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SENATE BILL 6188

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State of Washington

63rd Legislature

2014 Regular Session

By Senators O'Ban and Eide

1 AN ACT Relating to dedicating a portion of state sales tax revenues  
2 derived from certain short-term major public events for county economic  
3 development use; adding a new chapter to Title 82 RCW; and providing an  
4 expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the state  
7 benefits substantially from additional tax revenues generated from  
8 certain short-term major public events. Local governments incur  
9 significant costs in attracting, staging, and maintaining the venues  
10 for such events. The legislature further finds that the current  
11 distribution of additional temporary increased sales tax revenue from  
12 such events fails to recognize the significant local government costs  
13 necessary to maintain and improve the venues to attract and host such  
14 events. The legislature therefore finds it appropriate to share a  
15 portion of the temporary new revenue derived from the event with the  
16 local government responsible for providing and maintaining the event  
17 venues in order to continue to attract such events.

1        NEW SECTION.    **Sec. 2.**    A county special events tax program is  
2 created.    An eligible county may apply to receive a temporary  
3 additional portion of the state sales tax imposed under chapter 82.08  
4 RCW, as provided in this chapter.

5        NEW SECTION.    **Sec. 3.**    The definitions in this section apply  
6 throughout this chapter unless the context clearly requires otherwise.

7        (1) "Eligible county" means a county that is host to a paid  
8 admission public event:

9            (a) For which venue selection is made independently of the county;

10          (b) For which preparation requirements extend beyond the normal use  
11 of the existing venue support facilities and include event support  
12 costs borne by the county; and

13          (c) That is eligible under the provisions of section 4(4) of this  
14 act.

15        (2) "Event period" means the fiscal quarter in which the event  
16 occurs.

17        NEW SECTION.    **Sec. 4.**    (1) Not later than ninety days prior to the  
18 first day of the event, the executive authority of a county expecting  
19 to be eligible under this chapter must provide the department with a  
20 statement indicating the county's expectation that it will be eligible  
21 for selective temporary shared revenue from this event under the  
22 provisions of this chapter. Accompanying this notification, the county  
23 must provide supporting documentation and applicable metrics  
24 demonstrating the extent of the anticipated additional tax income  
25 generated from the event.

26        (2) Tax collection and remission proceeds normally during the event  
27 period, except that the department will ensure that it has the means to  
28 track collections in the eligible county for validation after the  
29 event.

30        (3) Within ninety days following the end of the fiscal year in  
31 which the event occurred, the department must compute the sales tax  
32 revenue derived from the eligible county during the event period. The  
33 department must then compare that amount to an average for the same  
34 period in the same county for the three previous years.

35        (4) If the department finds that revenue during the event period  
36 exceeds the average for the three previous years by an amount greater

1 than two million dollars it must declare the county eligible to receive  
2 a temporary share of the additional revenues subject to the provisions  
3 of this chapter. The department must notify the eligible county of its  
4 findings within ninety days.

5 (5)(a) The state must make disbursements under this chapter to the  
6 economic development endowment account of the eligible county as  
7 follows: Forty percent of state sales tax revenue collected in the  
8 eligible county from the event period in excess of the average for the  
9 same period in the preceding three years. Such disbursements must be  
10 treated as a one-time occurrence establishing no entitlement to any  
11 future disbursement unless specifically authorized by law.

12 (b) In addition to any disbursements from state sales tax revenue  
13 under (a) of this subsection, an eligible county may also accept funds  
14 from other public or private sources into its economic development  
15 endowment account, if those funds are used exclusively for the purposes  
16 specified in section 5 of this act.

17 NEW SECTION. **Sec. 5.** (1) An eligible county that has applied to  
18 receive tax revenue under this section must agree to create and  
19 maintain an economic development endowment account. Any funds  
20 deposited in the account may only be used for the support of venues  
21 suitable for hosting eligible events under this section.

22 (2) An eligible county may receive additional funds from other  
23 public or private sources for deposit into the economic development  
24 endowment account; however, such funds may only be spent for the  
25 purposes specified in subsection (1) of this section.

26 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute  
27 a new chapter in Title 82 RCW.

28 NEW SECTION. **Sec. 7.** This act expires December 31, 2016.

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