

CHAPTER 34

[Engrossed Senate Bill No. 2494]

PUBLIC RECREATION, SPORTS, CULTURE

AND CONVENTION CENTERS

AN ACT Relating to public recreation, sports, culture and convention centers; amending section 5, chapter 236, Laws of 1967 and RCW 67.28.120; amending section 6, chapter 236, Laws of 1967 and RCW 67.28.130; amending section 9, chapter 236, Laws of 1967 and RCW 67.28.160; amending section 10, chapter 236, Laws of 1967 and RCW 67.28.170; amending section 11, chapter 236, Laws of 1967 as amended by section 1, chapter 89, Laws of 1970 ex. sess. and RCW 67.28.180; amending section 14, chapter 236, Laws of 1967 as amended by section 3, chapter 89, Laws of 1970 ex. sess. and RCW 67.28.210; and declaring an emergency.

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

Section 1. Section 5, chapter 236, Laws of 1967 and RCW 67.28.120 are each amended to read as follows:

Any municipality is authorized either individually or jointly with any other municipality, or person, or any combination thereof, to acquire by purchase, gift or grant, to lease as lessee, and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of public stadium facilities and/or convention center facilities whether located within or without such municipality, including but not limited to buildings, structures, concession and service facilities, roads, bridges, walks, ramps and other access facilities, terminal and parking facilities for private vehicles and public transportation vehicles and systems, together with all lands, properties, property rights, equipment, utilities, accessories and appurtenances necessary for such public stadium facilities and/or convention center facilities, and to pay for any engineering, planning, financial, legal and professional services incident to the development and operation of such public stadium facilities and/or convention center facilities.

Sec. 2. Section 6, chapter 236, Laws of 1967 and RCW 67.28.130 are each amended to read as follows:

Any municipality, taxing district, or municipal corporation is authorized to convey or lease any lands, properties or facilities to any other municipality for the development by such other municipality of public stadium facilities and/or convention center facilities or to provide for the joint use of such lands, properties or facilities, or to participate in the financing of all or any part of the public stadium facilities and/or convention center facilities on such terms as may be fixed by agreement between the respective legislative bodies without submitting the matter to the voters of such municipalities, unless the provisions of general law applicable to

the incurring of municipal indebtedness shall require such submission.

Sec. 3. Section 9, chapter 236, Laws of 1967 and RCW 67.28.160 are each amended to read as follows:

To carry out the purposes of this chapter the legislative body of any municipality shall have the power to issue revenue bonds without submitting the matter to the voters of the municipality: PROVIDED, That the legislative body shall create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the legislative body may obligate the municipality to pay all or part of amounts collected from the special taxes provided for in RCW 67.28.180, and/or to pay such amounts of the gross revenue of all or any part of the facilities constructed, acquired, improved, added to, repaired or replaced pursuant to this chapter, as the legislative body shall determine: PROVIDED, FURTHER, That the principal of and interest on such bonds shall be payable only out of such special fund or funds, and the owners and holders of such bonds shall have a lien and charge against the gross revenue pledged to such fund.

Such revenue bonds and the interest thereon issued against such fund or funds shall constitute a claim of the holders thereof only as against such fund or funds and the revenue pledged therefor, and shall not constitute a general indebtedness of the municipality.

Each such revenue bond shall state upon its face that it is payable from such special fund or funds, and all revenue bonds issued under this chapter shall be negotiable securities within the provisions of the law of this state. Such revenue bonds may be registered either as to principal only or as to principal and interest, or may be bearer bonds; shall be in such denominations as the legislative body shall deem proper; shall be payable at such time or times and at such places as shall be determined by the legislative body; shall be executed in such manner and bear interest at such rate or rates as shall be determined by the legislative body.

Such revenue bonds shall be sold in such manner as the legislative body shall deem to be for the best interests of the municipality, either at public or private sale.

The legislative body may at the time of the issuance of such revenue bonds make such covenants with the purchasers and holders of said bonds as it may deem necessary to secure and guaranty the payment of the principal thereof and the interest thereon, including but not being limited to covenants to set aside adequate reserves to secure or guaranty the payment of such principal and interest, to pledge and apply thereto part or all of any lawfully authorized special taxes provided for in RCW 67.28.180, to maintain rates, charges or rentals sufficient with other available moneys to pay such

principal and interest and to maintain adequate coverage over debt service, to appoint a trustee or trustees for the bondholders, to safeguard the expenditure of the proceeds of sale of such bonds and to fix the powers and duties of such trustee or trustees and to make such other covenants as the legislative body may deem necessary to accomplish the most advantageous sale of such bonds. The legislative body may also provide that revenue bonds payable out of the same source may later be issued on a parity with revenue bonds being issued and sold.

The legislative body may include in the principal amount of any such revenue bond issue an amount for engineering, architectural, planning, financial, legal, and other services and charges incident to the acquisition or construction of public stadium facilities and/or convention center facilities, an amount to establish necessary reserves, an amount for working capital and an amount necessary for interest during the period of construction of any facilities to be financed from the proceeds of such issue plus six months. The legislative body may, if it deems it in the best interest of the municipality, provide in any contract for the construction or acquisition of any facilities or additions or improvements thereto or replacements or extensions thereof that payment therefor shall be made only in such revenue bonds.

If the municipality shall fail to carry out or perform any of its obligations or covenants made in the authorization, issuance and sale of such bonds, the holder of any such bond may bring action against the municipality and compel the performance of any or all of such covenants.

Sec. 4. Section 10, chapter 236, Laws of 1967 and RCW 67.28.170 are each amended to read as follows:

The legislative body of any municipality owning or operating public stadium facilities and/or convention center facilities acquired or developed pursuant to this chapter shall have power to lease to any municipality or person, or to contract for the use or operation by any municipality or person, of all or any part of the stadium facilities and/or convention center facilities authorized by this chapter, including but not limited to parking facilities, concession facilities of all kinds and any property or property rights appurtenant to such stadium facilities and/or convention center facilities, for such period and under such terms and conditions and upon such rentals, fees and charges as such legislative body may determine, and may pledge all or any portion of such rentals, fees and charges and all other revenue derived from the ownership and/or operation of stadium facilities and/or convention center facilities to pay and to secure the payment of general obligation bonds and/or revenue bonds of such municipality issued for

authorized public stadium and/or convention center facilities purposes.

Sec. 5. Section 11, chapter 236, Laws of 1967 as amended by section 1, chapter 89, Laws of 1970 ex. sess. and RCW 67.28.180 are each amended to read as follows:

The legislative body of any ((class AA)) county, and of any city ((of the first class having a population of one hundred fifty thousand or more not situated in a class AA county)), is authorized to levy and collect, a special excise tax of not to exceed two percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property: PROVIDED, That it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

Sec. 6. Section 14, chapter 236, Laws of 1967 as amended by section 3, chapter 89, Laws of 1970 ex. sess. and RCW 67.28.210 are each amended to read as follows:

All taxes levied and collected under RCW 67.28.180 shall be credited to a special fund in the treasury of the county or city imposing such tax. Such taxes shall be levied only for the purpose of paying all or any part of the cost of acquisition, construction, or operating of stadium facilities and/or convention center facilities or to pay or secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose or purposes under this chapter, and until withdrawn for use, the moneys accumulated in such fund or funds may be invested in interest bearing securities by the county or city treasurer in any manner authorized by law.

NEW SECTION. Sec. 7. If any provision of this 1973 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 8. This 1973 amendatory 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 Senate September 14, 1973.

Passed the House September 14, 1973.

Approved by the Governor September 22, 1973 with the exception of Section 8 which is vetoed.

Filed in Office of Secretary of State September 27, 1973.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith without my approval as to one item Engrossed Senate Bill No. 2494 entitled:

Veto
Message

"AN ACT Relating to public recreation, sports, culture and convention centers."

This bill extends the option of levying a local 2% sales tax on charges for hotel and motel lodging to all cities and counties, and also extends the use of such tax revenue for the financing of convention center facilities.

I have always maintained that a bill should not contain an emergency clause unless a real emergency exists which would justify the consequence of removing the right of referendum from the people.

In addition, it has been brought to my attention that the bill poses a serious potential loss of revenue to the state from extending the option of levying the hotel/motel sales tax to all cities. The possibility exists, and the language of the bill does not appear to preclude this, that cities within a county levying the tax may choose to levy their own tax, thus resulting in a total tax of 4% which would be deducted from the 4.5% sales tax otherwise collected by the state. This problem should be given detailed consideration by the Legislature at its next session.

With the exception of section 8 which I have vetoed for the foregoing reasons, the remainder of Engrossed Senate Bill No. 2494 is approved."

CHAPTER 35

[Engrossed Substitute Senate Bill No. 2102]

STATE TAX STRUCTURE--REVISIONS--

INCOME TAX

AN ACT Relating to revenue and taxation; amending section 1, chapter 141, Laws of 1973 1st ex. sess. (uncodified); amending section 3, chapter 141, Laws of 1973 1st ex. sess. and RCW (___-___-___); amending section 82.08.030, chapter 15, Laws of 1961 as last amended by section 5, chapter 141, Laws of 1973 1st ex. sess. and RCW 82.08.030; amending section 82.12.030,