
SENATE BILL 5961

State of Washington 62nd Legislature 2011 1st Special Session

By Senators White, Kohl-Welles, Nelson, Keiser, Murray, and Chase

Read first time 05/22/11. Referred to Committee on Government Operations, Tribal Relations & Elections.

1 AN ACT Relating to providing local government funding of tourism
2 promotion, workforce housing, art and heritage programs, and community
3 development; amending RCW 82.14.049, 82.14.360, 36.38.010, 36.100.220,
4 and 67.28.180; and adding a new section to chapter 67.28 RCW.

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

6 **Sec. 1.** RCW 82.14.049 and 2011 c 174 s 107 are each amended to
7 read as follows:

8 (1) The legislative authority of any county may impose a sales and
9 use tax, in addition to the tax authorized by RCW 82.14.030, upon
10 retail car rentals within the county that are taxable by the state
11 under chapters 82.08 and 82.12 RCW. The rate of tax is one percent of
12 the selling price in the case of a sales tax or rental value of the
13 vehicle in the case of a use tax. Proceeds of the tax may not be used
14 to subsidize any professional sports team and must be used solely for
15 the following purposes:

16 (a) Acquiring, constructing, maintaining, or operating public
17 sports stadium facilities;

18 (b) Engineering, planning, financial, legal, or professional
19 services incidental to public sports stadium facilities;

1 (c) Youth or amateur sport activities or facilities; ~~((or))~~

2 (d) Debt or refinancing debt issued for the purposes of (a) of this
3 subsection (~~((1) of this section))~~; or

4 (e) For deposit into a special MLK workforce housing, arts and
5 preservation, tourism, convention and trade center, and community
6 development fund as provided in section 3 of this act.

7 (2) In a county of one million five hundred thousand or more, at
8 least seventy-five percent of the tax imposed under this section must
9 be used to retire the debt on the stadium under RCW
10 67.28.180(2)(b)(ii), until that debt is fully retired, and at least
11 seventy-five percent must be deposited as provided under subsection
12 (1)(e) of this section after the debt is fully retired.

13 (3) A county with a population of one million five hundred thousand
14 or more may not impose the tax authorized under this section beginning
15 on the first day of the second month following the date on which: (a)
16 The county does not impose both taxes authorized under RCW 82.14.360
17 through December 31, 2015; or (b) the distribution described under
18 section 6(3)(d) of this act is repealed, modified, or otherwise not in
19 law.

20 **Sec. 2.** RCW 82.14.360 and 2008 c 86 s 104 are each amended to read
21 as follows:

22 (1) The legislative authority of a county with a population of one
23 million five hundred thousand or more may impose a special stadium
24 sales and use tax upon the retail sale or use within the county by
25 restaurants, taverns, and bars of food and beverages that are taxable
26 by the state under chapters 82.08 and 82.12 RCW. The rate of the tax
27 ~~((shall))~~ may not exceed five-tenths of one percent of the selling
28 price in the case of a sales tax, or value of the article used in the
29 case of a use tax. The tax authorized under this subsection is in
30 addition to any other taxes authorized by law and ~~((shall))~~ may not be
31 credited against any other tax imposed upon the same taxable event. As
32 used in this section, "restaurant" does not include grocery stores,
33 mini-markets, or convenience stores. Except as provided in subsection
34 (6) of this section, a county may not impose the tax authorized in this
35 subsection after December 31, 2015.

36 (2) The legislative authority of a county with a population of one
37 million five hundred thousand or more may impose a special stadium

1 sales and use tax upon retail car rentals within the county that are
2 taxable by the state under chapters 82.08 and 82.12 RCW. The rate of
3 the tax (~~shall~~) may not exceed two percent of the selling price in
4 the case of a sales tax, or rental value of the vehicle in the case of
5 a use tax. The tax imposed under this subsection is in addition to any
6 other taxes authorized by law and (~~shall~~) may not be credited against
7 any other tax imposed upon the same taxable event. Except as provided
8 in subsection (6) of this section, a county may not impose the tax
9 authorized in this subsection after December 31, 2015.

10 (3)(a) Except as provided in (b) of this subsection, the revenue
11 from the taxes imposed under the authority of this section (~~shall~~)
12 must be used for the purpose of principal and interest payments on
13 bonds, issued by the county, to acquire, construct, own, remodel,
14 maintain, equip, reequip, repair, and operate a baseball stadium.
15 Revenues from the taxes authorized in this section may be used for
16 design and other preconstruction costs of the baseball stadium until
17 bonds are issued for the baseball stadium. The county (~~shall~~) must
18 issue bonds, in an amount determined to be necessary by the public
19 facilities district, for the district to acquire, construct, own, and
20 equip the baseball stadium. The county (~~shall have~~) has no
21 obligation to issue bonds in an amount greater than that which would be
22 supported by the tax revenues under this section, RCW 82.14.0485, and
23 36.38.010(4) (a) and (b). If the revenue from the taxes imposed under
24 the authority of this section exceeds the amount needed for such
25 principal and interest payments in any year, the excess (~~shall~~) must
26 be used solely:

27 (~~(a)~~) (i) For early retirement of the bonds issued for the
28 baseball stadium; and

29 (~~(b)~~) (ii) If the revenue from the taxes imposed under this
30 section exceeds the amount needed for the purposes in (a) of this
31 subsection in any year, the excess (~~shall~~) must be placed in a
32 contingency fund which may only be used to pay unanticipated capital
33 costs on the baseball stadium, excluding any cost overruns on initial
34 construction.

35 (b) After the bonds issued for the construction of the baseball
36 stadium are retired, the revenue from the taxes imposed under the
37 authority of this section must be deposited in a special MLK workforce

1 housing, arts and preservation, tourism, convention and trade center,
2 and community development fund as provided in section 3 of this act.

3 (4) The proceeds of any bonds issued for the baseball stadium
4 (~~shall~~) must be provided to the district.

5 (5) As used in this section, "baseball stadium" means "baseball
6 stadium" as defined in RCW 82.14.0485.

7 (~~The taxes imposed under this section shall expire when the~~
8 ~~bonds issued for the construction of the baseball stadium are retired,~~
9 ~~but not later than twenty years after the taxes are first collected.~~)

10 A county may not impose either tax authorized under this section
11 beginning on the first day of the second month following the date on
12 which: (a) The distribution into a special MLK workforce housing, arts
13 and preservation, tourism promotion facilities, and community
14 development fund as provided in section 1(1)(e) of this act is
15 repealed, modified, or otherwise not in law; or (b) the distribution
16 described under section 6(3)(d) of this act is repealed, modified, or
17 otherwise not in law.

18 NEW SECTION. Sec. 3. A new section is added to chapter 67.28 RCW
19 to read as follows:

20 (1) As provided in subsection (2) of this section, revenue
21 deposited in a special MLK workforce housing, arts and preservation,
22 tourism, convention and trade center, and community development fund,
23 as provided in RCW 67.28.180(3)(d), 82.14.049, and 82.14.360, must be
24 used only for affordable workforce housing; the expansion,
25 construction, repair, or maintenance of a convention and trade center;
26 art museums, cultural museums, heritage museums, and heritage and
27 preservation programs; the arts; the performing arts; other capital or
28 operating programs that promote tourism and attract tourists to the
29 county; and community development.

30 (2) Beginning in calendar year 2012, the county must distribute
31 money in the account annually as follows:

32 (a)(i) Through calendar year 2012, a minimum of one million dollars
33 for art museums, cultural museums, heritage museums, heritage and
34 preservation programs, the arts, and the performing arts;

35 (ii) Beginning January 1, 2013, through December 31, 2016, a
36 minimum of two million dollars must be used for the purposes of (a)(i)
37 of this subsection;

1 (iii) Beginning January 1, 2017, through December 31, 2020, a
2 minimum of two million five hundred thousand dollars must be used for
3 the purposes of (a)(i) of this subsection;

4 (iv) Beginning with calendar year 2021, 32.5 percent of the
5 revenues described under RCW 67.28.180(3)(d) must be used for the
6 purposes of (a)(i) of this subsection;

7 (v) The funds distributed in (a)(i) through (iv) of this subsection
8 should be broadly and equitably distributed throughout the county, and
9 provide support to underserved communities;

10 (b)(i) Through calendar year 2012, a minimum of one million dollars
11 for distributions to nonprofit organizations or public housing
12 authorities for affordable workforce housing within one-half of a mile
13 of a transit station, as described under RCW 9.91.025;

14 (ii) Beginning January 1, 2013, through December 31, 2016, a
15 minimum of four million dollars must be used for the purposes of (b)(i)
16 of this subsection;

17 (iii) Beginning January 1, 2017, through December 31, 2020, a
18 minimum of three million five hundred thousand dollars must be used for
19 the purposes of (b)(i) of this subsection;

20 (iv) Beginning with calendar year 2021, twenty-five percent of the
21 revenues described under RCW 67.28.180(3)(d) must be used for the
22 purposes of (b)(i) of this subsection;

23 (v) At least forty percent of the funds in this subsection (2)(b)
24 must be used for the purposes of (b)(i) of this subsection in cities
25 with a population of less than six hundred thousand and at least forty
26 percent of the funds must be used for purposes of (b)(i) of this
27 subsection in a city with a population greater than six hundred
28 thousand; and

29 (v) At least five percent of the funds used in this subsection
30 (2)(b) must be used for services for homeless youth within the county;

31 (c)(i) Beginning January 1, 2012, through December 31, 2015, one
32 million dollars must be divided equally between (c)(ii)(A) and
33 (c)(ii)(B) of this subsection.

34 (ii) Beginning January 1, 2016, through December 31, 2023, five
35 hundred thousand dollars must be divided equally:

36 (A) For the Pioneer Square-International District community
37 preservation and development authority under RCW 43.167.060 for
38 projects requested by the community preservation and development

1 authority and approved by the county legislative authority. The
2 purpose of the projects must be for historic preservation, economic
3 revitalization, or capital or operating programs that promote tourism
4 and attract tourists to the county. The county must contract with the
5 Pioneer Square-International District community preservation and
6 development authority to perform these services; and

7 (B) For Seattle Southside Visitor Services for programs that
8 promote tourism and attract tourists to the county. The county must
9 contract with Seattle Southside Visitor Services to perform these
10 services; and

11 (d) The remaining distributions must be for:

12 (i) An amount that supports a minimum of one hundred forty million
13 dollars to the construction, expansion, or repair of property owned by
14 a public facilities district created under chapter 36.100 RCW to
15 operate a convention and trade center transferred from a public
16 nonprofit corporation under RCW 36.100.230(1); and

17 (ii) Capital or operating programs that promote tourism and attract
18 tourists to the county.

19 (3) For the purposes of this section, the following definitions
20 apply:

21 (a) "Affordable workforce housing" means housing for a single
22 person, family, or unrelated persons living together whose income is
23 between thirty percent and eighty percent of the median income,
24 adjusted for household size, for the county where the housing is
25 located.

26 (b) "Consumer price index" means the Seattle-Tacoma-Bremerton
27 consumer price index for all urban consumers (CPI-U) available from the
28 bureau of labor statistics of the United States department of labor.

29 (4) Money deposited in a special MLK workforce housing, arts and
30 preservation, tourism, convention and trade center, and community
31 development fund under this section may not be used to acquire or
32 construct a new stadium facility used by a professional sports
33 franchise or to acquire, construct, repair, or improve a stadium used
34 primarily by a state university.

35 **Sec. 4.** RCW 36.38.010 and 1999 c 165 s 20 are each amended to read
36 as follows:

37 (1) Any county may by ordinance enacted by its county legislative

1 authority, levy and fix a tax of not more than one cent on twenty cents
2 or fraction thereof to be paid for county purposes by persons who pay
3 an admission charge to any place, including a tax on persons who are
4 admitted free of charge or at reduced rates to any place for which
5 other persons pay a charge or a regular higher charge for the same or
6 similar privileges or accommodations; and require that one who receives
7 any admission charge to any place (~~shall~~) must collect and remit the
8 tax to the county treasurer of the county(~~(:—PROVIDED,)~~). However, no
9 county (~~shall~~) may impose such tax on persons paying an admission to
10 any activity of any elementary or secondary school or any public
11 facility of a public facility district under chapter 35.57 or 36.100
12 RCW for which a tax is imposed under RCW 35.57.100 or 36.100.210.

13 (2) As used in this chapter, the term "admission charge" includes
14 a charge made for season tickets or subscriptions, a cover charge, or
15 a charge made for use of seats and tables, reserved or otherwise, and
16 other similar accommodations; a charge made for food and refreshments
17 in any place where any free entertainment, recreation, or amusement is
18 provided; a charge made for rental or use of equipment or facilities
19 for purpose of recreation or amusement, and where the rental of the
20 equipment or facilities is necessary to the enjoyment of a privilege
21 for which a general admission is charged, the combined charges
22 (~~shall~~) must be considered as the admission charge. (~~It shall~~)
23 Admission charge also includes any automobile parking charge where the
24 amount of such charge is determined according to the number of
25 passengers in any automobile.

26 (3) Subject to subsections (4) and (5) of this section, the tax
27 (~~herein~~) authorized (~~shall~~) in this section is not (~~be~~) exclusive
28 and (~~shall~~) does not prevent any city or town within the taxing
29 county, when authorized by law, from imposing within its corporate
30 limits a tax of the same or similar kind(~~(:—PROVIDED, That)~~).
31 However, whenever the same or similar kind of tax is imposed by any
32 such city or town, no such tax (~~shall~~) may be levied within the
33 corporate limits of such city or town by the county.

34 (4) Notwithstanding subsection (3) of this section, the legislative
35 authority of a county with a population of one million or more may
36 exclusively levy taxes on events in baseball stadiums constructed on or
37 after January 1, 1995, that are owned by a public facilities district

1 under chapter 36.100 RCW and that have seating capacities over forty
2 thousand at the rates of:

3 (a) Not more than one cent on twenty cents or fraction thereof, to
4 be used for the purpose of paying the principal and interest payments
5 on bonds issued by a county to construct a baseball stadium as defined
6 in RCW 82.14.0485. If the revenue from the tax exceeds the amount
7 needed for that purpose, the excess (~~shall~~) must be placed in a
8 contingency fund which (~~may only~~) must be used (~~to pay unanticipated~~
9 ~~capital costs on the baseball stadium, excluding any cost overruns on~~
10 ~~initial construction~~) exclusively by the public facilities district to
11 fund repair, reequipping, and capital improvement of the baseball
12 stadium; and

13 (b) Not more than one cent on twenty cents or fraction thereof, to
14 be used for the purpose of paying the principal and interest payments
15 on bonds issued by a county to construct a baseball stadium as defined
16 in RCW 82.14.0485. The tax imposed under this subsection (4)(b)
17 (~~shall~~) expires when the bonds issued for the construction of the
18 baseball stadium are retired, but not later than twenty years after the
19 tax is first collected.

20 (5) Notwithstanding subsection (3) of this section, the legislative
21 authority of a county that has created a public stadium authority to
22 develop a stadium and exhibition center under RCW 36.102.050 may levy
23 and fix a tax on charges for admission to events in a stadium and
24 exhibition center, as defined in RCW 36.102.010, constructed in the
25 county on or after January 1, 1998, that is owned by a public stadium
26 authority under chapter 36.102 RCW. The tax (~~shall be~~) is exclusive
27 and (~~shall~~) precludes the city or town within which the stadium and
28 exhibition center is located from imposing a tax of the same or similar
29 kind on charges for admission to events in the stadium and exhibition
30 center, and (~~shall~~) precludes the imposition of a general county
31 admissions tax on charges for admission to events in the stadium and
32 exhibition center. For the purposes of this subsection, "charges for
33 admission to events" means only the actual admission charge, exclusive
34 of taxes and service charges and the value of any other benefit
35 conferred by the admission. The tax authorized under this subsection
36 (~~shall be~~) is at the rate of not more than one cent on ten cents or
37 fraction thereof. Revenues collected under this subsection (~~shall~~)
38 must be deposited in the stadium and exhibition center account under

1 RCW 43.99N.060 until the bonds issued under RCW 43.99N.020 for the
2 construction of the stadium and exhibition center are retired. After
3 the bonds issued for the construction of the stadium and exhibition
4 center are retired, the tax authorized under this section (~~shall be~~)
5 is used exclusively to fund repair, reequipping, and capital
6 improvement of the stadium and exhibition center. The tax under this
7 subsection may be levied upon the first use of any part of the stadium
8 and exhibition center but (~~shall~~) may not be collected at any
9 facility already in operation as of July 17, 1997.

10 **Sec. 5.** RCW 36.100.220 and 1999 c 165 s 18 are each amended to
11 read as follows:

12 (1) A public facility district may levy and fix a tax on any
13 vehicle parking charges imposed at any parking facility that is owned
14 or leased by the public facility district as part of a regional center,
15 as defined in RCW 35.57.020, or a baseball stadium, as defined in RCW
16 82.14.0485. No county (~~or~~), city, or town within which the regional
17 center or baseball stadium is located may impose a tax of the same or
18 similar kind on any vehicle parking charges at the facility.

19 (2) For the purposes of this section, "vehicle parking charges"
20 means only the actual parking charges exclusive of taxes and service
21 charges and the value of any other benefit conferred.

22 (3) The tax authorized under this section (~~shall~~) must be at the
23 rate of not more than ten percent. The tax authorized by this section
24 with respect to a parking facility associated with a baseball stadium
25 must be used exclusively to fund repair, reequipping, and capital
26 improvement of the baseball stadium, and is not subject to the
27 requirements of RCW 36.100.010(4).

28 **Sec. 6.** RCW 67.28.180 and 2010 1st sp.s. c 26 s 8 are each amended
29 to read as follows:

30 (1) Subject to the conditions set forth in subsections (2) and (3)
31 of this section, the legislative body of any county or any city, is
32 authorized to levy and collect a special excise tax of not to exceed
33 two percent on the sale of or charge made for the furnishing of lodging
34 that is subject to tax under chapter 82.08 RCW.

35 (2) Any levy authorized by this section (~~shall be~~) is subject to
36 the following:

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

6 (b)(i) In the event that any county has levied the tax authorized
7 by this section and has, prior to June 26, 1975, either pledged the tax
8 revenues for payment of principal and interest on city revenue or
9 general obligation bonds authorized and issued pursuant to RCW
10 67.28.150 through 67.28.160 or has authorized and issued revenue or
11 general obligation bonds pursuant to the provisions of RCW 67.28.150
12 through 67.28.160, such county (~~(shall be)~~) is exempt from the
13 provisions of (a) of this subsection, to the extent that the tax
14 revenues are pledged for payment of principal and interest on bonds
15 issued at any time pursuant to the provisions of RCW 67.28.150 through
16 67.28.160(~~(: PROVIDED, That)~~). However, so much of (~~(such)~~) the
17 pledged tax revenues, together with any investment earnings thereon,
18 not immediately necessary for actual payment of principal and interest
19 on such bonds may be used: (~~(+i+)~~) (A) In any county with a population
20 of one million five hundred thousand or more, for repayment either of
21 limited tax levy general obligation bonds or of any county fund or
22 account from which a loan was made, the proceeds from the bonds or loan
23 being used to pay for constructing, installing, improving, and
24 equipping stadium capital improvement projects, and to pay for any
25 engineering, planning, financial, legal and professional services
26 incident to the development of such stadium capital improvement
27 projects, regardless of the date the debt for such capital improvement
28 projects was or may be incurred; (~~(+ii+)~~) (B) in any county with a
29 population of one million five hundred thousand or more, for repayment
30 or refinancing of bonded indebtedness incurred prior to January 1,
31 1997, for any purpose authorized by this section or relating to stadium
32 repairs or rehabilitation, including but not limited to the cost of
33 settling legal claims, reimbursing operating funds, interest payments
34 on short-term loans, and any other purpose for which such debt has been
35 incurred if the county has created a public stadium authority to
36 develop a stadium and exhibition center under RCW 36.102.030; or
37 (~~(+iii+)~~) (C) in other counties, for county-owned facilities for

1 agricultural promotion until January 1, 2009, and thereafter for any
2 purpose authorized in this chapter.

3 (ii) A county is exempt under this subsection with respect to city
4 revenue or general obligation bonds issued after April 1, 1991, only if
5 such bonds mature before January 1, 2013. If any county located east
6 of the crest of the Cascade mountains has levied the tax authorized by
7 this section and has, prior to June 26, 1975, pledged the tax revenue
8 for payment of principal and interest on city revenue or general
9 obligation bonds, the county is exempt under this subsection with
10 respect to revenue or general obligation bonds issued after January 1,
11 2007, only if the bonds mature before January 1, ~~((2021))~~ 2035. Such
12 a county may only use funds under this subsection (2)(b) for
13 constructing or improving facilities authorized under this chapter,
14 including county-owned facilities for agricultural promotion(~~(, and~~
15 ~~must perform an annual financial audit of organizations receiving~~
16 ~~funding on the use of the funds)~~).

17 (iii) As used in this subsection (2)(b), "capital improvement
18 projects" may include, but not be limited to a stadium restaurant
19 facility, restroom facilities, artificial turf system, seating
20 facilities, parking facilities and scoreboard and information system
21 adjacent to or within a county owned stadium, together with equipment,
22 utilities, accessories and appurtenances necessary thereto. The
23 stadium restaurant authorized by this subsection (2)(b) (~~(shall)~~) must
24 be operated by a private concessionaire under a contract with the
25 county.

26 (c)(i) No city within a county exempt under (~~(subsection (2))~~)(b)
27 of this (~~(section)~~) subsection may levy the tax authorized by this
28 section so long as said county is so exempt.

29 (ii) (~~(If bonds have been issued under RCW 43.99N.020 and any~~
30 ~~necessary property transfers have been made under RCW 36.102.100,))~~ No
31 city within a county with a population of one million five hundred
32 thousand or more may levy the tax authorized by this section (~~(before~~
33 ~~January 1, 2021))~~).

34 (iii) However, in the event that any city in a county described in
35 (c)(i) or (ii) of this subsection (~~((2)(e))~~) has levied the tax
36 authorized by this section and has, prior to June 26, 1975, authorized
37 and issued revenue or general obligation bonds pursuant to the
38 provisions of RCW 67.28.150 through 67.28.160, such city may levy the

1 tax so long as the tax revenues are pledged for payment of principal
2 and interest on bonds issued at any time pursuant to the provisions of
3 RCW 67.28.150 through 67.28.160.

4 (3) Any levy authorized by this section by a county that has
5 (~~levied the tax authorized by this section and has, prior to June 26,~~
6 ~~1975, either pledged the tax revenues for payment of principal and~~
7 ~~interest on city revenue or general obligation bonds authorized and~~
8 ~~issued pursuant to RCW 67.28.150 through 67.28.160 or has authorized~~
9 ~~and issued revenue or general obligation bonds pursuant to the~~
10 ~~provisions of RCW 67.28.150 through 67.28.160 shall be~~) a population
11 of one million five hundred thousand or more is subject to the
12 following:

13 (a) Taxes collected under this section in any calendar year before
14 2013 in excess of five million three hundred thousand dollars (~~shall~~)
15 may only be used as follows:

16 (i) (~~Seventy five percent from January 1, 1992, through December~~
17 ~~31, 2000, and~~) Seventy percent from January 1, 2001, through December
18 31, 2012, for art museums, heritage and preservation programs, cultural
19 museums, heritage museums, the arts, and the performing arts. Moneys
20 spent under this subsection (3)(a)(i) (~~shall~~) must be used for the
21 purposes of this subsection (3)(a)(i) in all parts of the county.

22 (ii) (~~Twenty five percent from January 1, 1992, through December~~
23 ~~31, 2000, and~~) Thirty percent from January 1, 2001, through December
24 31, 2012, for the following purposes and in a manner reflecting the
25 following order of priority: Stadium purposes as authorized under
26 subsection (2)(b) of this section; acquisition of open space lands;
27 youth sports activities; and tourism promotion. If all or part of the
28 debt on the stadium is refinanced, all revenues under this subsection
29 (3)(a)(ii) (~~shall~~) must be used to retire the debt.

30 (b) From January 1, 2013, through December 31, 2015, (~~in a county~~
31 ~~with a population of one million or more,~~) all revenues under this
32 section (~~shall~~) must be used to retire the debt on the stadium, or
33 deposited in the stadium and exhibition center account under RCW
34 43.99N.060 after the debt on the stadium is retired.

35 (c) From January 1, 2016, through December 31, 2020, (~~in a county~~
36 ~~with a population of one million or more,~~) all revenues under this
37 section (~~shall~~) must be deposited in the stadium and exhibition
38 center account under RCW 43.99N.060.

1 ~~(d) ((At least seventy percent of moneys spent under (a)(i) of this~~
2 ~~subsection for the period January 1, 1992, through December 31, 2000,~~
3 ~~shall be used only for the purchase, design, construction, and~~
4 ~~remodeling of performing arts, visual arts, heritage, and cultural~~
5 ~~facilities, and for the purchase of fixed assets that will benefit art,~~
6 ~~heritage, and cultural organizations. For purposes of this subsection,~~
7 ~~fixed assets are tangible objects such as machinery and other equipment~~
8 ~~intended to be held or used for ten years or more. Moneys received~~
9 ~~under this subsection (3)(d) may be used for payment of principal and~~
10 ~~interest on bonds issued for capital projects. Qualifying~~
11 ~~organizations receiving moneys under this subsection (3)(d) must be~~
12 ~~financially stable and have at least the following:~~

- 13 ~~(i) A legally constituted and working board of directors;~~
14 ~~(ii) A record of artistic, heritage, or cultural accomplishments;~~
15 ~~(iii) Been in existence and operating for at least two years;~~
16 ~~(iv) Demonstrated ability to maintain net current liabilities at~~
17 ~~less than thirty percent of general operating expenses;~~
18 ~~(v) Demonstrated ability to sustain operational capacity subsequent~~
19 ~~to completion of projects or purchase of machinery and equipment; and~~
20 ~~(vi) Evidence that there has been independent financial review of~~
21 ~~the organization.))~~ On and after January 1, 2021, revenues under this
22 section in a county of one million five hundred thousand or more must
23 be deposited in a special MLK workforce housing, arts and preservation,
24 tourism, convention and trade center, and community development fund as
25 provided in section 3 of this act.

26 (e) At least forty percent of the revenues distributed pursuant to
27 (a)(i) of this subsection for the period January 1, 2001, through
28 December 31, 2012, ~~((shall))~~ must be deposited in an account and
29 ~~((shall))~~ must be used to establish an endowment. Until January 1,
30 2013, principal in the account ((shall)) must remain permanent and
31 irreducible. Beginning January 1, 2013, principal in the account may
32 be used for the purposes of (a)(i) of this subsection. The earnings
33 from investments of balances in the account may only be used for the
34 purposes of (a)(i) of this subsection.

35 (f) School districts and schools ~~((shall))~~ may not receive revenues
36 distributed pursuant to (a)(i) of this subsection.

37 (g) Moneys distributed to art museums, cultural museums, heritage
38 museums, the arts, and the performing arts, and moneys distributed for

1 tourism promotion (~~shall be~~) are in addition to and may not be used
2 to replace or supplant any other funding by the legislative body of the
3 county.

4 (h) As used in this section, "tourism promotion" includes
5 activities intended to attract visitors for overnight stays, arts,
6 heritage, and cultural events, and recreational, professional, and
7 amateur sports events. Moneys allocated to tourism promotion in a
8 county with a population of one million or more (~~shall~~) must be
9 allocated to public entities or nonprofit organizations formed for the
10 express purpose of tourism promotion in the county. Except for the
11 entities in section 3(2)(c) of this act, such (~~organizations shall~~)
12 entities must use moneys from the taxes to promote events in all parts
13 of the county.

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

26 (k) If a substantial part of the operation and management of a
27 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
30 to which the tax is pledged, any bonds to which the tax is pledged
31 (~~shall~~) must be retired. This subsection (3)(k) does not apply in
32 respect to a public stadium under chapter 36.102 RCW transferred to,
33 owned by, or constructed by a public facilities district under chapter
34 36.100 RCW or a stadium and exhibition center.

35 (l) The county (~~shall~~) may not lease a public stadium that is
36 financed directly or indirectly by bonds to which the tax is pledged
37 to, or authorize the use of the public stadium by, a professional major
38 league sports franchise unless the sports franchise gives the right of

1 first refusal to purchase the sports franchise, upon its sale, to local
2 government. This subsection (3)(1) does not apply to contracts in
3 existence on April 1, 1986.

4 (4) If a court of competent jurisdiction declares any provision of
5 ~~((this))~~ subsection (3) of this section invalid, then that invalid
6 provision ~~((shall be))~~ is null and void and the remainder of this
7 section is not affected.

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