

# SENATE BILL REPORT

## SB 5572

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, March 1, 2005

**Title:** An act relating to maintenance and repair of minor league baseball facilities.

**Brief Description:** Authorizing additional funding for minor league baseball facilities.

**Sponsors:** Senators Rasmussen, Hewitt, Berkey, Oke, Benson, Deccio, Delvin and Jacobsen.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 2/22/05, 3/1/05 [DPS-WM, DNP, w/oRec].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 5572 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Brown, Hewitt and Prentice.

**Minority Report:** Do not pass.

Signed by Senator Honeyford.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Parlette, Ranking Minority Member.

**Staff:** John Dziedzic (786-7784)

**Background:** Prior to 1996, proceeds from the sale of State Lottery products, after payment of prizes and expenses, were deposited in the state general fund.

Beginning in calendar year 1996, a portion of Lottery proceeds has been dedicated to assist with paying the principal and interest on bonds used to construct Safeco Field. The initial year distribution was \$3 million, and the amount increases at a rate of 4 percent per year until the bonds are retired, or 2016, whichever occurs earlier. A similar distribution requirement, starting at \$6 million annually, was established in 1998 to contribute to the retirement of bonds for the stadium and exhibition center now known as Qwest Field, and will terminate no later than 2021.

Initiative 728, adopted in 2001, now directs that the first \$102 million in Lottery proceeds not otherwise dedicated must be deposited into the Education Construction Account, with proceeds in excess of that amount deposited to the state general fund. In FY 2002, Lottery proceeds deposited pursuant to I-728 were approximately \$83.4 million, and in FY 2003, \$86.8 million.

**Summary of Substitute Bill:** Creates an minor league baseball account in the state treasury and provides that annual appropriations may be made to the governmental agencies that operate minor league stadiums in Everett, Spokane, Tacoma, Yakima, and the Tri-Cities.

Counties in which a minor league baseball team plays in a currently existing stadium are authorized to impose up to a two percent sales and use tax upon retail car rentals. Cities meeting the same qualification are authorized to impose up to a five percent tax on admissions to events held in the stadium.

**Substitute Bill Compared to Original Bill:** The requirement that Lottery proceeds be used to providing funding for a distribution of \$3 million per year is deleted. Appropriated funds may be used only for capital improvements, repair, rehabilitation, financing, equipping, and reequipping of the stadiums and associated parking facilities, and not operation or maintenance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Baseball is America. As a youth-oriented, family-friendly entertainment, it is often a centerpiece in the community, providing both recreation and employment (including starting jobs for youth) and should be encouraged and supported. Many of the current facilities are approaching 50 years of age and are in desperate need of repair to remain viable.

**Testimony Against:** It is a misconception that a tax on car rentals is paid primarily by tourists. In the smaller cities, such as are host to minor league baseball teams, a large part of the rental car market is local residents who rent when the family car is in the shop, etc. Washington's rental taxes and fees are already some of the highest in the country. The existing hotel/motel tax was designed to pay for this kind of capital improvement.

**Who Testified:** PRO: Senator Rasmussen, prime sponsor; Mayor Bill Baarsma, City of Tacoma; Peter Carfagna, Everett AquaSox; Brent Miles, Tri-City Dust Devils; Tony Anderson, Tacoma Athletic Commission; Bob Romero, Yakima Valley Sports Commission; Mike McMurray, Yakima Bears; Eric Sawyer, Spokane Regional Sports Commission; Doug Kelley Spokane Valley Chamber of Commerce. OTHER: Jacque Coe, Washington's Lottery.

CON: Rick Jensen, Car and Truck Rental and Leasing Association; Ron Main, Hertz Corp. and Avis Rent a Car Inc.