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HOUSE BILL 2093

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Locke, Miller, Anderson, Hine, Ferguson, Brough and Valle.

Read first time February 22, 1991. Referred to Committee on Revenue.

1            AN ACT Relating to distributing excise taxes on lodgings in  
2 counties that have, prior to June 26, 1975, pledged tax revenues or  
3 issued bonds for purposes of public stadium, convention, performing  
4 arts and/or visual arts center facilities; and amending RCW 67.28.180.

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

6            **Sec. 1.** RCW 67.28.180 and 1987 c 483 s 1 are each amended to read  
7 as follows:

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

1 of one month or more constitutes a rental or lease of real property and  
2 not a mere license to use or to enjoy the same.

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

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

10 (b) In the event that any county has levied the tax authorized by  
11 this section and has, prior to June 26, 1975, either pledged the tax  
12 revenues for payment of principal and interest on city revenue or  
13 general obligation bonds authorized and issued pursuant to RCW  
14 67.28.150 through 67.28.160 or has authorized and issued revenue or  
15 general obligation bonds pursuant to the provisions of RCW 67.28.150  
16 through 67.28.160, such county shall be exempt from the provisions of  
17 subsection (a), to the extent that the tax revenues are pledged for  
18 payment of principal and interest on bonds issued at any time pursuant  
19 to the provisions of RCW 67.28.150 through 67.28.160: PROVIDED, That  
20 so much of such pledged tax revenues, together with any investment  
21 earnings thereon, not immediately necessary for actual payment of  
22 principal and interest on such bonds may be used: (i) In class AA  
23 counties, for repayment either of limited tax levy general obligation  
24 bonds or of any county fund or account from which a loan was made, the  
25 proceeds from the bonds or loan being used to pay for constructing,  
26 installing, improving, and equipping stadium capital improvement  
27 projects, and to pay for any engineering, planning, financial, legal  
28 and professional services incident to the development of such stadium  
29 capital improvement projects, regardless of the date the debt for such  
30 capital improvement projects was or may be incurred; or (ii) in

1 counties other than class AA counties, for county-owned facilities for  
2 agricultural promotion.

3 As used in this subsection (2)(b), "capital improvement projects"  
4 may include, but not be limited to a stadium restaurant facility,  
5 restroom facilities, artificial turf system, seating facilities,  
6 parking facilities and scoreboard and information system adjacent to or  
7 within a county owned stadium, together with equipment, utilities,  
8 accessories and appurtenances necessary thereto. The stadium  
9 restaurant authorized by this subsection (2)(b) shall be operated by a  
10 private concessionaire under a contract with the county.

11 (c) No city within a county exempt under subsection (2)(b) of this  
12 section may levy the tax authorized by this section so long as said  
13 county is so exempt: PROVIDED, That in the event that any city in such  
14 county has levied the tax authorized by this section and has, prior to  
15 June 26, 1975, authorized and issued revenue or general obligation  
16 bonds pursuant to the provisions of RCW 67.28.150 through 67.28.160,  
17 such city may levy the tax so long as and to the extent that the tax  
18 revenues are pledged for payment of principal and interest on bonds  
19 issued pursuant to the provisions of RCW 67.28.150 through 67.28.160.

20 (3) Any levy authorized by this section by a county that has levied  
21 the tax authorized by this section and has, prior to June 26, 1975,  
22 either pledged the tax revenues for payment of principal and interest  
23 on city revenue or general obligation bonds authorized and issued  
24 pursuant to RCW 67.28.150 through 67.28.160 or has authorized and  
25 issued revenue or general obligation bonds pursuant to the provisions  
26 of RCW 67.28.150 through 67.28.160 shall be subject to the following:

27 (a) From July 1, 1991, until June 30, 2000, taxes collected under  
28 this section in any ((calendar)) fiscal year in excess of five million  
29 three hundred thousand dollars and not exceeding the limits specified

1 in this subsection (3) shall only be used for art (~~museums,~~) and  
2 cultural museums, the arts, (~~and/or~~) and the performing arts.

3 (~~(b)~~) (i) For the fiscal year ending June 30, 1992, the limit is  
4 \$828,000.

5 (ii) For the fiscal year ending June 30, 1993, the limit is  
6 \$1,318,000.

7 (iii) For the fiscal year ending June 30, 1994, the limit is  
8 \$1,848,000.

9 (iv) For the fiscal year ending June 30, 1995, the limit is  
10 \$2,420,000.

11 (v) For the fiscal year ending June 30, 1996, the limit is  
12 \$3,037,000.

13 (vi) For the fiscal year ending June 30, 1997, the limit is  
14 \$3,704,000.

15 (vii) For the fiscal year ending June 30, 1998, the limit is  
16 \$4,424,000.

17 (viii) For the fiscal year ending June 30, 1999, the limit is  
18 \$5,202,000.

19 (ix) For the fiscal year ending June 30, 2000, the limit is  
20 \$6,042,000.

21 (b) From July 1, 1991, until June 30, 2000, taxes collected under  
22 this section in any calendar year in excess of the limits specified in  
23 (a)(i) through (ix) of this subsection shall be distributed as follows:

24 (i) Fifty percent to art and cultural museums, the arts, and the  
25 performing arts.

26 (ii) Fifty percent to stadium capital improvement projects, as  
27 defined in subsection (2)(b) of this section, tourism promotion that is  
28 intended to attract visitors for overnight stays, and promotion of  
29 professional and amateur sports activities.

1       (c) Seventy percent of moneys spent under subsection (3)(a) and  
2 (b)(i) of this section shall be used only for the purchase, design,  
3 construction, and remodeling of performing arts, visual arts, and  
4 heritage facilities, and for the purchase of fixed assets that will  
5 benefit such facilities.

6       (d) After July 1, 2000, taxes collected under this section in any  
7 fiscal year in excess of five million three hundred thousand dollars  
8 shall be used only for art and cultural museums, the arts, and the  
9 performing arts.

10       (e) Art and cultural museums, the arts, and performing arts  
11 facilities receiving money under this subsection (3) must demonstrate  
12 financial stability. These moneys may not be used to replace or  
13 supplant existing funding.

14       (f) No taxes collected under this section may be used for the  
15 operation or maintenance of a public stadium that is financed directly  
16 or indirectly by bonds to which the tax is pledged. Expenditures for  
17 operation or maintenance include all expenditures other than  
18 expenditures that directly result in new fixed assets or that directly  
19 increase the capacity, life span, or operating economy of existing  
20 fixed assets.

21       ~~((e))~~ (g) No ad valorem property taxes may be used for debt  
22 service on bonds issued for a public stadium that is financed by bonds  
23 to which the tax is pledged, unless the taxes collected under this  
24 section are or are projected to be insufficient to meet debt service  
25 requirements on such bonds.

26       ~~((d))~~ (h) If a substantial part of the operation and management  
27 of a public stadium that is financed directly or indirectly by bonds to  
28 which the tax is pledged is performed by a nonpublic entity or if a  
29 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.

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

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