1 authority to hire employees, staff, and services, to enter into
2 contracts, and to sue and be sued.

3 (6) A public facilities district may acquire and transfer real and
4 personal property by lease, sublease, purchase, or sale. No direct or
5 collateral attack on any metropolitan facilities district purported to
6 be authorized or created in conformance with this chapter may be
7 commenced more than thirty days after creation by the city legislative
8 authority.

9 NEW SECTION. **Sec. 2.** (1) A public facilities district is
10 authorized to acquire, construct, own, remodel, maintain, equip,
11 reequip, repair, finance, and operate one or more regional centers.
12 For purposes of this chapter, "regional center" means a convention,
13 conference, or special events center, or any combination of facilities,
14 and related parking facilities, serving a regional population
15 constructed, improved, or rehabilitated after the effective date of
16 this section at a cost of at least ten million dollars, including debt
17 service. "Regional center" also includes an existing convention,
18 conference, or special events center, and related parking facilities,
19 serving a regional population, that is improved or rehabilitated after
20 the effective date of this section where the costs of improvement or
21 rehabilitation are at least ten million dollars, including debt
22 service. A regional center is conclusively presumed to serve a
23 regional population if state and local government investment in the
24 construction, improvement, or rehabilitation of the regional center is
25 equal to or greater than ten million dollars.

26 (2) A public facilities district may impose charges and fees for
27 the use of its facilities, and may accept and expend or use gifts,
28 grants, and donations for the purpose of a regional center.

29 (3) A public facilities district may impose charges, fees, and
30 taxes authorized in section 4 of this act, and use revenues derived
31 therefrom for the purpose of paying principal and interest payments on
32 bonds issued by the public facilities district to construct a regional
33 center.

34 (4) Notwithstanding the establishment of a career, civil, or merit
35 service system, a public facilities district may contract with a public
36 or private entity for the operation or management of its public
37 facilities.

1 (5) A public facilities district is authorized to use the
2 supplemental alternative public works contracting procedures set forth
3 in chapter 39.10 RCW in connection with the design, construction,
4 reconstruction, remodel, or alteration of any regional center.

5 NEW SECTION. **Sec. 3.** (1) To carry out the purpose of this
6 chapter, a public facilities district may issue general obligation
7 bonds, not to exceed an amount, together with any outstanding nonvoter-
8 approved general obligation indebtedness, equal to one-half of one
9 percent of the value of the taxable property within the district, as
10 the term "value of the taxable property" is defined in RCW 39.36.015.
11 A facilities district additionally may issue general obligation bonds
12 for capital purposes only, together with any outstanding general
13 obligation indebtedness, not to exceed an amount equal to one and one-
14 fourth percent of the value of the taxable property within the
15 district, as the term "value of the taxable property" is defined in RCW
16 39.36.015, when authorized by the voters of the public facilities
17 district pursuant to Article VIII, section 6 of the state Constitution,
18 and to provide for the retirement thereof by taxes authorized in this
19 act.

20 (2) General obligation bonds may be issued with a maturity of up to
21 thirty years, and shall be issued and sold in accordance with the
22 provisions of chapter 39.46 RCW.

23 (3) The general obligation bonds may be payable from the operating
24 revenues of the public facilities district in addition to the tax
25 receipts of the district.

26 NEW SECTION. **Sec. 4.** (1) The board of directors of the public
27 facilities district may impose the following for the purpose of funding
28 a regional center:

- 29 (a) Charges and fees for the use of any of its facilities;
30 (b) Admission charges under section 10 of this act;
31 (c) Vehicle parking charges under section 11 of this act; and
32 (d) Sales and use taxes authorized under RCW 82.14.048 and section
33 13 of this act.

34 (2) The board may accept and expend or use gifts, grants, and
35 donations for the purpose of a regional center. The revenue from the
36 charges, fees, and taxes imposed under this section shall be used only
37 for the purposes authorized by this chapter.

1 NEW SECTION. **Sec. 5.** The board of directors of the public
2 facilities district shall adopt a resolution that may be amended from
3 time to time that shall establish the basic requirements governing
4 methods and amounts of reimbursement payable to such district officials
5 and employees for travel and other business expenses incurred on behalf
6 of the district. The resolution shall, among other things, establish
7 procedures for approving such expenses; the form of the travel and
8 expense voucher; and requirements governing the use of credit cards
9 issued in the name of the district. The resolution may also establish
10 procedures for payment of per diem to board members. The state auditor
11 shall, as provided by general law, cooperate with the public facilities
12 district in establishing adequate procedures for regulating and
13 auditing the reimbursement of all such expenses.

14 NEW SECTION. **Sec. 6.** The board of directors of the public
15 facilities district shall have authority to authorize the expenditure
16 of funds for the public purposes of preparing and distributing
17 information to the general public and promoting, advertising,
18 improving, developing, operating, and maintaining a regional center.
19 Nothing contained in this section may be construed to authorize
20 preparation and distribution of information to the general public for
21 the purpose of influencing the outcome of a district election.

22 NEW SECTION. **Sec. 7.** The public facilities district may secure
23 services by means of an agreement with a service provider. The public
24 facilities district shall publish notice, establish criteria, receive
25 and evaluate proposals, and negotiate with respondents under
26 requirements set forth by district resolution.

27 NEW SECTION. **Sec. 8.** In addition to provisions contained in
28 chapter 39.04 RCW, the public facilities district is authorized to
29 follow procedures contained in RCW 43.19.1906 and 43.19.1911 for all
30 purchases, contracts for purchase, and sales.

31 NEW SECTION. **Sec. 9.** (1) A public facilities district may issue
32 revenue bonds to fund revenue-generating facilities, or portions of
33 facilities, which it is authorized to provide or operate. Whenever
34 revenue bonds are to be issued, the board of directors of the district
35 shall create or have created a special fund or funds from which, along

1 with any reserves created pursuant to RCW 39.44.140, the principal and
2 interest on such revenue bonds shall exclusively be payable. The board
3 may obligate the district to set aside and pay into the special fund or
4 funds a fixed proportion or a fixed amount of the revenues from the
5 public improvements, projects, or facilities, and all related
6 additions, that are funded by the revenue bonds. This amount or
7 proportion shall be a lien and charge against these revenues, subject
8 only to operating and maintenance expenses. The board shall have due
9 regard for the cost of operation and maintenance of the public
10 improvements, projects, or facilities, or additions, that are funded by
11 the revenue bonds, and shall not set aside into the special fund or
12 funds a greater amount or proportion of the revenues that in its
13 judgment will be available over and above the cost of maintenance and
14 operation and the amount or proportion, if any, of the revenue so
15 previously pledged. The board may also provide that revenue bonds
16 payable out of the same source or sources of revenue may later be
17 issued on a parity with any revenue bonds being issued and sold.

18 (2) Revenue bonds issued under this section shall not be an
19 indebtedness of the district issuing the bonds, and the interest and
20 principal on the bonds shall only be payable from the revenues lawfully
21 pledged to meet the principal and interest requirements and any
22 reserves created under RCW 39.44.140. The owner or bearer of a revenue
23 bond or any interest coupon issued under this section shall not have
24 any claim against the district arising from the bond or coupon except
25 for payment from the revenues lawfully pledged to meet the principal
26 and interest requirements and any reserves created under RCW 39.44.140.
27 The substance of the limitations included in this subsection shall be
28 plainly printed, written, or engraved on each bond issued under this
29 section.

30 (3) Revenue bonds with a maturity in excess of thirty years shall
31 not be issued. The board of directors of the district shall by
32 resolution determine for each revenue bond issue the amount, date,
33 form, terms, conditions, denominations, maximum fixed or variable
34 interest rate or rates, maturity or maturities, redemption rights,
35 registration privileges, manner of execution, manner of sale, callable
36 provisions, if any, and covenants including the refunding of existing
37 revenue bonds. Facsimile signatures may be used on the bonds and any
38 coupons. Refunding revenue bonds may be issued in the same manner as
39 revenue bonds are issued.

1 NEW SECTION. **Sec. 10.** A public facility district may levy and fix
2 a tax of not more than one cent on twenty cents or fraction thereof to
3 be paid by the person who pays an admission charge to a regional
4 center. This includes a tax on persons who are admitted free of charge
5 or at reduced rates if other persons pay a charge or a regular higher
6 charge for the same privileges or accommodations.

7 The term "admission charge" includes:

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

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

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

13 (4) A charge made for rental or use of equipment or facilities for
14 purposes of recreation or amusement; if the rental of the equipment or
15 facilities is necessary to the enjoyment of a privilege for which a
16 general admission is charged, the combined charges shall be considered
17 as the admission charge;

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

20 NEW SECTION. **Sec. 11.** A public facility district may levy and fix
21 a tax on any vehicle parking charges imposed at any parking facility
22 that is owned or leased by the public facility district as part of a
23 regional center. No county or city or town within which the regional
24 center is located may impose a tax of the same or similar kind on any
25 vehicle parking charges at the facility. For the purposes of this
26 section, "vehicle parking charges" means only the actual parking
27 charges exclusive of taxes and service charges and the value of any
28 other benefit conferred. The tax authorized under this section shall
29 be at the rate of not more than ten percent.

30 **Sec. 12.** RCW 82.14.048 and 1995 c 396 s 6 are each amended to read
31 as follows:

32 The governing board of a public facilities district under chapter
33 36.100 RCW or chapter 35.-- RCW (sections 1 through 11 of this act) may
34 submit an authorizing proposition to the voters of the district, and if
35 the proposition is approved by a majority of persons voting, fix and
36 impose a sales and use tax in accordance with the terms of this
37 chapter.

1 The tax authorized in this section shall be in addition to any
2 other taxes authorized by law and shall be collected from those persons
3 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
4 the occurrence of any taxable event within the public facilities
5 district. The rate of tax shall (~~equal one-tenth~~) not exceed two-
6 tenths of one percent of the selling price in the case of a sales tax,
7 or value of the article used, in the case of a use tax.

8 Moneys received from any tax imposed under this section shall be
9 used for the purpose of providing funds for the costs associated with
10 the financing, design, acquisition, construction, equipping, operating,
11 maintaining, remodeling, repairing, and reequipping of its public
12 facilities.

13 No tax may be collected under this section by a public facilities
14 district under chapter 35.-- RCW (sections 1 through 11 of this act)
15 before August 1, 2000, and no tax in excess of one-tenth of one percent
16 may be collected under this section by a public facilities district
17 under chapter 36.100 RCW before August 1, 2000.

18 NEW SECTION. Sec. 13. A new section is added to chapter 82.14 RCW
19 to read as follows:

20 (1) Except as provided in subsection (6) of this section, the
21 governing body of a public facilities district created under chapter
22 35.-- RCW (sections 1 through 11 of this act) or chapter 36.100 RCW
23 that commences construction of a new regional center, or improvement or
24 rehabilitation of an existing new regional center, before January 1,
25 2003, may impose a sales and use tax in accordance with the terms of
26 this chapter. The tax is in addition to other taxes authorized by law
27 and shall be collected from those persons who are taxable by the state
28 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
29 event within the public facilities district. The rate of tax shall not
30 exceed 0.033 percent of the selling price in the case of a sales tax or
31 value of the article used in the case of a use tax.

32 (2) The tax imposed under subsection (1) of this section shall be
33 deducted from the amount of tax otherwise required to be collected or
34 paid over to the department of revenue under chapter 82.08 or 82.12
35 RCW. The department of revenue shall perform the collection of such
36 taxes on behalf of the county at no cost to the public facilities
37 district.

1 (3) No tax may be collected under this section before August 1,
2 2000. The tax imposed in this section shall expire when the bonds
3 issued for the construction of the regional center and related parking
4 facilities are retired, but not more than twenty-five years after the
5 tax is first collected.

6 (4) Moneys collected under this section shall only be used for the
7 purposes set forth in section 2 of this act and must be matched with an
8 amount from other public or private sources equal to thirty-three
9 percent of the amount collected under this section, provided that
10 amounts generated from nonvoter approved taxes authorized under chapter
11 35.-- RCW (sections 1 through 11 of this act) or nonvoter approved
12 taxes authorized under chapter 36.100 RCW shall not constitute a public
13 or private source. For the purpose of this section, public or private
14 sources includes, but is not limited to cash or in-kind contributions
15 used in all phases of the development or improvement of the regional
16 center, land that is donated and used for the siting of the regional
17 center, cash or in-kind contributions from public or private
18 foundations, or amounts attributed to private sector partners as part
19 of a public and private partnership agreement negotiated by the public
20 facilities district.

21 (5) The combined total tax levied under this section shall not be
22 greater than 0.033 percent. If both a public facilities district
23 created under chapter 35.-- RCW (sections 1 through 11 of this act) and
24 a public facilities district created under chapter 36.100 RCW impose a
25 tax under this section, the tax imposed by a public facilities district
26 created under chapter 35.-- RCW (sections 1 through 11 of this act)
27 shall be credited against the tax imposed by a public facilities
28 district created under chapter 36.100 RCW.

29 (6) A public facilities district created under chapter 36.100 RCW
30 is not eligible to impose the tax under this section if the legislative
31 authority of the county where the public facilities district is located
32 has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

33 **Sec. 14.** RCW 82.14.050 and 1991 sp.s. c 13 s 34 are each amended
34 to read as follows:

35 The counties, cities, and transportation authorities under RCW
36 82.14.045 and public facilities districts under chapter 36.100 RCW and
37 chapter 35.-- RCW (sections 1 through 11 of this act) shall contract,
38 prior to the effective date of a resolution or ordinance imposing a

1 sales and use tax, the administration and collection to the state
2 department of revenue, which shall deduct a percentage amount, as
3 provided by contract, not to exceed two percent of the taxes collected
4 for administration and collection expenses incurred by the department.
5 The remainder of any portion of any tax authorized by this chapter
6 which is collected by the department of revenue shall be deposited by
7 the state department of revenue in the local sales and use tax account
8 hereby created in the state treasury. Moneys in the local sales and
9 use tax account may be spent only for distribution to counties, cities,
10 transportation authorities, and public facilities districts imposing a
11 sales and use tax. All administrative provisions in chapters 82.03,
12 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be
13 amended, shall, insofar as they are applicable to state sales and use
14 taxes, be applicable to taxes imposed pursuant to this chapter. Except
15 as provided in RCW 43.08.190, all earnings of investments of balances
16 in the local sales and use tax account shall be credited to the local
17 sales and use tax account and distributed to the counties, cities,
18 transportation authorities, and public facilities districts monthly.

19 **Sec. 15.** RCW 36.100.060 and 1995 1st sp.s. c 14 s 4 are each
20 amended to read as follows:

21 (1) To carry out the purpose of this chapter, a public facilities
22 district may issue general obligation bonds, not to exceed an amount,
23 together with any outstanding nonvoter approved general obligation
24 indebtedness, equal to one-half of one percent of the value of taxable
25 property within the district, as the term "value of taxable property"
26 is defined in RCW 39.36.015. A facilities district additionally may
27 issue general obligation bonds for capital purposes only, together with
28 any outstanding general obligation indebtedness, not to exceed an
29 amount equal to one and one-fourth percent of the value of the taxable
30 property within the district, as the term "value of taxable property"
31 is defined in RCW 39.36.015, when authorized by the voters of the
32 public facilities district pursuant to Article VIII, section 6 of the
33 state Constitution, and to provide for the retirement thereof by excess
34 property tax levies as provided in this chapter.

35 (2) General obligation bonds may be issued with a maturity of up to
36 thirty years, and shall be issued and sold in accordance with the
37 provisions of chapter 39.46 RCW.

1 (3) The general obligation bonds may be payable from the operating
2 revenues of the public facilities district in addition to the tax
3 receipts of the district.

4 (4) The excise tax imposed pursuant to RCW 36.100.040 shall
5 terminate upon final payment of all bonded indebtedness for its public
6 facilities, except that the excise tax may be reauthorized by a public
7 vote, in the same manner as originally authorized, for funding of
8 additional public facilities or a regional center.

9 **Sec. 16.** RCW 36.100.030 and 1995 1st sp.s. c 14 s 3 are each
10 amended to read as follows:

11 (1) A public facilities district is authorized to acquire,
12 construct, own, remodel, maintain, equip, reequip, repair, and operate
13 sports facilities, entertainment facilities, ~~((or))~~ convention
14 facilities, or ~~((any combination of such facilities))~~ regional centers
15 as defined in section 2 of this act, together with contiguous parking
16 facilities. The taxes that are provided for in this chapter may only
17 be imposed for these purposes.

18 (2) A public facilities district may enter into agreements under
19 chapter 39.34 RCW for the joint provision and operation of such
20 facilities and may enter into contracts under chapter 39.34 RCW where
21 any party to the contract provides and operates such facilities for the
22 other party or parties to the contract.

23 (3) Notwithstanding the establishment of a career, civil, or merit
24 service system, a public facility [facilities] district may contract
25 with a public or private entity for the operation or management of its
26 public facilities.

27 (4) A public facilities district is authorized to use the
28 supplemental alternative public works contracting procedures set forth
29 in chapter 39.10 RCW in connection with the design, construction,
30 reconstruction, remodel, or alteration of any of its public facilities.

31 (5) A public facilities district may impose charges and fees for
32 the use of its facilities, and may accept and expend or use gifts,
33 grants, and donations.

34 NEW SECTION. **Sec. 17.** A new section is added to chapter 36.100
35 RCW to read as follows:

36 A public facility district may levy and fix a tax of not more than
37 one cent on twenty cents or fraction thereof to be paid by the person

1 who pays an admission charge to a regional center, as defined in
2 section 2 of this act. This includes a tax on persons who are admitted
3 free of charge or at reduced rates if other persons pay a charge or a
4 regular higher charge for the same privileges or accommodations.

5 The term "admission charge" includes:

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

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

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

11 (4) A charge made for rental or use of equipment or facilities for
12 purposes of recreation or amusement; if the rental of the equipment or
13 facilities is necessary to the enjoyment of a privilege for which a
14 general admission is charged, the combined charges shall be considered
15 as the admission charge;

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

18 NEW SECTION. **Sec. 18.** A new section is added to chapter 36.100
19 RCW to read as follows:

20 A public facility district may levy and fix a tax on any vehicle
21 parking charges imposed at any parking facility that is owned or leased
22 by the public facility district as part of a regional center, as
23 defined in section 2 of this act. No county or city or town within
24 which the regional center is located may impose a tax of the same or
25 similar kind on any vehicle parking charges at the facility. For the
26 purposes of this section, "vehicle parking charges" means only the
27 actual parking charges exclusive of taxes and service charges and the
28 value of any other benefit conferred. The tax authorized under this
29 section shall be at the rate of not more than ten percent.

30 **Sec. 19.** RCW 35.21.280 and 1995 3rd sp.s. c 1 s 202 are each
31 amended to read as follows:

32 Every city and town may levy and fix a tax of not more than one
33 cent on twenty cents or fraction thereof to be paid by the person who
34 pays an admission charge to any place: PROVIDED, No city or town shall
35 impose such tax on persons paying an admission to any activity of any
36 elementary or secondary school or any public facility of a public
37 facility district under chapter 35.-- RCW (sections 1 through 11 of

1 this act) or chapter 36.100 RCW for which a tax is imposed under
2 section 10 or 17 of this act. This includes a tax on persons who are
3 admitted free of charge or at reduced rates to any place for which
4 other persons pay a charge or a regular higher charge for the same
5 privileges or accommodations. A city that is located in a county with
6 a population of one million or more may not levy a tax on events in
7 stadia constructed on or after January 1, 1995, that are owned by a
8 public facilities district under chapter 36.100 RCW and that have
9 seating capacities over forty thousand. The city or town may require
10 anyone who receives payment for an admission charge to collect and
11 remit the tax to the city or town.

12 The term "admission charge" includes:

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

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

16 (3) A charge made for food and refreshment in any place where free
17 entertainment, recreation or amusement is provided;

18 (4) A charge made for rental or use of equipment or facilities for
19 purposes of recreation or amusement; if the rental of the equipment or
20 facilities is necessary to the enjoyment of a privilege for which a
21 general admission is charged, the combined charges shall be considered
22 as the admission charge;

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

25 **Sec. 20.** RCW 36.38.010 and 1997 c 220 s 301 (Referendum Bill No.
26 48) are each amended to read as follows:

27 (1) Any county may by ordinance enacted by its county legislative
28 authority, levy and fix a tax of not more than one cent on twenty cents
29 or fraction thereof to be paid for county purposes by persons who pay
30 an admission charge to any place, including a tax on persons who are
31 admitted free of charge or at reduced rates to any place for which
32 other persons pay a charge or a regular higher charge for the same or
33 similar privileges or accommodations; and require that one who receives
34 any admission charge to any place shall collect and remit the tax to
35 the county treasurer of the county: PROVIDED, No county shall impose
36 such tax on persons paying an admission to any activity of any
37 elementary or secondary school or any public facility of a public
38 facility district under chapter 35.-- RCW (sections 1 through 11 of

1 this act) or chapter 36.100 RCW for which a tax is imposed under
2 section 10 or 17 of this act.

3 (2) As used in this chapter, the term "admission charge" includes
4 a charge made for season tickets or subscriptions, a cover charge, or
5 a charge made for use of seats and tables, reserved or otherwise, and
6 other similar accommodations; a charge made for food and refreshments
7 in any place where any free entertainment, recreation, or amusement is
8 provided; a charge made for rental or use of equipment or facilities
9 for purpose of recreation or amusement, and where the rental of the
10 equipment or facilities is necessary to the enjoyment of a privilege
11 for which a general admission is charged, the combined charges shall be
12 considered as the admission charge. It shall also include any
13 automobile parking charge where the amount of such charge is determined
14 according to the number of passengers in any automobile.

15 (3) Subject to subsections (4) and (5) of this section, the tax
16 herein authorized shall not be exclusive and shall not prevent any city
17 or town within the taxing county, when authorized by law, from imposing
18 within its corporate limits a tax of the same or similar kind:
19 PROVIDED, That whenever the same or similar kind of tax is imposed by
20 any such city or town, no such tax shall be levied within the corporate
21 limits of such city or town by the county.

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

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

36 (b) Not more than one cent on twenty cents or fraction thereof, to
37 be used for the purpose of paying the principal and interest payments
38 on bonds issued by a county to construct a baseball stadium as defined
39 in RCW 82.14.0485. The tax imposed under this subsection (4)(b) shall

1 expire when the bonds issued for the construction of the baseball
2 stadium are retired, but not later than twenty years after the tax is
3 first collected.

4 (5) Notwithstanding subsection (3) of this section, the legislative
5 authority of a county that has created a public stadium authority to
6 develop a stadium and exhibition center under RCW 36.102.050 may levy
7 and fix a tax on charges for admission to events in a stadium and
8 exhibition center, as defined in RCW 36.102.010, constructed in the
9 county on or after January 1, 1998, that is owned by a public stadium
10 authority under chapter 36.102 RCW. The tax shall be exclusive and
11 shall preclude the city or town within which the stadium and exhibition
12 center is located from imposing a tax of the same or similar kind on
13 charges for admission to events in the stadium and exhibition center,
14 and shall preclude the imposition of a general county admissions tax on
15 charges for admission to events in the stadium and exhibition center.
16 For the purposes of this subsection, "charges for admission to events"
17 means only the actual admission charge, exclusive of taxes and service
18 charges and the value of any other benefit conferred by the admission.
19 The tax authorized under this subsection shall be at the rate of not
20 more than one cent on ten cents or fraction thereof. Revenues
21 collected under this subsection shall be deposited in the stadium and
22 exhibition center account under RCW 43.99N.060 until the bonds issued
23 under RCW 43.99N.020 for the construction of the stadium and exhibition
24 center are retired. After the bonds issued for the construction of the
25 stadium and exhibition center are retired, the tax authorized under
26 this section shall be used exclusively to fund repair, reequipping, and
27 capital improvement of the stadium and exhibition center. The tax
28 under this subsection may be levied upon the first use of any part of
29 the stadium and exhibition center but shall not be collected at any
30 facility already in operation as of July 17, 1997.

31 **Sec. 21.** RCW 82.29A.130 and 1997 c 220 s 202 (Referendum Bill No.
32 48) are each 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:

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

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

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

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

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

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

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

36 (8) All leasehold interests for which annual taxable rent is less
37 than two hundred fifty dollars per year. For purposes of this
38 subsection leasehold interests held by the same lessee in contiguous

1 properties owned by the same lessor shall be deemed a single leasehold
2 interest.

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

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

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

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

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

33 (14) All leasehold interests in the public or entertainment areas
34 of a baseball stadium with natural turf and a retractable roof or
35 canopy that is in a county with a population of over one million, that
36 has a seating capacity of over forty thousand, and that is constructed
37 on or after January 1, 1995. "Public or entertainment areas" include
38 ticket sales areas, ramps and stairs, lobbies and concourses, parking
39 areas, concession areas, restaurants, hospitality and stadium club

1 areas, kitchens or other work areas primarily servicing other public or
2 entertainment areas, public rest room areas, press and media areas,
3 control booths, broadcast and production areas, retail sales areas,
4 museum and exhibit areas, scoreboards or other public displays, storage
5 areas, loading, staging, and servicing areas, seating areas and suites,
6 the playing field, and any other areas to which the public has access
7 or which are used for the production of the entertainment event or
8 other public usage, and any other personal property used for these
9 purposes. "Public or entertainment areas" does not include locker
10 rooms or private offices exclusively used by the lessee.

11 (15) All leasehold interests in the public or entertainment areas
12 of a stadium and exhibition center, as defined in RCW 36.102.010, that
13 is constructed on or after January 1, 1998. For the purposes of this
14 subsection, "public or entertainment areas" has the same meaning as in
15 subsection (14) of this section, and includes exhibition areas.

16 (16) All leasehold interests in public facilities districts, as
17 provided in chapter 36.100 RCW or chapter 35.-- RCW (sections 1 through
18 11 of this act).

19 NEW SECTION. **Sec. 22.** Sections 1 through 11 of this act
20 constitute a new chapter in Title 35 RCW.

21 NEW SECTION. **Sec. 23.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

Passed the Senate April 21, 1999.

Passed the House April 14, 1999.

Approved by the Governor May 4, 1999.

Filed in Office of Secretary of State May 4, 1999.