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HOUSE BILL 2110

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State of Washington

66th Legislature

2019 Regular Session

By Representative Ryu

1 AN ACT Relating to modifying the definition of affordable  
2 workforce housing for the purposes of permitted lodging tax revenue  
3 expenditures; and amending RCW 67.28.180.

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

5 **Sec. 1.** RCW 67.28.180 and 2015 c 102 s 3 are each amended to  
6 read as follows:

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

12 (2) Any levy authorized by this section is subject to the  
13 following:

14 (a) Any county ordinance or resolution adopted pursuant to this  
15 section must contain, in addition to all other provisions required to  
16 conform to this chapter, a provision allowing a credit against the  
17 county tax for the full amount of any city tax imposed pursuant to  
18 this section upon the same taxable event.

19 (b) (i) In the event that any county has levied the tax authorized  
20 by this section and has, prior to June 26, 1975, either pledged the  
21 tax revenues for payment of principal and interest on city revenue or

1 general obligation bonds authorized and issued pursuant to RCW  
2 67.28.150 (~~(through [and])~~) and 67.28.160 or has authorized and  
3 issued revenue or general obligation bonds pursuant to the provisions  
4 of RCW 67.28.150 (~~(through [and])~~) and 67.28.160, such county is  
5 exempt from the provisions of (a) of this subsection, to the extent  
6 that the tax revenues are pledged for payment of principal and  
7 interest on bonds issued at any time pursuant to the provisions of  
8 RCW 67.28.150 (~~(through [and])~~) and 67.28.160. However, so much of  
9 such pledged tax revenues, together with any investment earnings  
10 thereon, not immediately necessary for actual payment of principal  
11 and interest on such bonds may be used: (A) In any county with a  
12 population of one million five hundred thousand or more, for  
13 repayment either of limited tax levy general obligation bonds or of  
14 any county fund or account from which a loan was made, the proceeds  
15 from the bonds or loan being used to pay for constructing,  
16 installing, improving, and equipping stadium capital improvement  
17 projects, and to pay for any engineering, planning, financial, legal  
18 and professional services incident to the development of such stadium  
19 capital improvement projects, regardless of the date the debt for  
20 such capital improvement projects was or may be incurred; (B) in any  
21 county with a population of one million five hundred thousand or  
22 more, for repayment or refinancing of bonded indebtedness incurred  
23 prior to January 1, 1997, for any purpose authorized by this section  
24 or relating to stadium repairs or rehabilitation, including but not  
25 limited to the cost of settling legal claims, reimbursing operating  
26 funds, interest payments on short-term loans, and any other purpose  
27 for which such debt has been incurred if the county has created a  
28 public stadium authority to develop a stadium and exhibition center  
29 under RCW 36.102.030; or (C) in other counties, for county-owned  
30 facilities for agricultural promotion until January 1, 2009, and  
31 thereafter for any purpose authorized in this chapter.

32 (ii) A county is exempt under this subsection with respect to  
33 city revenue or general obligation bonds issued after April 1, 1991,  
34 only if such bonds mature before January 1, 2013. If any county  
35 located east of the crest of the Cascade mountains has levied the tax  
36 authorized by this section and has, prior to June 26, 1975, pledged  
37 the tax revenue for payment of principal and interest on city revenue  
38 or general obligation bonds, the county is exempt under this  
39 subsection with respect to revenue or general obligation bonds issued  
40 after January 1, 2007, only if the bonds mature before January 1,

1 2035. Such a county may only use funds under this subsection (2)(b)  
2 for constructing or improving facilities authorized under this  
3 chapter, including county-owned facilities for agricultural  
4 promotion.

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

14 (c)(i) No city within a county exempt under (b) of this  
15 subsection may levy the tax authorized by this section so long as  
16 said county is so exempt.

17 (ii) No city within a county with a population of one million  
18 five hundred thousand or more may levy the tax authorized by this  
19 section.

20 (iii) However, in the event that any city in a county described  
21 in (c)(i) or (ii) of this subsection (2) has levied the tax  
22 authorized by this section and has, prior to June 26, 1975,  
23 authorized and issued revenue or general obligation bonds pursuant to  
24 the provisions of RCW 67.28.150 (~~((through [and]))~~) and 67.28.160, such  
25 city may levy the tax so long as the tax revenues are pledged for  
26 payment of principal and interest on bonds issued at any time  
27 pursuant to the provisions of RCW 67.28.150 (~~((through [and]))~~) and  
28 67.28.160.

29 (3) Any levy authorized by this section by a county that has a  
30 population of one million five hundred thousand or more is subject to  
31 the following:

32 (a) Taxes collected under this section in any calendar year  
33 before 2013 in excess of five million three hundred thousand dollars  
34 may only be used as follows:

35 (i) Seventy percent from January 1, 2001, through December 31,  
36 2012, for art museums, cultural museums, heritage museums, the arts,  
37 and the performing arts. Moneys spent under this subsection (3)(a)(i)  
38 must be used for the purposes of this subsection (3)(a)(i) in all  
39 parts of the county.

1 (ii) Thirty percent from January 1, 2001, through December 31,  
2 2012, for the following purposes and in a manner reflecting the  
3 following order of priority: Stadium purposes as authorized under  
4 subsection (2)(b) of this section; acquisition of open space lands;  
5 youth sports activities; and tourism promotion. If all or part of the  
6 debt on the stadium is refinanced, all revenues under this subsection  
7 (3)(a)(ii) must be used to retire the debt.

8 (b) From January 1, 2013, through December 31, 2015, all revenues  
9 under this section must be used to retire the debt on the stadium,  
10 until the debt on the stadium is retired. On and after the date the  
11 debt on the stadium is retired, and through December 31, 2015, all  
12 revenues under this section in a county of one million five hundred  
13 thousand or more must be deposited in the special account under (e)  
14 of this subsection.

15 (c) From January 1, 2016, through December 31, 2020, all revenues  
16 under this section must be deposited in the stadium and exhibition  
17 center account under RCW 43.99N.060.

18 (d) On and after January 1, 2021, the revenues under this section  
19 must be used as follows:

20 (i) At least thirty-seven and one-half percent of the revenues  
21 under this section must be deposited in the special account under (e)  
22 of this subsection.

23 (ii) At least thirty-seven and one-half percent of the revenues  
24 under this section must be used:

25 (A) For contracts, loans, or grants to nonprofit organizations or  
26 public housing authorities for affordable workforce housing within  
27 one-half mile of a transit station, as described under RCW 9.91.025  
28 or for services for homeless youth; or

29 (B) To repay:

30 (I) General obligation bonds issued pursuant to RCW 67.28.150 to  
31 finance such contracts, loans, or grants; or

32 (II) Revenue bonds issued pursuant to RCW 67.28.160 to finance a  
33 fund to make such contracts, loans, or grants; or

34 (III) Revenue bonds issued pursuant to RCW 67.28.160 to finance  
35 projects authorized by an authority under chapter 43.167 RCW to  
36 promote sustainable workplace opportunities near a community impacted  
37 by the construction or operation of tourism-related facilities.

38 (iii) The remainder must be used for capital or operating  
39 programs that promote tourism and attract tourists to the county.

1 (e) At least forty percent of the revenues distributed pursuant  
2 to (a)(i) of this subsection must be deposited in a special account.  
3 The account may only be used for the purposes of (a)(i) of this  
4 subsection.

5 (f) School districts and schools may not receive revenues  
6 distributed pursuant to (a)(i) of this subsection.

7 (g) Moneys distributed to art museums, cultural museums, heritage  
8 museums, the arts, and the performing arts, and moneys distributed  
9 for tourism promotion must be in addition to and may not be used to  
10 replace or supplant any other funding by the legislative body of the  
11 county.

12 (h) For the purposes of this section:

13 (i) "Affordable workforce housing" means housing for a single  
14 person, family, or unrelated persons living together whose income is  
15 (~~between thirty percent and~~) at or below eighty percent of the  
16 median income, adjusted for household size, for the county where the  
17 housing is located; and

18 (ii) "Tourism promotion" includes activities intended to attract  
19 visitors for overnight stays, arts, heritage, and cultural events,  
20 and recreational, professional, and amateur sports events. Moneys  
21 allocated to tourism promotion in a county with a population of one  
22 million or more must be allocated to local public organizations and  
23 nonprofit organizations formed for the express purpose of tourism  
24 promotion in the county. Such organizations must use moneys from the  
25 taxes to promote events in all parts of the county.

26 (i) No taxes collected under this section may be used for the  
27 operation or maintenance of a public stadium that is financed  
28 directly or indirectly by bonds to which the tax is pledged.  
29 Expenditures for operation or maintenance include all expenditures  
30 other than expenditures that directly result in new fixed assets or  
31 that directly increase the capacity, life span, or operating economy  
32 of existing fixed assets.

33 (j) No ad valorem property taxes may be used for debt service on  
34 bonds issued for a public stadium that is financed by bonds to which  
35 the tax is pledged, unless the taxes collected under this section are  
36 or are projected to be insufficient to meet debt service requirements  
37 on such bonds.

38 (k) If a substantial part of the operation and management of a  
39 public stadium that is financed directly or indirectly by bonds to  
40 which the tax is pledged is performed by a nonpublic entity or if a

1 public stadium is sold that is financed directly or indirectly by  
2 bonds to which the tax is pledged, any bonds to which the tax is  
3 pledged shall be retired. This subsection (3)(k) does not apply in  
4 respect to a public stadium under chapter 36.102 RCW transferred to,  
5 owned by, or constructed by a public facilities district under  
6 chapter 36.100 RCW or a stadium and exhibition center.

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

14 (4) If a court of competent jurisdiction declares any provision  
15 of subsection (3) of this section invalid, then that invalid  
16 provision is null and void and the remainder of this section is not  
17 affected.

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