

Chapter 43.99N RCW
STADIUM AND EXHIBITION CENTER BOND ISSUE
(REFERENDUM 48)

Sections

- 43.99N.010 Definitions.
- 43.99N.020 General obligation bonds—Certifications by public stadium authority—Obligations of team affiliate.
- 43.99N.030 Escrow agreement, account—Distributions.
- 43.99N.050 Payment of principal and interest from nondebt-limit reimbursable bond retirement account—Transfers of certified amounts—Bonds as general obligation, full faith and credit, promise to pay—Insufficiency in stadium and exhibition center account as obligation—Proceedings to require transfer and payment.
- 43.99N.060 Stadium and exhibition center account—Youth athletic facility account—Community outdoor athletic facility loans and grants.
- 43.99N.070 Sections null and void if certification not made by office of financial management—Conditions.
- 43.99N.080 Additional means for raising moneys authorized.
- 43.99N.090 Bonds as legal investment.
- 43.99N.100 Total public share—State contribution limited.
- 43.99N.120 Loans—Terms and conditions of repayment and interest.
- 43.99N.130 Bond authorization expiration.
- 43.99N.800 Referendum only measure for taxes for stadium and exhibition center—Limiting legislation upon failure to approve—1997 c 220.
- 43.99N.801 Legislation as opportunity for voter's decision—Not indication of legislators' personal vote on referendum proposal—1997 c 220.
- 43.99N.802 Contingency—Null and void—Team affiliate's agreement for reimbursement for election—1997 c 220.
- 43.99N.803 Referendum—Submittal—Explanatory statement—Voters' pamphlet—Voting procedures—Canvassing and certification—Reimbursement of counties for costs—No other elections on stadium and exhibition center—1997 c 220.

RCW 43.99N.010 Definitions. The definitions in RCW 36.102.010 apply to this chapter. [1997 c 220 § 209 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.020 General obligation bonds—Certifications by public stadium authority—Obligations of team affiliate. (1) For the purpose of providing funds to pay for operation of the public stadium authority created under RCW 36.102.020, to pay for the preconstruction, site acquisition, design, site preparation, construction, owning, leasing, and equipping of the stadium and exhibition center, and to reimburse the county or the public stadium authority for its direct or indirect expenditures or to repay other indebtedness incurred for these purposes, the state finance committee

is authorized to issue general obligation bonds of the state of Washington in the sum of three hundred million dollars, or so much thereof as may be required, for these purposes and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine.

(2) Bonds shall not be issued under this section unless the public stadium authority has certified to the director of financial management that:

(a) A professional football team has made a binding and legally enforceable contractual commitment to play all of its regular season and playoff home games in the stadium and exhibition center, other than games scheduled elsewhere by the league, for a period of time not shorter than the term of the bonds issued or to be issued to finance the initial construction of the stadium and exhibition center;

(b) A team affiliate has entered into one or more binding and legally enforceable contractual commitments with a public stadium authority under RCW 36.102.050 that provide that:

(i) The team affiliate assumes the risks of cost overruns;

(ii) The team affiliate shall raise at least one hundred million dollars, less the amount, if any, raised by the public stadium authority under RCW 36.102.060(15). The total one hundred million dollars raised, which may include cash payments and in-kind contributions, but does not include any interest earned on the escrow account described in RCW 43.99N.030, shall be applied toward the reasonably necessary preconstruction, site acquisition, design, site preparation, construction, and equipping of the stadium and exhibition center, or to any associated public purpose separate from bond-financed expenses. No part of the payment may be made without the consent of the public stadium authority. In any event, all amounts to be raised by the team affiliate under (b)(ii) of this subsection shall be paid or expended before the completion of the construction of the stadium and exhibition center. To the extent possible, contributions shall be structured in a manner that would allow for the issuance of bonds to construct the stadium and exhibition center that are exempt from federal income taxes;

(iii) The team affiliate shall deposit at least ten million dollars into the *youth athletic facility grant account created in RCW 43.99N.060 upon execution of the lease and development agreements in RCW 36.102.060 (7) and (8);

(iv) At least ten percent of the seats in the stadium for home games of the professional football team shall be for sale at an affordable price. For the purposes of this subsection, "affordable price" means that the price is the average of the lowest ticket prices charged by all other national football league teams;

(v) One executive suite with a minimum of twenty seats must be made available, on a lottery basis, as a free upgrade, at home games of the professional football team, to purchasers of tickets that are not located in executive suites or club seat areas;

(vi) A nonparticipatory interest in the professional football team has been granted to the state beginning on the date on which bonds are issued under this section which only entitles the state to receive ten percent of the gross selling price of the interest in the team that is sold if a majority interest or more of the professional football team is sold within twenty-five years of the date on which bonds are issued under the [this] section. The ten percent shall apply to all preceding sales of interests in the team which comprise the majority interest sold. This provision shall apply only to the first

sale of such a majority interest. The ten percent must be deposited in the permanent common school fund. If the debt is retired at the time of the sale, then the ten percent may only be used for costs associated with capital maintenance, capital improvements, renovations, reequipping, replacement, and operations of the stadium and exhibition center;

(vii) The team affiliate must provide reasonable office space to the public stadium authority without charge;

(viii) The team affiliate, in consultation with the public stadium authority, shall work with surrounding areas to mitigate the impact of the construction and operation of the stadium and exhibition center with a budget of at least ten million dollars dedicated to area mitigation. For purposes of this subsection, "mitigation" includes, but is not limited to, parking facilities and amenities, neighborhood beautification projects and landscaping, financial grants for neighborhood programs intended to mitigate adverse impacts caused by the construction and operation of the stadium and exhibition center, and mitigation measures identified in the environmental impact statement required for the stadium and exhibition center under chapter 43.21C RCW; and

(ix) Twenty percent of the net profit from the operation of the exhibition facility of the stadium and exhibition center shall be deposited into the permanent common school fund. Profits shall be verified by the public stadium authority. [1997 c 220 § 210 (Referendum Bill No. 48, approved June 17, 1997).]

***Reviser's note:** The "youth athletic facility grant account" was renamed the "youth athletic facility account" by 2000 c 137 § 1.

RCW 43.99N.030 Escrow agreement, account—Distributions. On or before August 1, 1997: (1) The state treasurer and a team affiliate or an entity that has an option to become a team affiliate shall enter into an escrow agreement creating an escrow account; and (2) the team affiliate or the entity that has an option to become a team affiliate shall deposit the sum of fifty million dollars into the escrow account as a credit against the obligation of the team affiliate in RCW 43.99N.020(2)(b)(ii).

The escrow agreement shall provide that the fifty million dollar deposit shall be invested by the state treasurer and shall earn interest. If the stadium and exhibition center project proceeds, then the interest on amounts in the escrow account shall be for the benefit of the state, and all amounts in the escrow account, including all principal and interest, shall be distributed to the stadium and exhibition center account. The escrow agreement shall provide for appropriate adjustments based on amounts previously and subsequently raised by the team affiliate under RCW 43.99N.020(2)(b)(ii) and amounts previously and subsequently raised by the public stadium authority under RCW 36.102.060(15). If the stadium and exhibition center project does not proceed, all principal and the interest in the escrow account shall be distributed to the team affiliate or the entity that has an option to become a team affiliate. [1997 c 220 § 211 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.050 Payment of principal and interest from nondebt-limit reimbursable bond retirement account—Transfers of certified

amounts—Bonds as general obligation, full faith and credit, promise to pay—Insufficiency in stadium and exhibition center account as obligation—Proceedings to require transfer and payment. The nondebt-limit reimbursable bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in RCW 43.99N.020.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment is due, the state treasurer shall transfer from the stadium and exhibition center account to the nondebt-limit reimbursable bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

Bonds issued under RCW 43.99N.020 shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due. If in any year the amount accumulated in the stadium and exhibition center account is insufficient for payment of the principal and interest on the bonds issued under RCW 43.99N.020, the amount of the insufficiency shall be a continuing obligation against the stadium and exhibition center account until paid.

The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section. [1997 c 220 § 213 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.060 Stadium and exhibition center account—Youth athletic facility account—Community outdoor athletic facility loans and grants. (1) The stadium and exhibition center account is created in the custody of the state treasurer. All receipts from the taxes imposed under RCW 82.14.0494 and distributions under RCW 67.70.240(1)(d) shall be deposited into the account. Only the director of the office of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW. An appropriation is not required for expenditures from this account.

(2) Until bonds are issued under RCW 43.99N.020, up to \$5,000,000 per year beginning January 1, 1999, shall be used for the purposes of subsection (3)(b) of this section, all remaining moneys in the account shall be transferred to the public stadium authority, created under RCW 36.102.020, to be used for public stadium authority operations and development of the stadium and exhibition center.

(3) After bonds are issued under RCW 43.99N.020, all moneys in the stadium and exhibition center account shall be used exclusively for the following purposes in the following priority:

(a) On or before June 30th of each year, the office of financial management shall accumulate in the stadium and exhibition center account an amount at least equal to the amount required in the next succeeding twelve months for the payment of principal of and interest on the bonds issued under RCW 43.99N.020;

(b) An additional reserve amount not in excess of the expected average annual principal and interest requirements of bonds issued under RCW 43.99N.020 shall be accumulated and maintained in the account, subject to withdrawal by the state treasurer at any time if necessary to meet the requirements of (a) of this subsection, and, following any withdrawal, reaccumulated from the first tax revenues and other amounts deposited in the account after meeting the requirements of (a) of this subsection; and

(c) The balance, if any, shall be transferred to the youth athletic facility account under subsection (4) of this section.

Any revenues derived from the taxes authorized by RCW 36.38.010(5) and 36.38.040 or other amounts that if used as provided under (a) and (b) of this subsection would cause the loss of any tax exemption under federal law for interest on bonds issued under RCW 43.99N.020 shall be deposited in and used exclusively for the purposes of the youth athletic facility account and shall not be used, directly or indirectly, as a source of payment of principal of or interest on bonds issued under RCW 43.99N.020, or to replace or reimburse other funds used for that purpose.

(4) Any moneys in the stadium and exhibition center account not required or permitted to be used for the purposes described in subsection (3)(a) and (b) of this section shall be deposited in the youth athletic facility account hereby created in the state treasury. Expenditures from the account may be used only for purposes of grants or loans to cities, counties, and qualified nonprofit organizations for community outdoor athletic facilities. Only the director of the recreation and conservation office or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The athletic facility grants or loans may be used for acquiring, developing, equipping, maintaining, and improving community outdoor athletic facilities. Funds shall be divided equally between the development of new community outdoor athletic facilities, the improvement of existing community outdoor athletic facilities, and the maintenance of existing community outdoor athletic facilities. Cities, counties, and qualified nonprofit organizations must submit proposals for grants or loans from the account. To the extent that funds are available, cities, counties, and qualified nonprofit organizations must meet eligibility criteria as established by the director of the recreation and conservation office. The grants and loans shall be awarded on a competitive application process and the amount of the grant or loan shall be in proportion to the population of the city or county for where the community outdoor athletic facility is located. Grants or loans awarded in any one year need not be distributed in that year. The director of the recreation and conservation office may expend up to one and one-half percent of the moneys deposited in the account created in this subsection for administrative purposes. During the 2021-2023 fiscal biennium, the legislature may appropriate moneys from the youth athletic facility account to support a task force to consider ways to improve equitable access to K-12 schools' fields and athletic facilities and local parks agency facilities with the goal of increasing physical activity for youth and families. A portion of the appropriation must be used to inventory K-12 school fields and athletic facilities and park agency facilities.

(5) During the 2023-2025 fiscal biennium, subsection (4) of this section applies to expenditures from the youth athletic facility account except as provided in this subsection.

(a) During the 2023-2025 fiscal biennium, the recreation and conservation office may spend appropriations made from the youth athletic facility account for grants and loans to political subdivisions of the state other than cities and counties as well as federally recognized Indian tribes for community outdoor athletic facilities. The office is not required to divide the expenditures equally between development, improvement, and maintenance of facilities. The office's authority to retain 1.5 percent of amounts deposited in the account for administration is suspended, and the office's administrative overhead is instead specified in the appropriations for this purpose.

(b) During the 2023-2025 fiscal biennium, the legislature may also appropriate moneys in the youth athletic facility account for the following:

(i) To the department of commerce for the public facility improvement fund as provided in section 1038, chapter 474, Laws of 2023; and

(ii) To the recreation and conservation office for the purpose of the youth athletic facilities program as provided in section 3060, chapter 474, Laws of 2023. [2023 c 474 § 8036; 2021 c 334 § 976; 2009 c 497 § 6026; 2008 c 328 § 6017; 2007 c 241 § 11; 2006 c 371 § 227; 2000 c 137 § 1; 1997 c 220 § 214 (Referendum Bill No. 48, approved June 17, 1997).]

Conflict with federal requirements—Effective date—2023 c 474:
See notes following RCW 28A.320.330.

Conflict with federal requirements—Effective date—2021 c 334:
See notes following RCW 43.79.555.

Effective date—2009 c 497: See note following RCW 28B.15.210.

Part headings not law—Severability—Effective date—2008 c 328:
See notes following RCW 43.155.050.

Intent—Effective date—2007 c 241: See notes following RCW 79A.25.005.

Effective date—2006 c 371: See note following RCW 27.34.330.

RCW 43.99N.070 Sections null and void if certification not made by office of financial management—Conditions. Unless *the office of financial management certifies by December 31, 1997, that the following conditions have been met, sections 201 through 208, chapter 220, Laws of 1997 are null and void:

(1) The professional football team that will use the stadium and exhibition center is at least majority-owned and controlled by, directly or indirectly, one or more persons who are each residents of the state of Washington and who have been residents of the state of Washington continuously since at least January 1, 1993;

(2) The county in which the stadium and exhibition center is to be constructed has created a public stadium authority under this

chapter to acquire property, construct, own, remodel, maintain, equip, reequip, repair, and operate a stadium and exhibition center;

(3) The county in which the stadium and exhibition center is to be constructed has enacted the taxes authorized in RCW 36.38.010(5) and 36.38.040; and

(4) The county in which the stadium and exhibition center is to be constructed pledges to maintain and continue the taxes authorized in RCW 36.38.010(5), 67.28.180, and 36.38.040 until the bonds authorized in RCW 43.99N.020 are fully redeemed, both principal and interest. [1997 c 220 § 215 (Referendum Bill No. 48, approved June 17, 1997).]

***Reviser's note:** The office of financial management certified on December 3, 1997, that the conditions in subsections (1) through (4) of this section had been met.

RCW 43.99N.080 Additional means for raising moneys authorized.

The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in RCW 43.99N.020, and RCW 43.99N.050 shall not be deemed to provide an exclusive method for the payment. [1997 c 220 § 216 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.090 Bonds as legal investment.

The bonds authorized in RCW 43.99N.020 shall be a legal investment for all state funds or funds under state control and for all funds of any other public body. [1997 c 220 § 217 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.100 Total public share—State contribution limited.

(1) The total public share of a stadium and exhibition center shall not exceed three hundred million dollars. For the purposes of this section, "total public share" means all state and local funds expended for preconstruction and construction costs of the stadium and exhibition center, including proceeds of any bonds issued for the purposes of the stadium and exhibition center, tax revenues, and interest earned on the escrow account described in RCW 43.99N.030 and not including expenditures for deferred sales taxes.

(2) Sections 201 through 207, chapter 220, Laws of 1997 and this chapter constitute the entire state contribution for a stadium and exhibition center. The state will not make any additional contributions based on revised cost or revenue estimates, cost overruns, unforeseen circumstances, or any other reason. [1997 c 220 § 218 (Referendum Bill No. 48, approved June 17, 1997).]

RCW 43.99N.120 Loans—Terms and conditions of repayment and interest.

The recreation and conservation funding board, in consultation with the community outdoor athletic fields advisory council, shall establish the terms and conditions of repayment and interest, based on financial considerations for any loans made under this section. Loans made under this section shall be low or no interest. [2007 c 241 § 12; 2000 c 137 § 2.]

Intent—Effective date—2007 c 241: See notes following RCW 79A.25.005.

RCW 43.99N.130 Bond authorization expiration. If any bonds authorized in this chapter have not been issued by June 30, 2013, the authority of the state finance committee to issue such remaining unissued bonds shall expire June 30, 2013. [2011 1st sp.s. c 49 § 7007.]

Effective date—2011 1st sp.s. c 49: See note following RCW 43.99X.010.

RCW 43.99N.800 Referendum only measure for taxes for stadium and exhibition center—Limiting legislation upon failure to approve—1997 c 220. See RCW 36.102.800.

RCW 43.99N.801 Legislation as opportunity for voter's decision—Not indication of legislators' personal vote on referendum proposal—1997 c 220. See RCW 36.102.801.

RCW 43.99N.802 Contingency—Null and void—Team affiliate's agreement for reimbursement for election—1997 c 220. See RCW 36.102.802.

RCW 43.99N.803 Referendum—Submittal—Explanatory statement—Voters' pamphlet—Voting procedures—Canvassing and certification—Reimbursement of counties for costs—No other elections on stadium and exhibition center—1997 c 220. See RCW 36.102.803.