

## EIGHTEENTH DAY

## NOON SESSION

Senate Chamber, Olympia, Thursday, April 1, 2010

The Senate was called to order at 12:00 p.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Benton, Delvin, Gordon, Kline, McCaslin, Morton, Pridemore and Zarelli.

The Sergeant at Arms Color Guard consisting of Senate employees Nova Gattman and Mike Hatchett, presented the Colors. Senator Shin offered the prayer.

## MOTION

On motion of Senator Eide the reading of the Journal of the previous day was dispensed with and it was approved.

## MOTION

At 12:06 p.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

## AFTERNOON SESSION

The Senate was called to order at 1:10 p.m. by President Owen.

## MOTION

On motion of Senator Eide, the Senate advanced to the fourth order of business.

## MESSAGE FROM THE HOUSE

March 22, 2010

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 6889 with the following amendment(s): 6889-S AMH HUNT H5832.1

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** (1) The legislature finds that conventions and trade shows provide both direct and indirect civic and economic benefits. It is the intent of the legislature to provide for the transfer of the governance and financing of the state convention and trade center to a public facilities district formed by a county with a population of one million five hundred thousand or more to acquire, own, and operate the convention and trade center. The legislature also intends to replace, in connection with such transfer, the authority under chapter 67.40 RCW of the state and city to impose excise taxes on the sale of or charge made for the furnishing of lodging to fund the state convention and trade center with authority for the public facilities district to impose lodging taxes at these rates, without affecting the existing authority of the state, county, cities, and other municipal corporations to impose taxes on the sale or charge made for the furnishing of lodging under existing caps on the aggregate rate that may be charged.

(2) The legislature further finds that the location of the convention and trade center particularly benefits and increases the occupancy of larger hotels and other lodging facilities in the city in which it is located and to a lesser extent in the remainder of the county in which it is located. The legislature finds that imposing

excise taxes on the sale of or charge made for the furnishing of lodging at the rates authorized in section 5 of this act is an appropriate method of paying for the cost of acquiring, constructing, owning, remodeling, maintaining, equipping, reequipping, repairing, altering, and operating a convention and trade center.

**Sec. 2.** RCW 36.100.010 and 2002 c 218 s 26 are each amended to read as follows:

(1) ~~((A))~~ One or more public facilities districts may be created in any county and ~~((shall))~~ must be coextensive with the boundaries of the county.

(2) A public facilities district ~~((shall be))~~ is created upon adoption of a resolution providing for the creation of such a district by the county legislative authority in which the proposed district is located.

(3) A public facilities district is a 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.

(4) Except as provided in RCW 36.100.040 (4) and (5), no taxes authorized under this chapter may be assessed or levied unless a majority of the voters of the public facilities district has approved such tax at a general or special election. A single ballot proposition may both validate the imposition of the sales and use tax under RCW 82.14.048 and the excise tax under RCW 36.100.040(1).

(5) (a) A public facilities district ~~((shall))~~ constitutes a body corporate and ~~((shall))~~ possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, including contracts with public and private parties, to acquire, own, sell, transfer, lease, and otherwise acquire or dispose of property, to grant concessions under terms approved by the public facilities district, and to sue and be sued.

(b) A public facilities district created by a county with a population of one million five hundred thousand or more to acquire, own, and operate a convention and trade center transferred from a public nonprofit corporation may continue to contract with the Seattle-King county convention and visitors' bureau or its successor in interest for marketing the convention and trade center facility and services.

(6) A public facilities district may enter into contracts with a county for the purpose of exercising any powers of a community renewal agency under chapter 35.81 RCW.

(7) The ~~((county))~~ legislative authority ~~((or the city council))~~ of a city or county, the board of directors of a public nonprofit corporation, or the state of Washington may transfer property to ~~((the))~~ a public facilities district created under this chapter, with or without consideration. No property that is encumbered with debt or that is in need of major capital renovation may be transferred to the district without the agreement of the district and revenues adequate to retire the existing indebtedness.

(8) A public facilities district may enter into agreements with the state, any municipal corporation, or any other governmental entity for the design, financing, acquisition, development, construction, reconstruction, lease, remodeling, alteration, maintenance, equipping, reequipping, repair, operation, or management of one or more facilities of the parties thereto. Agreements may provide that any party to the contract designs, finances, acquires, develops, constructs, reconstructs, remodels, alters, maintains, equips, reequips, repairs, and operates one or more facilities for the other party or parties to the contract. A public facilities district may enter into an agreement with the state, any municipal corporation, or other public or private entity that will assist a public facilities district in the

financing of all or any part of a district facility on such terms as may be determined by agreement between the respective parties, including without limitation by a loan, guaranty, or other financing agreement.

**Sec. 3.** RCW 36.100.020 and 1995 3rd sp.s. c 1 s 302 are each amended to read as follows:

(1)(a) A public facilities district ~~((shall))~~ must be governed by a board of directors consisting of five ~~((or))~~, seven, or nine members as provided in this section.

(b) If the largest city in the county has a population that is at least forty percent of the total county population, the board of directors of the public facilities district ~~((shall))~~ must consist of five members selected as follows:

~~((a))~~ (i) Two members appointed by the county legislative authority to serve for four-year staggered terms;

~~((b))~~ (ii) Two members appointed by the city council of the largest city in the county to serve for four-year staggered terms; and

~~((c))~~ (iii) One person to serve for a four-year term who is selected by the other directors.

(c)(i) Except as provided in (c)(ii) of this subsection (1), if the largest city in the county has a population of less than forty percent of the total county population, the county legislative authority ~~((shall))~~ must establish in the resolution creating the public facilities district whether the board of directors of the public facilities district has either five or seven members, and the county legislative authority ~~((shall))~~ must appoint the members of the board of directors to reflect the interests of cities and towns in the county, as well as the unincorporated area of the county.

(ii) However, if the county has a population of one million five hundred thousand or more, the largest city in the county has a population of less than forty percent of the total county population, and the county operates under a county charter, which provides for an elected county executive, the members of the board of directors must be appointed as follows:

(A) If the public facilities district is created to construct a baseball stadium as defined in RCW 82.14.0485, three members ~~((shall))~~ must be appointed by the governor and the remaining members ~~((shall))~~ must be appointed by the county executive subject to confirmation by the county legislative authority. Of the members appointed by the governor, the speaker of the house of representatives and the majority leader of the senate ~~((shall))~~ must each recommend to the governor a person to be appointed to the board; and

(B) If the public facilities district is created to acquire, own, and operate a convention and trade center, following the expiration of the terms of the initial board of directors, three members must be appointed by the governor, three members must be nominated by the county executive subject to confirmation by the county legislative authority, and three members must be nominated by the mayor of the city in which the convention and trade center is located subject to confirmation by the city legislative authority. Members of the board of directors may not be members of the legislative authority of the county or any city within the county.

(d) The initial board of directors of a public facilities district created in a county of one million five hundred thousand or more to acquire, own, and operate a convention and trade center must be comprised of the nine members of the board of the public nonprofit corporation that transfers the convention and trade center to the public facilities district under section 8 of this act. The governor must designate which of the initial board members must serve two-year terms and which must serve four-year terms and identify the board positions to which successors to initial directors are to be appointed by the county and the city.

(2) At least one member on the board of directors ~~((shall))~~ must be representative of the lodging industry in the public facilities district before the public facilities district imposes the excise tax

under RCW 36.100.040(1). Of the members of the board of directors of a public facilities district created in a county of one million five hundred thousand or more to acquire, own, and operate a convention and trade center, one of the governor's appointments and one of the county's appointments must be representative of the lodging industry in the public facilities district and one of the city's appointments must be representative of organized labor, except that these requirements do not apply to the initial board of such district.

(3) Members of the board of directors ~~((shall))~~ must serve four-year terms of office, except that two of the initial five board members ~~((or))~~, three of the initial seven board members ~~((shall))~~, and four of the initial nine board members must serve two-year terms of office.

(4) A vacancy ~~((shall))~~ must be filled in the same manner as the original appointment was made and the person appointed to fill a vacancy ~~((shall))~~ must serve for the remainder of the unexpired term of the office for the position to which he or she was appointed.

(5) Any director may be removed from office by the person or entity that appointed or confirmed such director for any reason or for no reason as follows: A director appointed by the governor may be removed from office by the governor~~((:))~~; and any ~~((other))~~ director confirmed by a city or county legislative authority may be removed from office by action of at least two-thirds of the members of the legislative authority ~~((which made the appointment))~~ that confirmed the director.

**Sec. 4.** RCW 36.100.030 and 2003 c 376 s 1 are each amended to read as follows:

(1) A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate (a) sports facilities, entertainment facilities, convention facilities, including without limitation any convention and trade center transferred from a public nonprofit corporation under section 8(1) of this act, or regional centers as defined in RCW 35.57.020, and (b) for districts formed after January 1, 2000, recreational facilities other than ski areas, together with contiguous parking facilities. The taxes that are provided for in this chapter may only be imposed for these purposes, including without limitation implementing any redemption, prepayment, or legal defeasance of outstanding obligations under section 8(3)(a) of this act.

(2) A public facilities district may enter into agreements under chapter 39.34 RCW for the ~~((joint provision and operation))~~ design, financing, acquisition, development, construction, reconstruction, lease, remodeling, alteration, maintenance, equipping, reequipping, repair, operation, or management of such facilities and may enter into contracts under chapter 39.34 RCW where any party to the contract provides and operates such facilities for the other party or parties to the contract. A public facilities district may enter into agreements under chapter 39.34 RCW that will assist a public facilities district in the financing of all or any part of a district facility on such terms as may be determined by agreement between the respective parties, including without limitation by a loan, guaranty, or other financing agreement.

(3) Notwithstanding the establishment of a career, civil, or merit service system, a public facilities district may contract with a public or private entity for the operation or management of its public facilities.

(4) A public facilities district is authorized to use the supplemental alternative public works contracting procedures set forth in chapter 39.10 RCW in connection with the design, construction, reconstruction, remodel, or alteration of any of its public facilities.

(5) A public facilities district may impose charges and fees for the use of its facilities, and may accept and expend or use gifts, grants, and donations.

**Sec. 5.** RCW 36.100.040 and 2008 c 137 s 5 are each amended to read as follows:

EIGHTEENTH DAY, APRIL 1, 2010

2010 1ST SPECIAL SESSION

(1) A public facilities district may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than forty lodging units. ~~((However))~~ Except for any tax imposed under subsection (4) or (5) of this section, if a public facilities district has not imposed such an excise tax prior to December 31, 1995, the public facilities district may only impose the excise tax if a ballot proposition authorizing the imposition of the tax has been approved by a simple majority vote of voters of the public facilities district voting on the proposition.

(2) The rate of the tax ~~((shall))~~ may not exceed two percent and the proceeds of the tax ~~((shall))~~ may only be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing, and operation of its public facilities. This excise tax ~~((shall))~~ may not be imposed until the district has approved the proposal to acquire, design, and construct the public facilities.

(3) ~~((A public facilities district may not impose the tax authorized in this section if, after the tax authorized in this section was imposed, the effective combined rate of state and local excise taxes, including sales and use taxes and excise taxes on lodging, imposed on the sale of or charge made for furnishing of lodging in any jurisdiction in the public facilities district exceeds eleven and one-half percent.~~

~~—(4)) Except for a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center, a public facilities district may not impose the tax authorized in this section if, after the tax authorized in this section was imposed, the effective combined rate of state and local excise taxes, including sales and use taxes and excise taxes on lodging, imposed on the sale of or charge made for furnishing of lodging in any jurisdiction in the public facilities district exceeds eleven and one-half percent.~~

~~(4) To replace the tax authorized by RCW 67.40.090, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than sixty lodging units. The rate of the tax may not exceed seven percent within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not exceed 2.8 percent in the remainder of the district. The tax imposed under this subsection (4) may not be collected prior to the transfer date defined in section 8 of this act.~~

~~(5) To replace the tax authorized by RCW 67.40.130, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center may impose an additional excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than sixty lodging units. The rate of the additional excise tax may not exceed two percent and may be imposed only within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not be imposed in the remainder of the district. The tax imposed under this subsection (5) may not be collected prior to the transfer date specified in section 8 of this act. The tax imposed under this subsection (5) must be credited against the amount of the tax otherwise due to the state from those same taxpayers under chapter 82.08 RCW. The tax under this subsection (5) may be imposed only for the purpose of paying or~~

~~securing the payment of the principal of and interest on obligations issued or incurred by the public facilities district and paying annual payment amounts to the state under subsection (6)(a) of this section. The authority to impose the additional excise tax under this subsection (5) expires on the date that is the earlier of (a) July 1, 2029, or (b) the date on which all obligations issued or incurred by the public facilities district to implement any redemption, prepayment, or legal defeasance of outstanding obligations under section 8(3)(a) of this act are no longer outstanding.~~

~~(6)(a) Commencing with the first full fiscal year of the state after the transfer date defined in section 8 of this act and for so long as a public facilities district imposes a tax under subsection (5) of this section, the public facilities district must transfer to the state of Washington on June 30th of each state fiscal year an annual payment amount.~~

~~(b) For the purposes of this subsection (6), "annual payment amount" means an amount equal to revenues received by the public facilities district in the fiscal year from the additional excise tax imposed under subsection (5) of this section plus an interest charge calculated on one-half the annual payment amount times an interest rate equal to the average annual rate of return for the prior calendar year in the Washington state local government investment pool created in chapter 43.250 RCW.~~

~~(c)(i) If the public facilities district in any fiscal year is required to apply additional lodging excise tax revenues to the payment of principal and interest on obligations it issues or incurs, and the public facilities district is unable to pay all or any portion of the annual payment amount to the state, the deficiency is deemed to be a loan from the state to the public facilities district for the purpose of assisting the district in paying such principal and interest and must be repaid by the public facilities district to the state after providing for the payment of the principal of and interest on obligations issued or incurred by the public facilities district, all on terms established by an agreement between the state treasurer and the public facilities district executed prior to the transfer date. Any agreement between the state treasurer and the public facilities district must specify the term for the repayment of the deficiency in the annual payment amount with an interest rate equal to the twenty bond general obligation bond buyer index plus one percentage point.~~

~~(ii) Outstanding obligations to repay any loans deemed to have been made to the public facilities district as provided in any such agreements between the state treasurer and the public facilities district survive the expiration of the additional excise tax under subsection (5) of this section.~~

~~(iii) For the purposes of this subsection (6)(c), "additional lodging excise tax revenues" mean the tax revenues received by the public facilities district under subsection (5) of this section.~~

~~(7) A public facilities district is authorized to pledge any of its revenues, including without limitation revenues from the taxes authorized in this section, to pay or secure the payment of obligations issued or incurred by the public facilities district, subject to the terms established by the board of directors of the public facilities district. So long as a pledge of the taxes authorized under this section is in effect, the legislature may not withdraw or modify the authority to levy and collect the taxes at the rates permitted under this section and may not increase the annual payment amount to be transferred to the state under subsection (6) of this section.~~

~~(8) The department of revenue must perform the collection of such taxes on behalf of the public facilities district at no cost to the district, and the state treasurer must distribute those taxes as available on a monthly basis to the district or, upon the direction of the district, to a fiscal agent, paying agent or trustee for obligations issued or incurred by the district.~~

~~(9) Except as expressly provided in this chapter, all of the provisions contained in RCW 82.08.050 and 82.08.060 and chapter~~

82.32 RCW have full force and application with respect to taxes imposed under the provisions of this section.

(10) The taxes imposed in this section ((does)) do not apply to sales of temporary medical housing exempt under RCW 82.08.997.

**Sec. 6.** RCW 36.100.060 and 1999 c 165 s 15 are each amended to read as follows:

(1) To carry out the purpose of this chapter, a public facilities district may issue general obligation bonds, not to exceed an amount, together with any outstanding nonvoter approved general obligation indebtedness, equal to one-half of one percent of the value of taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015. A public facilities district additionally may issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to one and one-fourth 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, when authorized by the voters of the public facilities district pursuant to Article VIII, section 6 of the state Constitution, and to provide for the retirement thereof by excess property tax levies as provided in this chapter.

(2) General obligation bonds may be issued with a maturity of up to thirty years, and must be issued and sold in accordance with the provisions of chapter 39.46 RCW. If the public facilities district is formed by a county with a population of one million five hundred thousand or more to acquire, own, and operate a convention and trade center, general obligation bonds may be issued with a maturity of up to forty years, and ((shall)) must be issued and sold in accordance with the provisions of chapter 39.46 RCW. In addition to the powers vested in it under RCW 39.46.030, a public facilities district created by a county with a population of one million five hundred thousand or more to acquire, own, and operate a convention and trade center may appoint, and may specify the rights and duties of, trustees with respect to its bonds, and such trustees may receive, hold, disburse, invest, and reinvest funds on the district's behalf and for the protection of the district's bond owners.

(3) The general obligation bonds may be payable from the operating revenues of the public facilities district in addition to the tax receipts of the district.

(4) The excise tax imposed pursuant to RCW 36.100.040 ((shall)) (1) terminates upon final payment of all bonded indebtedness for its public facilities, except that the excise tax may be reauthorized by a public vote, in the same manner as originally authorized, for funding of additional public facilities or a regional center.

**Sec. 7.** RCW 36.100.100 and 1995 c 396 s 7 are each amended to read as follows:

The treasurer of the county in which a public facilities district is located ((shall)) must be the ex officio treasurer of the district, unless the board of directors of a public facilities district created in a county of one million five hundred thousand or more designates by resolution another person having experience in financial or fiscal matters as the treasurer of the district. Such a treasurer possesses all of the powers, responsibilities, and duties of, and is subject to the same restrictions as provided by law for, a county treasurer with regard to district financial matters. Such treasurer must be bonded for not less than twenty-five thousand dollars.

**NEW SECTION. Sec. 8.** A new section is added to chapter 36.100 RCW to read as follows:

(1) On the transfer date the board of directors of a public nonprofit corporation formed under RCW 67.40.020 that owns and operates a state convention and trade center must transfer all lands, facilities, equipment, assets, other interests in real, personal, and intangible property, and interests under contracts, leases, licenses, and agreements under the control of that board of directors to a public facilities district created as provided in RCW 36.100.010 by

the county in which the convention and trade center is located pursuant to an agreement with the public facilities district, subject to the review and approval of the state treasurer.

(2) No real estate excise tax or other excise tax may be imposed with respect to the transfer of assets of the public nonprofit corporation to the public facilities district.

(3) For the purposes of this section, "transfer date" means the date on or prior to June 30, 2011, on which provision has been made for all of the following, pursuant to agreements and other necessary arrangements approved by the state treasurer:

(a) The redemption, prepayment, or legal defeasance on or prior to the transfer date of all outstanding borrowings and other financing obligations of the state of Washington and the public nonprofit corporation with respect to the state convention and trade center, including state bonds and certificates of participation and related financing contracts;

(b) The transfer to the public facilities district on the transfer date of the balances on deposit in the state convention and trade center operations account, the state convention and trade center account and other accounts relating to the state convention and trade center, including the revenues identified under (g)(i) of this subsection (3);

(c) The imposition by the public facilities district of excise taxes on the sale of or charge made for the furnishing of lodging under RCW 36.100.040 (4) and (5) at the maximum rates permitted in those subsections;

(d) The transfer of all other assets and liabilities and, to the extent permissible by their terms, the assignment or transfer of all contracts and agreements of the public nonprofit corporation to the public nonprofit corporation to the public facilities district;

(e) The execution of an agreement settling all claims in the case of Tourism Alliance, a Washington nonprofit corporation; Craig Schafer; Claridge LLC, a Washington limited liability company; R.C. Hedreen Corporation, a Washington corporation; and on behalf of taxpayers, Andrew Olsen, Amy L. Dee, Christopher M. Dee, Clipper Navigation, Inc., a Washington corporation v. State of Washington and James L. McIntire, in his official capacity as State Treasurer of the State of Washington;

(f) The payment or provision for payment of all fees, costs, and expenses incurred by the state of Washington and the public nonprofit corporation to effect such transfer;

(g) An agreement of the public facilities district to transfer to the state on June 30, 2011, an amount equal to (i) the revenues from the tax imposed under RCW 36.100.040(5) during the state fiscal year ending June 30, 2011, plus (ii) the revenues from the tax imposed under RCW 67.40.130 during the state fiscal year ending June 30, 2011; and

(h) The agreement between the state treasurer and the public facilities district, referred to in section 5(6)(c)(i).

**NEW SECTION. Sec. 9.** A new section is added to chapter 36.100 RCW to read as follows:

(1) Except as provided in chapters 35.101, 67.28, and 82.14 RCW, after January 1, 1983, no city, town, or county in which the tax under RCW 36.100.040 (4) and (5) is imposed may impose a license fee or tax on the act or privilege of engaging in business to furnish lodging by a hotel, rooming house, tourist court, motel, trailer camp, or similar facilities in excess of the rate imposed upon other persons engaged in the business of making sales at retail.

(2) For the purposes of this section, "sales at retail" has the same meaning as provided in RCW 82.04.050.

**NEW SECTION. Sec. 10.** A new section is added to chapter 36.100 RCW to read as follows:

Nothing in this act may be construed to limit the authority of a public nonprofit corporation under chapter 67.40 RCW prior to the effective date of section 14 of this act.

EIGHTEENTH DAY, APRIL 1, 2010

2010 1ST SPECIAL SESSION

**NEW SECTION. Sec. 11.** A new section is added to chapter 36.100 RCW to read as follows:

Bonds issued under this chapter are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies in their commercial departments, savings banks, cooperative banks, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in obligations of the state may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds and other obligations of the state are now or may hereafter be authorized by law.

**NEW SECTION. Sec. 12.** A new section is added to chapter 36.100 RCW to read as follows:

(1) Any county with a population of one million five hundred thousand or more that creates a public facilities district pursuant to this chapter to acquire, own, and operate a convention and trade center transferred from a public nonprofit corporation is authorized to acquire by condemnation property or property rights as may be necessary to carry out the purposes of such district. If the legislative body of such county chooses to exercise its authority to acquire property by eminent domain on behalf of such public facilities district, it must do so pursuant to the procedures set forth in chapter 8.08 RCW.

(2) The accomplishment of the activities authorized by this chapter is declared to be a strictly public purpose of the municipality or municipal entities authorized to perform the same.

(3) The powers and authority conferred by this section are in addition and supplemental to existing powers or authority. Nothing contained in this section limits any other powers or authority of any agency, political subdivision, or unit of local government of this state.

**Sec. 13.** RCW 39.94.020 and 2010 c ... (SB 6218) s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Credit enhancement" includes insurance, letters of credit, lines of credit, or other similar agreements which enhance the security for the payment of the state's or an other agency's obligations under financing contracts.

(2) "Financing contract" means any contract entered into by the state for itself or on behalf of an other agency which provides for the use and purchase of real or personal property by the state and provides for payment by the state over a term of more than one year, and which provides that title to the subject property may secure performance of the state or transfer to the state or an other agency by the end of the term, upon exercise of an option, for a nominal amount or for a price determined without reference to fair market value. Financing contracts include, but are not limited to, conditional sales contracts, financing leases, lease purchase contracts, or refinancing contracts, but do(ess) not include operating or true leases. For purposes of this chapter, the term "financing contract" does not include any nonrecourse financing contract or other obligation payable only from money or other property received from private sources and not payable from any public money or property. The term "financing contract" includes a "master financing contract."

(3) "Master financing contract" means a financing contract which provides for the use and purchase of property by the state, and which may include more than one financing contract and appropriation.

(4) "Other agency" means any commission established under Title 15 RCW, a library or regional library, an educational service district, the superintendent of public instruction, the school directors' association, a health district, a public facilities district, or any county, city, town, school district, or other municipal corporation or quasi-municipal corporation.

(5) "State" means the state, agency, department, or instrumentality of the state, the state board for community and technical colleges, and any state institution of higher education.

(6) "State finance committee" means the state finance committee under chapter 43.33 RCW.

(7) "Trustee" means a bank or trust company, within or without the state, authorized by law to exercise trust powers.

**NEW SECTION. Sec. 14.** The following acts or parts of acts are each repealed:

(1) RCW 67.40.010 (Legislative finding) and 1983 2nd ex.s. c 1 s 1 & 1982 c 34 s 1;

(2) RCW 67.40.025 (State convention and trade center operations account--Operating revenues--Expenditures) and 2008 c 329 s 916, 1988 ex.s. c 1 s 2, 1987 1st ex.s. c 8 s 3, & 1985 c 233 s 2;

(3) RCW 67.40.027 (Compensation and travel expenses of board members) and 1985 c 233 s 3;

(4) RCW 67.40.030 (General obligation bonds--Authorized--Appropriation required) and 1990 c 181 s 1, 1988 ex.s. c 1 s 3, 1987 1st ex.s. c 3 s 12, 1985 c 233 s 1, 1983 2nd ex.s. c 1 s 3, & 1982 c 34 s 3;

(5) RCW 67.40.040 (Deposit of proceeds in state convention and trade center account and appropriate subaccounts--Credit against future borrowings--Use) and 2008 c 329 s 917, 2008 c 328 s 6011, 2007 c 228 s 106, 2005 c 518 s 936, 2003 1st sp.s. c 25 s 929, 1995 c 386 s 13, 1991 sp.s. c 13 s 11, 1990 c 181 s 2, 1988 ex.s. c 1 s 4, 1987 1st ex.s. c 8 s 4, 1985 c 57 s 66, 1983 2nd ex.s. c 1 s 4, & 1982 c 34 s 4;

(6) RCW 67.40.045 (Authorization to borrow from state treasury for project completion costs--Limits--"Project completion" defined-- Legislative intent--Application) and 1995 c 386 s 14, 1993 sp.s. c 12 s 9, 1992 c 4 s 1, 1991 c 2 s 1, 1990 c 181 s 3, 1988 ex.s. c 1 s 9, & 1987 1st ex.s. c 8 s 1;

(7) RCW 67.40.050 (Administration of proceeds) and 1982 c 34 s 5;

(8) RCW 67.40.055 (Transfer of funds to account--Repayment of borrowed funds with interest) and 1988 ex.s. c 1 s 5 & 1987 1st ex.s. c 8 s 11;

(9) RCW 67.40.060 (Retirement of bonds from nondebt-limit proprietary appropriated bond retirement account--Transfer from accounts--Pledge and promise--Remedies of bondholders) and 2005 c 487 s 9, 1997 c 456 s 25, 1987 1st ex.s. c 8 s 5, 1983 2nd ex.s. c 1 s 5, & 1982 c 34 s 6;

(10) RCW 67.40.070 (Legislature may provide additional means for payment of bonds) and 1982 c 34 s 7;

(11) RCW 67.40.080 (Bonds legal investment for public funds) and 1982 c 34 s 8;

(12) RCW 67.40.090 (Lodging tax imposed in King county--Rates-- Proceeds) and 2002 c 178 s 4, 1995 c 386 s 15, 1991 c 2 s 3, 1988 ex.s. c 1 s 6, 1987 1st ex.s. c 8 s 6, & 1982 c 34 s 9;

(13) RCW 67.40.100 (Limitation on license fees and taxes on hotels, motels, rooming houses, trailer camps, etc.) and 1997 c 452 s 15, 1990 c 242 s 1, 1988 ex.s. c 1 s 25, & 1982 c 34 s 10;

(14) RCW 67.40.105 (Exemption from tax--Emergency lodging for homeless persons--Conditions) and 1988 c 61 s 3;

(15) RCW 67.40.107 (Exemption from tax--Temporary medical housing) and 2008 c 137 s 4;

(16) RCW 67.40.110 (Use of revenues from convention and trade center facilities excise tax by cities for professional sports

franchise facilities limited) and 1997 c 452 s 19 & 1987 1st ex.s. c 8 s 8;

(17) RCW 67.40.120 (Contracts for marketing facility and services) and 2002 c 182 s 1, 1997 c 452 s 20, 1991 c 336 s 2, & 1988 ex.s. c 1 s 8;

(18) RCW 67.40.130 (Convention and trade facilities--Tax on transient lodging authorized--Rates) and 1995 c 386 s 1;

(19) RCW 67.40.140 (Convention and trade facilities--Remittance of tax--Credit) and 1995 c 386 s 2;

(20) RCW 67.40.150 (Convention and trade facilities--Contract of administration and collection to department of revenue--Disposition of tax--Procedure) and 1995 c 386 s 3;

(21) RCW 67.40.160 (Convention and trade facilities--Tax on construction--Disposition) and 1995 c 386 s 4;

(22) RCW 67.40.170 (Convention and trade facilities--Use of collected taxes) and 1995 c 386 s 5;

(23) RCW 67.40.180 (Convention and trade facilities--Use of funds-- Acceptance by board of directors of funding commitment) and 1995 c 386 s 6;

(24) RCW 67.40.190 (Convention and trade facilities--Use of funds-- Encumbered revenue) and 1995 c 386 s 7; and

(25) RCW 67.40.900 (Severability--1982 c 34) and 1982 c 34 s 13.

**NEW SECTION. Sec. 15.** RCW 67.40.020 (State convention and trade center--Public nonprofit corporation authorized--Board of directors-- Powers and duties) and 1995 c 386 s 12, 1993 c 500 s 9, 1988 ex.s. c 1 s 1, 1987 1st ex.s. c 8 s 2, 1984 c 210 s 1, 1983 2nd ex.s. c 1 s 2, & 1982 c 34 s 2 are each repealed.

**NEW SECTION. Sec. 16.** Section 14 of this act is effective contingent upon the transfer date occurring in section 8 of this act. If the transfer date occurs in section 8 of this act, section 14 of this act is effective on the transfer date. For the purposes of this section, "transfer date" has the same meaning as provided in section 8 of this act.

**NEW SECTION. Sec. 17.** Section 15 of this act is effective contingent upon the transfer date occurring in section 8 of this act. If the transfer date occurs in section 8 of this act, section 15 of this act is effective thirty days after the transfer date in section 8 of this act. For the purposes of this section, "transfer date" has the same meaning as provided in section 8 of this act.

**NEW SECTION. Sec. 18.** The state treasurer must provide written notice of the effective dates in sections 16 and 17 of this act to the department of revenue, the office of the code reviser, and others as deemed appropriate by the state treasurer.

**NEW SECTION. Sec. 19.** If any provision of this 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. 20.** The provisions of this chapter must be liberally construed to effect the policies and purposes of this chapter."

Correct the title.  
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

#### MOTION

Senator McDermott moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6889.

Senator McDermott spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator McDermott that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 6889.

The motion by Senator McDermott carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 6889 by voice vote.

Senator Hewitt spoke in favor of final passage.

#### MOTION

On motion of Senator Marr, Senators Gordon, Kline and Pridemore were excused.

#### MOTION

On motion of Senator Brandland, Senators Benton, Delvin, McCaslin, Morton and Zarelli were excused.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6889, as amended by the House.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6889, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 39; Nays, 2; Absent, 0; Excused, 8.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker and Tom

Voting nay: Senators Carrell and Oemig

Excused: Senators Benton, Delvin, Gordon, Kline, McCaslin, Morton, Pridemore and Zarelli

SUBSTITUTE SENATE BILL NO. 6889, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

On motion of Senator Eide, the Senate advanced to the seventh order of business.

#### THIRD READING

SENATE BILL NO. 6220, by Senators Fraser and Brandland.

Concerning determination of the terms and conditions of bonds, notes, and other evidences of indebtedness of the state of Washington.

The bill was read on Third Reading.

Senator Fraser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6220.

#### ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6220 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 0; Absent, 0; Excused, 8.

EIGHTEENTH DAY, APRIL 1, 2010

Voting yea: Senators Becker, Berkey, Brandland, Brown, Carrell, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kohl-Welles, Marr, McAuliffe, McDermott, Murray, Oemig, Parlette, Pflug, Prentice, Ranker, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker and Tom

Excused: Senators Benton, Delvin, Gordon, Kline, McCaslin, Morton, Pridemore and Zarelli

SENATE BILL NO. 6220, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

On motion of Senator Eide, the Senate reverted to the sixth order of business.

#### SECOND READING

SENATE BILL NO. 6846, by Senators Brandland, Regala and Fraser

Concerning enhanced 911 emergency communications services.

#### MOTION

On motion of Senator Brandland, Substitute Senate Bill No. 6846 was substituted for Senate Bill No. 6846 and the substitute bill was placed on the second reading and read the second time.

#### MOTION

Senator Schoesler moved that the following amendment by Senator Schoesler and others be adopted.

On page 4, line 6, after "act" insert "and funds raised by a county under this tax shall not supplant existing funds used for these purposes"

On page 5, line 8, after "act" insert "and funds raised by a county under this tax shall not supplant existing funds used for these purposes"

Senator Schoesler spoke in favor of adoption of the amendment.

Senator Regala spoke against adoption of the amendment.

Senator Brandland spoke on the adoption of the amendment.

The President declared the question before the Senate to be the adoption of the amendment by Senator Schoesler and others on page 4, line 6 to Substitute Senate Bill No. 6846.

2010 1ST SPECIAL SESSION

The motion by Senator Schoesler failed and the amendment was not adopted by voice vote.

#### MOTION

On motion of Senator Brandland, the rules were suspended, Substitute Senate Bill No. 6846 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Brandland, Regala, Fraser, Becker and Haugen spoke in favor of passage of the bill.

Senators Pflug and Stevens spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6846.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6846 and the bill passed the Senate by the following vote: Yeas, 29; Nays, 12; Absent, 0; Excused, 8.

Voting yea: Senators Becker, Berkey, Brandland, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Kastama, Kauffman, Keiser, Kohl-Welles, McAuliffe, McDermott, Murray, Prentice, Ranker, Regala, Roach, Rockefeller, Sheldon, Shin, Swecker and Tom

Voting nay: Senators Carrell, Hewitt, Holmquist, Honeyford, Kilmer, King, Marr, Oemig, Parlette, Pflug, Schoesler and Stevens

Excused: Senators Benton, Delvin, Gordon, Kline, McCaslin, Morton, Pridemore and Zarelli

SUBSTITUTE SENATE BILL NO. 6846, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

#### MOTION

At 1:38 p.m., on motion of Senator Eide the Senate adjourned until 10:00 a.m. Friday, April 2, 2010.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate

6220	Third Reading.....6	Second Reading .....7
	Third Reading Final Passage .....7	Third Reading Final Passage.....7
6846	Second Reading.....7	6889-S
6846-S		Final Passage as amended by House ..... 6
		Messages..... 1
		Other Action ..... 6

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