

## CHAPTER 1

[Engrossed Substitute House Bill No. 605]

CONVENTION AND TRADE CENTER—AUTHORITY—BONDS—  
CONTRACT SURETY BONDS—APPROPRIATION

AN ACT Relating to the state convention and trade center; amending section 1, chapter 34, Laws of 1982 and RCW 67.40.010; amending section 2, chapter 34, Laws of 1982 and RCW 67.40.020; amending section 3, chapter 34, Laws of 1982 and RCW 67.40.030; amending section 4, chapter 34, Laws of 1982 and RCW 67.40.040; amending section 6, chapter 34, Laws of 1982 and RCW 67.40.060; amending section 3, chapter 12, Laws of 1967 ex. sess. and RCW 48.30.270; making appropriations; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 34, Laws of 1982 and RCW 67.40.010 are each amended to read as follows:

The legislature finds and declares as the express purpose of this chapter:

(1) The convention and trade show business will provide both direct and indirect civic and economic benefits to the people of the state of Washington.

(2) The location of a state convention and trade center in the city of Seattle will particularly benefit and increase the occupancy of larger hotels and other lodging facilities in the city of Seattle and to a lesser extent in King county.

(3) Imposing a special excise tax on the price of lodging in Seattle, and at a lower rate elsewhere in King county, is an appropriate method of paying for a substantial part of the cost of constructing, maintaining, and operating a state convention and trade center.

Sec. 2. Section 2, chapter 34, Laws of 1982 and RCW 67.40.020 are each amended to read as follows:

The governor is authorized to form a public nonprofit corporation in the same manner as a private nonprofit corporation is formed under chapter 24.03 RCW. The public corporation shall be an instrumentality of the state and have all the powers and be subject to the same restrictions as are permitted or prescribed to private nonprofit corporations, but shall exercise those powers only for carrying out the purposes of this chapter and those purposes necessarily implied therefrom. The governor shall appoint a board of nine directors for the corporation who shall serve terms of six years, except that two of the original directors shall serve for two years and two of the original directors shall serve for four years. The directors may provide for the payment of their expenses. The corporation may cause a state convention and trade center with an overall size of approximately three hundred thousand square feet to be designed and constructed on a site in the city of Seattle. In acquiring, designing, and constructing the state convention and trade center, the corporation shall consider the recommendations

and proposals issued on December 11, 1981, by the joint select committee on the state convention and trade center.

The corporation may acquire and transfer real and personal property by lease, purchase, or sale, and further acquire property by condemnation of privately owned ((land)) property or rights to and interests in such property pursuant to the procedure in chapter 8.04 RCW, or gift, accept grants, request the financing provided for in RCW 67.40.030, cause the state convention and trade center facilities to be constructed, and do whatever is necessary or appropriate to carry out those purposes. In order to allow the corporation flexibility to secure appropriate insurance by negotiation, the corporation is exempt from RCW 48.30.270. The corporation shall maintain, operate, promote, and manage the state convention and trade center.

Sec. 3. Section 3, chapter 34, Laws of 1982 and RCW 67.40.030 are each amended to read as follows:

For the purpose of providing funds for the state convention and trade center, the state finance committee is authorized to issue, upon request of the corporation formed under RCW 67.40.020 and in a single offering, general obligation bonds of the state of Washington in the sum of ninety-nine million dollars, or so much thereof as may be required, to finance this project and all costs incidental thereto, to capitalize all or a portion of interest during construction, to provide for expansion, renovation, and contingency costs of the center, and to reimburse the general fund for expenditures in support of the project. The state finance committee may make such bond covenants as it deems necessary to carry out the purposes of this section and this chapter. No bonds authorized in this section may be offered for sale without prior legislative appropriation.

Sec. 4. Section 4, chapter 34, Laws of 1982 and RCW 67.40.040 are each amended to read as follows:

The proceeds from the sale of the bonds authorized in RCW 67.40.030, earnings from the investment of the proceeds, proceeds of the tax imposed under RCW 67.40.090, and operating revenues of the state convention and trade center shall be deposited in the state convention and trade center account hereby created in the general fund, and in such subaccounts as are deemed appropriate by the directors of the corporation.

Moneys in the account shall be used exclusively for the following purposes in the following ((order)) priority:

- (1) For reimbursement of the state general fund under RCW 67.40.060;
- (2) For payment of expenses incurred in the issuance and sale of the bonds issued under RCW 67.40.030;
- (3) For acquisition, design, and construction of the state convention and trade center;
- (4) For operation and promotion of the center;
- (5) For reimbursement of any expenditures from the state general fund in support of the state convention and trade center;

(6) ~~((For early retirement of the bonds issued under RCW 67.40.030: (7)))~~ To establish a ~~((sinking fund))~~ subaccount of up to fifty million dollars for expansion or renovation of the center;

(7) For early retirement of the bonds issued under RCW 67.40.030; and

(8) To reduce or eliminate the tax imposed under RCW 67.40.090.

PROVIDED, That no proceeds from the sale of bonds or earnings from the investment of the proceeds shall be used to fund subsection (4) or (8) of this section.

Sec. 5. Section 6, chapter 34, Laws of 1982 and RCW 67.40.060 are each amended to read as follows:

The state general obligation bond retirement fund shall be used for the payment of the principal of and interest on the bonds authorized in RCW 67.40.030.

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. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state general obligation bond retirement fund an amount equal to the amount certified by the state finance committee to be due on that payment date. On each date on which any interest or principal and interest is due, the state treasurer shall cause an identical amount to be paid out of the state convention and trade center account from the proceeds of the special excise tax imposed under RCW 67.40.090 ~~((and))~~, operating revenues of the state convention and trade center, and bond proceeds and earnings on the investment of bond proceeds, for deposit in the general fund of the state treasury. Any deficiency in such ~~((excise tax))~~ transfer shall be made up as soon as ~~((such))~~ special excise taxes are available for transfer and shall constitute a continuing obligation of the state convention and trade center account until all deficiencies are fully paid.

Bonds issued under RCW 67.40.030 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.

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.

Sec. 6. Section 3, chapter 12, Laws of 1967 ex. sess. and RCW 48.30-.270 are each amended to read as follows:

(1) No officer or employee of this state, or of any public agency, public authority or public corporation except a public corporation or public authority created pursuant to agreement or compact with another state, and no person acting or purporting to act on behalf of such officer or employee, or public agency or public authority or public corporation, shall, with respect to any public building or construction contract which is about to be, or which has been competitively bid, require the bidder to make application to, or to furnish financial data to, or to obtain or procure, any of the surety bonds or contracts of insurance specified in connection with such contract, or specified by any law, general, special or local, from a particular insurer or agent or broker.

(2) No such officer or employee or any person, acting or purporting to act on behalf of such officer or employee shall negotiate, make application for, obtain or procure any of such surety bonds or contracts of insurance, except contracts of insurance for builder's risk or owner's protective liability, which can be obtained or procured by the bidder, contractor or subcontractor.

(3) This section shall not be construed to prevent the exercise by such officer or employee on behalf of the state or such public agency, public authority, or public corporation of its right to approve the form, sufficiency or manner or execution of the surety bonds or contracts of insurance furnished by the insurer selected by the bidder to underwrite such bonds, or contracts of insurance.

(4) Any provisions in any invitation for bids, or in any of the contract documents, in conflict with this section are declared to be contrary to the public policy of this state.

(5) A violation of this section shall be subject to the penalties provided by RCW 48.01.080.

(6) This section shall not apply to the public nonprofit corporation authorized under RCW 67.40.020.

NEW SECTION. Sec. 7. There is reappropriated from the state convention and trade center account of the general fund to the state convention and trade center corporation for the biennium ending June 30, 1985, \$93,760,000 to carry out the purposes of chapter 34, Laws of 1982.

NEW SECTION. Sec. 8. There is appropriated from the state convention and trade center account of the general fund to the state convention and trade center corporation for the biennium ending June 30, 1985, \$2,024,360 for operational costs of the convention and trade center corporation.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state

government and its existing public institutions, and shall take effect immediately.

Passed the House May 25, 1983.

Passed the Senate May 25, 1983.

Approved by the Governor June 13, 1983.

Filed in Office of Secretary of State June 13, 1983.

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## CHAPTER 2

### [Reengrossed Substitute Senate Bill No. 3290] AQUATIC LANDS—LEASES

AN ACT Relating to aquatic lands; creating new sections; repealing section 2, chapter 97, Laws of 1979 ex. sess., section 2, chapter 117, Laws of 1982, section 176, chapter 21, Laws of 1982 1st ex. sess and RCW 79.01.525; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. From April 3, 1982, until September 30, 1984, the annual rent for an existing lease, renewed lease, or release of public tidelands, shorelands, beds of navigable waters, and harbor areas shall be the rent paid on such lease on January 1, 1981, which may be increased up to six percent per year, not compounded, from April 3, 1982, until September 30, 1984. From April 3, 1982 until September 30, 1984, the annual rent for a new lease entered into after January 1, 1981, shall be the rent paid January 1, 1981, for comparable public tidelands, shorelands, beds of navigable waters, and harbor areas leased for similar purposes. From April 3, 1982, until September 30, 1984, such rent on new leases may be increased up to six percent per year, not compounded, from the January 1, 1981 rent paid. The annual rent paid on January 1, 1981, means the actual rent paid on that date including any stair-stepped or other incremental rent payments of the full rental value. Any lessee of public tidelands, shorelands, beds of navigable waters and harbor areas paying more than the rent permitted under this section shall receive a credit, in the appropriate amount, on future rent owing for such lease or any other leases entered into by the lessee on public tidelands, shorelands, beds of navigable waters, and harbor areas: **PROVIDED**, That if any such leases terminate prior to the lessee being granted full credit for the overpaid rent, the lessee shall be reimbursed for the remaining overpayment in money. This section does not apply to geoduck harvesting, clam harvesting, or oyster bed leases which are established by a competitive bid process.

The department of natural resources shall adopt and implement rules to implement this section, including methods and procedures for establishing rent, within ninety days of the effective date of this act. This section shall have both retrospective and prospective effect. This section shall expire and have no further legal effect after September 30, 1984.