

**NEW SECTION.** Sec. 186. Except as provided in section 185 of this act, this act shall take effect July 1, 1983.

Passed the Senate March 19, 1982.

Passed the House March 26, 1982.

Approved by the Governor April 3, 1982.

Filed in Office of Secretary of State April 3, 1982.

## CHAPTER 22

[Substitute House Bill No. 1156]

### CULTURAL ARTS, STADIUM, AND CONVENTION DISTRICTS—REVENUE BONDS—TAX LEVIES

AN ACT Relating to commerce and economic development; permitting the establishment of cultural arts, stadium and convention districts and setting out their powers, duties and responsibilities; authorizing certain powers, duties and responsibilities for the planning, design, construction, renovation, furnishing, landscaping, operation, and maintenance of cultural arts, stadium and convention facilities; providing for the financing of such facilities by issuance of bonds; authorizing certain taxing authority; authorizing the acquisition of certain real property; providing for the dissolution of cultural arts, stadium and convention districts; amending section 84.52.052, chapter 15, Laws of 1961 as last amended by section 20, chapter 210, Laws of 1981 and RCW 84.52.052; creating new sections; adding a new section to chapter 35.21 RCW; and adding new sections as a new chapter to Title 67 RCW.

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

**NEW SECTION.** Section 1. **PURPOSE.** The legislature finds that expansion of a cultural tourism would attract new visitors to our state and aid the development of a nonpolluting industry. The creation or renovation, and operation of cultural arts, stadium and convention facilities benefiting all the citizens of this state would enhance the recreational industry's ability to attract such new visitors. The additional income and employment resulting therefrom would strengthen the economic base of the state.

It is declared that the construction, modification, renovation, and operation of facilities for cultural arts, stadium and convention uses will enhance the progress and economic growth of this state. The continued growth and development of this recreational industry provides for the general welfare and is an appropriate matter of concern to the people of the state of Washington.

**NEW SECTION.** Sec. 2. **DEFINITIONS.** Unless the context clearly indicates otherwise, for the purposes of this chapter the following definitions shall apply:

(1) "Cultural arts, stadium and convention district," or "district," means a quasi municipal corporation of the state of Washington created pursuant to this chapter.

(2) "Component city" means an incorporated city within a public cultural arts, stadium and convention benefit area.

(3) "City" means any city or town.

(4) "City council" means the legislative body of any city.

(5) "Municipality" means a port district, public school district or community college district.

NEW SECTION. Sec. 3. CULTURAL ARTS, STADIUM AND CONVENTION DISTRICT—CREATION. (1) The process to create a cultural arts, stadium and convention district may be initiated by:

(a) The adoption of a resolution by the county legislative authority calling for a public hearing on the proposed creation of such a district and delineating proposed boundaries of the district; or

(b) The governing bodies of two or more cities located within the same county adopting resolutions calling for a public hearing on the proposed creation of such a district and delineating proposed boundaries of such a district: PROVIDED, That this method may not be used more frequently than once in any twelve month period in the same county; or

(c) The filing of a petition with the county legislative authority, calling for a public hearing on the proposed creation of such a district and delineating proposed boundaries of the district, that is signed by at least ten percent of the registered voters residing in the proposed district at the last general election. Such signatures will be certified by the county auditor or the county elections department.

(2) Within sixty days of the adoption of such resolutions, or presentation of such a petition, the county legislative authority shall hold a public hearing on the proposed creation of such a district. Notice of the hearing shall be published at least once a week for three consecutive weeks in one or more newspapers of general circulation within the proposed boundaries of the district. The notice shall include a general description and map of the proposed boundaries. Additional notice shall also be mailed to the governing body of each city and municipality located all or partially within the proposed district. At such hearing, or any continuation thereof, any interested party may appear and be heard on the formation of the proposed district.

The county legislative authority shall delete the area included within the boundaries of a city from the proposed district if prior to the public hearing the city submits to the county legislative authority a copy of an adopted resolution requesting its deletion from the proposed district. The county legislative authority may delete any other areas from the proposed boundaries. Additional territory may be included within the proposed boundaries, but only if such inclusion is subject to a subsequent hearing, with notice provided in the same manner as for the original hearing.

(3) A proposition to create a cultural arts, stadium and convention district shall be submitted to the voters of the proposed district within two years of the adoption of a resolution providing for such submittal by the county legislative authority at the conclusion of such hearings. The resolution shall establish the boundaries of the district and include a finding that

the creation of the district is in the public interest and that the area included within the district can reasonably be expected to benefit from its creation. No portion of a city may be included in such a district unless the entire city is included. The boundaries of such a district shall follow school district or community college boundaries in as far as practicable.

(4) The proposition to create a cultural arts, stadium and convention district shall be submitted to the voters of the proposed district at the next general election held sixty or more days after the adoption of the resolution. The district shall be created upon approval of the proposition by simple majority vote. The ballot proposition submitted to the voters shall be in substantially the following form:

**FORMATION OF CULTURAL ARTS, STADIUM AND CONVENTION DISTRICT.....**

Shall a cultural arts, stadium and convention district be established for the area described in a resolution of the legislative authority of ..... county, adopted on the ..... day of ....., 19..?

**NEW SECTION. Sec. 4. MULTI-COUNTY DISTRICT—CREATION.** A joint hearing by the legislative authorities of two or more counties on the proposed creation of a cultural arts, stadium and convention district including areas within such counties may be held as provided herein:

(1) The process to initiate such a hearing shall be identical with the process provided in section 3(1) of this amendatory act, except a resolution of all the legislative authorities of each county with territory proposed to be included shall be necessary.

(2) No territory may be added to or deleted from such a proposed district, except by action of the county legislative authority of the county within whose boundaries the territory lies pursuant to the process provided in section 3 of this amendatory act.

(3) The resolutions shall each contain identical provisions concerning the governing body, as delineated in section 5 of this amendatory act.

**NEW SECTION. Sec. 5. GOVERNING BODY.** The number of persons on the governing body of the district and how such persons shall be selected and replaced shall be included in the resolution of the county legislative authority providing for the submittal of the proposition to create the district to the voters. Members of the governing body may only consist of a combination of city council members or mayors of the city or cities included within the district, members of the county legislative authority, the county executive of a county operating under a home rule charter, elected members of the governing bodies of municipalities located within the district, and members of the board of regents of a community college district. No governing body may consist of more than nine members. The resolution may also provide for additional, ex officio, nonvoting members consisting of elected officials or appointed officials from the counties, cities, or municipalities which are located all or partially within the boundaries of such a

district and who do not have elected or appointed officials sitting on the governing body.

Any member of the governing body, or any ex officio member, who is not an elective official whose office is a full-time position may be reimbursed for reasonable expenses actually incurred in attending meetings or engaging in other district business as provided in RCW 42.24.090.

**NEW SECTION. Sec. 6. COMPREHENSIVE PLAN—DEVELOPMENT—ELEMENTS.** The cultural arts, stadium and convention district, as authorized in this chapter, shall develop a comprehensive cultural arts, stadium and convention plan for the district. Such plan shall include, but not be limited to the following elements:

(1) The levels of cultural arts, stadium and convention services that can be reasonably provided for various portions of the district.

(2) The funding requirements, including local tax sources or federal funds, necessary to provide various levels of service within the district.

(3) The impact of such a service on other cultural arts, stadium and convention systems operating within that county or adjacent counties.

**NEW SECTION. Sec. 7. COMPREHENSIVE PLAN—REVIEW—APPROVAL OR DISAPPROVAL—RESUBMISSION.** The comprehensive cultural arts, stadium and convention plan adopted by the district shall be reviewed by the state planning and community affairs agency, or its successor, to determine:

(1) Whether the plan will enhance the progress of the state and provide for the general welfare of the population; and

(2) Whether such plan is eligible for matching federal funds.

After reviewing the comprehensive cultural arts, stadium and convention plan, the state planning and community affairs agency, or its successor, shall have sixty days in which to approve such plan and to certify to the state treasurer that such district shall be eligible to receive funds. To be approved a plan shall provide for coordinated cultural arts, stadium and convention planning, and be consistent with the public cultural arts, stadium and convention coordination criteria in a manner prescribed by chapter 35.60 RCW. In the event such comprehensive plan is disapproved and ruled ineligible to receive funds, the state planning and community affairs agency, or its successor, shall provide written notice to the district within thirty days as to the reasons for such plan's disapproval and such ineligibility. The district may resubmit such plan upon reconsideration and correction of such deficiencies cited in such notice of disapproval.

**NEW SECTION. Sec. 8. ANNEXATION ELECTION.** An election to authorize the annexation of contiguous territory to a cultural arts, stadium and convention district may be submitted to the voters of the area proposed to be annexed upon the passage of a resolution of the governing body of the district. Approval by simple majority vote shall authorize such annexation.

**NEW SECTION.** Sec. 9. **DISTRICT AS QUASI MUNICIPAL CORPORATION—GENERAL POWERS.** A cultural arts, stadium and convention district is a quasi municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1, of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2, of the state Constitution. A district shall constitute a body corporate and shall possess all the usual powers of a corporation for public purpose. In addition to the powers specifically granted by this chapter, a district shall have all powers which are necessary to carry out the purposes of this chapter. A cultural arts, stadium and convention district may contract with the United States or any agency thereof, any state or agency thereof, any other cultural arts, stadium and convention district, any county, city, metropolitan municipal corporation, special district, or governmental agency, within or without the state, and any private person, firm or corporation for the purpose of receiving gifts or grants or securing loans or advances for preliminary planning and feasibility studies, or for the design, construction or renovation or operation of cultural arts, stadium and convention facilities. In addition, a district may contract with any governmental agency or with any private person, firm or corporation for the use by either contracting party of all or any part of the facilities, structures, lands, interests in lands, air rights over lands and rights of way of all kinds which are owned, leased or held by the other party and for the purpose of planning, constructing or operating any facility or performing any service which the cultural arts, stadium and convention district may be authorized to operate or perform, on such terms as may be agreed upon by the contracting parties. Before any contract for the lease or operation of any cultural arts, stadium and convention district facilities shall be let to any private person, firm or corporation, competitive bids shall be called upon such notice, bidder qualifications and bid conditions as the district shall determine.

A district may sue and be sued in its corporate capacity in all courts and in all proceedings.

**NEW SECTION.** Sec. 10. **ADDITIONAL POWERS.** The governing body of a cultural arts, stadium and convention district shall have the following powers in addition to the general powers granted by this chapter:

(1) To prepare, adopt and carry out a general comprehensive plan for cultural arts, stadium and convention service which will best serve the residents of the district and to amend said plan from time to time to meet changed conditions and requirements.

(2) To acquire by purchase, gift or grant and to lease, convey, construct, add to, improve, replace, repair, maintain, and operate cultural arts, stadium and convention facilities and properties within the district, including portable and mobile facilities and parking facilities and properties and such other facilities and properties as may be necessary for passenger and vehicular access to and from such facilities and properties, together with all

lands, rights of way, property, equipment and accessories necessary for such systems and facilities. Cultural arts, stadium and convention facilities and properties which are presently owned by any component city, county or municipality may be acquired or used by the district only with the consent of the legislative authority, council or governing body of the component city, county or municipality owning such facilities. A component city, county or municipality is hereby authorized to convey or lease such facilities to a district or to contract for their joint use on such terms as may be fixed by agreement between the component city, county or municipality and the district, without submitting the matter to the voters of such component city, county or municipality.

(3) To fix rates and charges for the use of such facilities.

**NEW SECTION.** Sec. 11. **ISSUANCE OF GENERAL OBLIGATION BONDS—MATURITY—METHODS OF PAYMENT** To carry out the purpose of this chapter, any cultural arts, stadium and convention district shall have the power to issue general obligation bonds for capital purposes only, not to exceed an amount, together with any outstanding general obligation indebtedness equal to three-eighths of one percent of the value of taxable property within such district, as the term "value of taxable property" is defined in RCW 39.36.015. A cultural arts, stadium and convention district is additionally authorized to issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to three-fourths of one percent of the value of the taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015, and to provide for the retirement thereof by excess levies when approved by the voters at a special election called for that purpose in the manner prescribed by section 6, Article VIII and section 2, Article VII of the Constitution and by RCW 84.52.056. General obligation bonds may not be issued with a maturity in excess of forty years.

**NEW SECTION.** Sec. 12. **REVENUE BONDS—ISSUANCE, SALE, TERM, PAYMENT.** To carry out the purposes of this chapter, the cultural arts, stadium and convention district shall have the power to issue revenue bonds: **PROVIDED**, That the district governing body shall create or have created 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 governing body may obligate the district to pay such amounts of the gross revenue of all or any part of the facilities constructed, acquired, improved, repaired or replaced pursuant to this chapter, as the governing 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.

The governing body of a district shall have such further powers and duties in carrying out the purposes of this chapter as provided in RCW 67.28.160.

**NEW SECTION.** Sec. 13. CULTURAL ARTS, STADIUM AND CONVENTION DISTRICT TAX LEVIES. The governing body of a cultural arts, stadium and convention district may levy or cause to levy the following ad valorem taxes:

(1) A regular ad valorem property tax levy in an amount equal to twenty-five cents or less per thousand dollars of the assessed value of property in the district in each year for six consecutive years. This six year levy must be approved by a majority of at least three-fifths of the electors thereof voting on the proposition, at which election the number of persons voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percentum of the total votes cast in such taxing district at the last preceding general election; or by a majority of at least three-fifths of the electors thereof voting on the proposition to levy when the number of electors voting yes on the proposition exceeds forty percentum of the total votes cast in such taxing district in the last preceding general election.

In the event cultural arts, stadium and convention districts are levying property taxes, which in combination with property taxes levied by other taxing districts result in taxes in excess of the one percent limitation provided for in Article VII, section 2, of our state Constitution, the cultural arts, stadium and convention district property tax levy shall be reduced or eliminated before the property tax levies of other taxing districts are reduced: PROVIDED, That no cultural arts, stadium, and convention district may pledge anticipated revenues derived from the property tax herein authorized as security for payments of bonds issued pursuant to subsection (1) of this section: PROVIDED, FURTHER, That such limitation shall not apply to property taxes approved pursuant to subsections (2) and (3) of this section.

The limitation in RCW 84.55.010 shall apply to levies after the first levy authorized under this section following the approval of such levy by voters pursuant to this section.

(2) An annual excess ad valorem property tax for general district purposes when authorized by the district voters in the manner prescribed by section 2, Article VII of the Constitution and by RCW 84.52.052.

(3) Multi-year excess ad valorem property tax levies used to retire general obligation bond issues when authorized by the district voters in the manner prescribed by section 2, Article VII of the Constitution and by RCW 84.52.056.

The district shall include in its regular property tax levy for each year a sum sufficient to pay the interest and principal on all outstanding general obligation bonds issued without voter approval pursuant to section 11 of this

amendatory act and may include a sum sufficient to create a sinking fund for the redemption of all outstanding bonds.

**NEW SECTION.** Sec. 14. CONTRIBUTION OF SUMS FOR EXPENSES. The county or counties and each component city included in the district collecting or planning to collect the hotel/motel tax pursuant to RCW 67.28.180 may contribute such revenue towards the expense for maintaining and operating the cultural arts, stadium and convention system in such manner as shall be agreed upon between them.

**NEW SECTION.** Sec. 15. TREASURER AND AUDITOR—BOND—DUTIES—FUNDS—DEPOSITARIES. Unless the cultural arts, stadium and convention district governing body, by resolution, designates some other person having experience in financial or fiscal matters as treasurer of the district, the treasurer of the county in which a cultural arts, stadium and convention district is located shall be ex officio treasurer of the district: PROVIDED, That in the case of a multicounty cultural arts, stadium and convention district, the county treasurer of the county with the greatest amount of area within the district shall be the ex officio treasurer of the district. The district may, and if the treasurer is not a county treasurer shall, require a bond for such treasurer with a surety company authorized to do business in the state of Washington, in an amount and under the terms and conditions as agreed to by the district, by resolution, in such amount from time to time which will protect the authority against loss. The premium on any such bond shall be paid by the authority.

All district funds shall be paid to the treasurer and shall be disbursed by the treasurer only on warrants issued by an auditor appointed by the district, upon orders or vouchers approved by the governing body. The treasurer shall establish a "cultural arts, stadium and convention fund," into which shall be paid district funds as provided in section 14 of this amendatory act and the treasurer shall maintain such special funds as may be created by the governing body into which said treasurer shall place all moneys as the governing body may, by resolution, direct.

If the treasurer of the district is a treasurer of the county, all district funds shall be deposited with the county depository under the same restrictions, contracts, and security as provided for county depositories; the county auditor of such county shall keep the records of the receipts and disbursements, and shall draw, and such county treasurer shall honor and pay all warrants, which shall be approved before issuance and payment as directed by the district.

**NEW SECTION.** Sec. 16. DISSOLUTION AND LIQUIDATION. A cultural arts, stadium and convention district established in accordance with this chapter shall be dissolved and its affairs liquidated when so directed by a majority of persons in the district voting on such question. An election



placing such question before the voters may be called in the following manner:

(1) By resolution of the cultural arts, stadium and convention district governing authority;

(2) By resolution of the county legislative body or bodies with the concurrence therein by resolution of the city council of a component city; or

(3) By petition calling for such election signed by at least ten percent of the qualified voters residing within the district filed with the auditor of the county wherein the largest portion of the district is located. The auditor shall examine the same and certify to the sufficiency of the signatures thereon: PROVIDED, That to be validated, signatures must have been collected within a ninety-day period as designated by the petition sponsors.

With dissolution of the district, any outstanding obligations and bonded indebtedness of the district shall be satisfied or allocated by mutual agreement to the county or counties and component cities of the cultural arts, stadium and convention district.

Sec. 17. Section 84.52.052, chapter 15, Laws of 1961 as last amended by section 20, chapter 210, Laws of 1981 and RCW 84.52.052 are each amended to read as follows:

The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW 84.52.043 shall not prevent the levy of additional taxes by any taxing district except school districts in which a larger levy is necessary in order to prevent the impairment of the obligation of contracts. Any county, metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, public hospital district, road district, rural county library district, intercounty rural library district, fire protection district, cemetery district, city, or town may levy taxes at a rate in excess of the rate specified in RCW 84.52.050 through 84.52.056 and RCW 84.52-.043, or RCW 84.55.010 through 84.55.050, when authorized so to do by the electors of such county, metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, public hospital district, road district, rural county library district, intercounty rural library district, fire protection district, cemetery district, city, ((or)) town, or cultural arts, stadium and convention district in the manner set forth in Article VII, section 2(a) of the Constitution of this state, as amended by Amendment 64 and as thereafter amended, at a special or general election to be held in the year in which the levy is made.

A special election may be called and the time therefor fixed by the county legislative authority, or council, board of commissioners, or other governing body of any metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, public hospital district, road district, rural county library district, intercounty rural library district, fire protection district, cemetery district, city ((or)), town, or cultural arts, stadium and convention district, by giving notice thereof by

publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no".

NEW SECTION. Sec. 18. LEGISLATIVE DIRECTIVE. Sections 1 through 16 of this amendatory act are added to Title 67 RCW as a new chapter thereof.

NEW SECTION. Sec. 19. CAPTIONS NOT LAW. Section captions as used in this amendatory act shall not be construed as and do not constitute any part of the law.

NEW SECTION. Sec. 20. There is added to chapter 35.21 RCW a new section to read as follows:

Any city with a population of twenty-five thousand or more, but less than four hundred thousand, may impose a special excise tax of up to three percent on the sale or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, or trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, except that no such tax may be levied on any premises having fewer than fifteen lodging units. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes rental or lease of real property and not a mere license to use or enjoy the same. The proceeds of this tax may only be used to fund the acquisition, design, and construction of convention or trade facilities.

This tax is in addition to the sales taxes that cities are authorized to impose in chapter 82.14 RCW and RCW 67.28.180. The tax shall not be a deduction from sales taxes imposed by the state.

Any city imposing the sales tax authorized in this section may contract with the state department of revenue for its collection and distribution as provided in chapter 82.14 RCW for the collection and distribution of general sales taxes imposed by cities.

NEW SECTION. Sec. 21. SEVERABILITY. If any provision of this 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.

Passed the House March 26, 1982.

Passed the Senate March 24, 1982.

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