

SENATE BILL REPORT

SB 5875

As of February 17, 2009

Title: An act relating to the convention place station expansion of the state convention and trade center.

Brief Description: Concerning the convention place station expansion.

Sponsors: Senators Murray, Hewitt, Jacobsen and Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 2/17/09.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7412)

Background: The Washington State Convention and Trade Center (WSCTC) is a public nonprofit organization. The WSCTC receives revenue from three sources: operations of the convention and trade center, receipts from the transient rental tax, also known as hotel/motel tax, and a credit against the state retail sales tax.

In 1982 the Legislature authorized construction of the WSCTC with general obligation bonds, to be repaid by the state General Fund. Revenues from the hotel/motel tax reimburse the state General Fund's debt payment. In the 1995-97 biennium, the Legislature authorized expansion of the WSCTC; the bonds are repaid directly with revenues from the hotel/motel tax.

The transient rental tax applies to hotels and motels with at least 60 rooms in King County; the rate is 7 percent in Seattle and 2.8 percent in King County, outside of Seattle. Proceeds are distributed to the WSCTC capital (85.7 percent) and operations (14.3 percent) accounts. A local hotel/motel tax of 2 percent in Seattle only is a credit against the state retail sales tax; the proceeds are deposited in WSCTC capital account.

Summary of Bill: The WSCTC Corporation is authorized to (1) proceed with the convention place station expansion including planning, design, construction, acquisition, and transfers; (2) obtain interim financing to pay the costs of authorized activities; and (3) proceed with long-term financing for the project upon approval of long-term financing by the Legislature.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The "convention place station expansion" is defined as the area above the Convention Place Metro transit station between Boren Avenue, Olive Way, 9th Avenue, and Pine Street in downtown Seattle. "Long term financing" is defined as bonds and notes subject to the debt limit, and financing contracts not subject to the debt limit.

The 2 percent hotel/motel sales tax credit and the hotel/motel sales taxes are extended until the debt on the convention center expansion is satisfied.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.