S-2406.1

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SUBSTITUTE SENATE BILL 6040

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Hatfield, Zarelli, Hobbs and Delvin; by request of Lieutenant Governor)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to authorizing the creation of a public speedway 2 authority; amending RCW 36.38.010, 35.21.280, 36.70A.110, 47.42.025, 70.107.080, 39.04.010, 84.33.140, 76.09.060, 36.94.020, 36.94.030, 3 35.91.020, 84.34.037, and 36.96.010; reenacting and amending RCW 4 5 82.29A.130; adding new sections to chapter 82.14 RCW; adding a new 6 section to chapter 82.08 RCW; adding a new section to chapter 82.12 7 RCW; adding a new chapter to Title 36 RCW; creating new sections; providing an effective date; and declaring an emergency. 8

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

NEW SECTION. Sec. 101. INTENT. The legislature finds that the development of a professional motorsports entertainment and family recreation facility in Washington will serve numerous public purposes by providing recreational opportunities for Washington citizens and spurring economic development in the state. Professional motorsports racing is the fastest growing spectator sport in the nation. Professional motorsports entertainment facilities in other states have

PART I

INTENT

stimulated economic development by generating spending by out-of-state 1 2 visitors, investment, employment, and tax revenues. Economic impact studies confirm, based on assumptions generally regarded 3 as conservative, that a Washington professional motorsports entertainment 4 and family recreation facility would be a significant contributor to 5 the state economy here as well. Public support for and participation б 7 in the development and operation of a professional motorsports entertainment and family recreation facility in Washington is in the 8 public interest and consistent with prior public involvement in the 9 10 development and operation of similar facilities.

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PART II DEFINITIONS

13 <u>NEW SECTION.</u> Sec. 201. DEFINITIONS. The definitions in this 14 section apply throughout this act unless the context clearly requires 15 otherwise.

16 (1) "Early retirement" means the redemption or defeasance of bonds 17 or the setting aside of funds for the payment of principal of and 18 interest on bonds.

(2) "Facility" means a professional motorsports entertainment andfamily recreation facility.

(3) "Force majeure event" means natural disasters or other 21 22 casualty, including fire, flood, earthquake, windstorm, avalanche, 23 landslide, mudslide, and other similar events; acts of war or civil 24 unrest when an emergency has been declared by appropriate governmental 25 officials; acts of civil or military authority; strike, lockout, or other labor dispute (not involving the public speedway authority or its 26 lessee or prospective lessee or any parent, corporate affiliate, or 27 successor directly as a party in such strike, lockout, or other labor 28 dispute); embargoes; epidemics; terrorist acts; riots; insurrections; 29 30 explosions; and nuclear accidents or other occurrence reasonably beyond the control of the public speedway authority or its lessee or 31 32 prospective lessee.

33 (4) "Host jurisdiction" means (a) a first class city that has 34 adopted a resolution setting forth its intention to annex territory 35 within which the proposed facility is located and to assume 36 responsibility for the environmental review and permitting of such

proposed facility, or (b) if no such resolution is adopted or if such 1 2 proposed annexation is not complete within one year of the effective date of this section, the general purpose local government within which 3 the facility is located and that is responsible for the environmental 4 review and permitting of the facility. A first class city adopting 5 such a resolution may continue as host jurisdiction for additional six-6 7 month periods by adopting resolutions setting forth its intention to continue annexation proceedings during such six-month periods. 8

(5) "Lessee" means a corporation that enters into a lease agreement 9 with a public speedway authority under section 401 of this act and that 10 is a corporation that, or is a wholly owned subsidiary of a corporation 11 12 that, directly or through its subsidiaries or affiliates, owns or 13 operates at least ten professional motorsports entertainment facilities 14 in the United States and conducts at least fifty nationally recognized, top tier professional motorsports events, including at least twenty 15 16 NASCAR NEXTEL Cup Events, during the year in which such lease agreement 17 becomes effective.

18 (6) "Major motorsports event weekend" means a multiday series of 19 professional motorsports racing and related events spanning a weekend 20 anchored by one nationally recognized, top tier professional 21 motorsports event.

(7) "NASCAR" means the National Association for Stockcar AutoRacing, Inc. or its designees or assignees.

24 "Nationally recognized, top tier professional motorsports (8) 25 principal event in a sanctioned national event" means a or international touring professional racing series that is broadly 26 27 recognized as a leader in its racing discipline and is generally capable of producing the level of economic activity including, but not 28 limited to, paid attendance by out-of-state visitors, on which public 29 support for the development of a facility in Washington is based. 30 As 31 of the effective date of this section, nationally recognized, top tier 32 professional motorsports events include, but are not limited to, NASCAR NEXTEL Cup Series, NASCAR Busch Series, Indy Racing League, NASCAR 33 Craftsman Truck Series, USAC Silver Crown Series, Grand American Road 34 Racing Series, Champ Car Series, and Formula One events. 35

36 (9) "Professional motorsports entertainment and family recreation 37 facility" means a multifaceted complex designed to be primarily used as 38 a venue for nationally recognized, top tier professional motorsports

events, including a closed-course speedway, grandstands and other 1 2 seating with capacity for at least eighty-three thousand attendees, control towers, open space, administration and maintenance buildings, 3 together with support services and facilities, such as hospitality 4 facilities, food and beverage sale locations, parking, recreational 5 vehicle camping, and retail sale locations, for motorsports fans and 6 7 participants, and for those using the complex for community, charitable, recreation, and other activities (such as family recreation 8 9 and social events, local and regional business functions, arts events, 10 emergency services, and public safety training) on a fee or nonfee basis as appropriate and to the extent that such activities are 11 12 consistent with use of the facility for professional motorsports 13 events.

(10) "Prospective lessee" means an entity that would qualify as a lessee that has not yet entered into a lease with a public speedway authority.

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PART III

PUBLIC SPEEDWAY AUTHORITY

19 <u>NEW SECTION.</u> Sec. 301. CREATION. (1) A public speedway authority 20 may be created to function in an area with a total population of at 21 least four hundred thousand that is coterminous with the boundaries of 22 one county or up to three contiguous counties.

23 (2) A public speedway authority may be created upon the adoption of a resolution of the legislative body of the host jurisdiction and, if 24 25 the authority includes more than one county, the adoption of a concurring resolution by the legislative body of at least one county 26 that is within the proposed public speedway authority area and that is 27 not the host jurisdiction. The approving and, if applicable, 28 concurring resolutions shall identify the one, two, or three-county 29 30 area in which the public speedway authority is to function, approve the creation of a public speedway authority within such area, and appoint 31 32 or provide for the appointment of board members as described in section 302(1) of this act. 33

34 (3) A public speedway authority is a municipal corporation and
 35 possesses all the usual corporate powers as well as all other powers
 36 that may now or hereafter be specifically conferred by statute.

<u>NEW SECTION.</u> Sec. 302. GOVERNANCE. (1) A public speedway 1 2 authority shall be governed by a board of directors consisting of seven The governor may appoint two members. If the host 3 members. jurisdiction is a county, the legislative body of the host jurisdiction 4 may appoint three members, and if the host jurisdiction is a city, the 5 legislative body of the host jurisdiction may appoint two members. The б 7 remaining members shall be appointed as set forth in the approving and, if applicable, concurring resolution adopted pursuant to section 301 of 8 9 this act; provided that the approving resolution and concurring 10 resolution, if any, must permit the appointment of at least one board member by the legislative body of each county included within the 11 12 boundaries of the authority. The board of directors shall elect the 13 chair of the board from among the seven members.

14 (2) Members of the board of directors shall serve four-year terms 15 of office, except that two of the initial board members shall serve 16 two-year terms of office and two of the initial board members shall 17 serve three-year terms of office. The governor shall designate which 18 of the initial board members shall serve two-year terms, which shall 19 serve three-year terms, and which shall serve four-year terms.

(3) A vacancy shall be filled in the same manner as the original 20 21 appointment was made except that, if the governor or any legislative 22 body responsible for appointing a member to a vacant position fails to make the appointment for a period of ninety days or more, the remaining 23 24 members of the board of directors may select an interim member to fill 25 the position by majority vote of such members. The person appointed by the governor, a legislative body, or the board to fill a vacancy shall 26 27 serve for the remainder of the unexpired term of the office to which he or she was appointed. 28

(4) If a director is appointed by the governor, the governor may remove the director from office for any or no reason. If a director is appointed by a legislative body, the legislative body may remove the director from office for any or no reason. If a director is not appointed by either the governor or a legislative body, the director may be removed from office by majority vote of the board.

(5) If a city becomes the host jurisdiction after a county has been the host jurisdiction, the legislative body of the city shall appoint two members of the board of directors to replace two of the members appointed by the previous host jurisdiction within thirty days of the

effective date of such change. If a county becomes the host 1 2 jurisdiction after a city has been the host jurisdiction, the legislative body of the county shall appoint members of the board of 3 directors to replace the members appointed by the previous host 4 jurisdiction within thirty days of the effective date of such change. 5 Each newly appointed member of the board of directors shall serve for 6 7 the remainder of the unexpired term of office to which he or she was 8 appointed.

9 NEW SECTION. Sec. 303. POWERS AND PURPOSES. (1) A public speedway authority is authorized to undertake or otherwise provide for 10 the acquisition of a site for and the financing, permitting, design, 11 development, construction, reconstruction, remodeling, alteration, 12 13 maintenance, equipping, reequipping, repair, and operation of a professional motorsports entertainment and family recreation facility. 14 15 (2) A public speedway authority may exercise all other powers 16 necessary and appropriate to carry out its responsibilities, including 17 without limitation the power to sue and be sued, to acquire, own, and 18 transfer real and personal property and property rights by lease, sublease, purchase, or sale, and to enter into contracts. An authority 19 20 may also sell, lease, convey, or otherwise dispose of any real or 21 personal property or property rights no longer necessary or desirable for the conduct of the affairs of the authority. 22

23 (3) A public speedway authority may enter into agreements with the 24 state or any municipal corporation, acting through its legislative 25 body, for the joint design, financing, acquisition, development, 26 construction, reconstruction, lease, remodeling, alteration, maintenance, equipping, reequipping, repair, or operation of a 27 facility. Such activities shall be deemed to be a public purpose of 28 the state or any such municipal corporation. The agreements may 29 30 provide that any party to the contract designs, finances, acquires, develops, constructs, reconstructs, remodels, alters, maintains, 31 equips, reequips, repairs, or operates the facility for the other party 32 or parties to the contract. The state and any municipal corporation is 33 34 authorized to participate with a public speedway authority in the 35 financing of all or any part of the facility on any terms as may be 36 fixed by agreement between the parties, pursuant to a loan, guaranty, or other financing agreement. The legislative body of any county or 37

city within which a public speedway authority functions may acquire
 property on behalf of, or transfer property to, a public speedway
 authority created under this act with or without consideration.

4 (4) A public speedway authority may contract with a public or
5 private entity for the acquisition of a site for a facility.

6 (5) A public speedway authority may accept and expend or use gifts,
7 grants, and donations and impose or provide for its lessee to impose
8 charges and fees for the use of the facility.

9 (6) A public speedway authority may spend funds for the public 10 purposes of promoting and preparing and distributing advertising and 11 promotional information about the facility.

12 (7) A public speedway authority may secure professional or other 13 services by means of an agreement with any service provider. The 14 public speedway authority shall establish criteria, receive and 15 evaluate proposals, and negotiate with respondents under requirements 16 set forth by authority resolution.

<u>NEW SECTION.</u> Sec. 304. EXPENSE REIMBURSEMENT PROCEDURES. 17 The board of directors of a public speedway authority shall adopt a 18 resolution that may be amended from time to time governing methods and 19 20 amounts of reimbursement payable to directors, officers, and employees 21 for travel and other business expenses incurred on behalf of the The resolution shall, among other things, establish 22 authority. 23 procedures for approving expenses; the form of travel and expense 24 vouchers; and requirements governing the use of credit cards issued in the name of the authority. Directors, officers, and employees may be 25 26 advanced sufficient sums to cover their anticipated expenses in 27 accordance with rules adopted by the state auditor.

<u>NEW SECTION.</u> Sec. 305. PER DIEM COMPENSATION. Each member of the 28 board of directors of a public speedway authority may receive 29 30 compensation of fifty dollars per day for attending meetings or conferences on behalf of the authority, not to exceed three thousand 31 32 dollars per year. A director may waive all or a portion of his or her compensation under this section during his or her term of office, by a 33 34 written waiver filed with the public speedway authority. The 35 compensation provided in this section is in addition to reimbursement 36 for expenses paid to directors by the public speedway authority.

<u>NEW SECTION.</u> Sec. 306. LIABILITY INSURANCE. The board of directors of a public speedway authority may purchase liability insurance with limits the directors deem reasonable for the purpose of protecting and holding personally harmless directors, officers, and employees of the authority against liability arising from their acts or omissions while performing or in good faith purporting to perform their official duties.

8 NEW SECTION. Sec. 307. DEFENSE AND INDEMNITY. Whenever an action, claim, or proceeding is instituted against a person who is or 9 10 was a director, officer, or employee of a public speedway authority 11 arising out of the performance of duties for or employment with the 12 authority, the public speedway authority may grant a request by the person that the attorney of the authority's choosing be authorized to 13 defend the claim, suit, or proceeding, and the costs of defense, 14 attorneys' fees, and obligation for payments arising from the action 15 16 may be paid from the authority's funds. Costs of defense, judgment, or 17 settlement against the person shall not be paid in a case where the court has found that the person was not acting in good faith within the 18 scope of employment with or duties for the public speedway authority. 19 20 No director or officer of a public speedway authority shall be 21 personally liable for acts done or omitted in good faith while performing duties as director or officer on behalf of the authority. 22

23 NEW SECTION. Sec. 308. EMPLOYEES, SALARIES, AND BENEFITS. Α 24 public speedway authority has the authority to create and fill 25 positions, fix reasonable wages and salaries, pay costs involved in hiring employees, and establish reasonable benefits for employees, 26 including holiday pay, vacations or vacation pay, retirement benefits, 27 and medical, life, accident, or health disability insurance, 28 as 29 approved by the board. Public speedway authority board members, at 30 their own expense, may be included under any authority policy for medical, life, accident, or health disability insurance. Insurance for 31 employees and board members shall not be considered compensation. 32 33 Coverage for the board under any authority policy is not to exceed that 34 provided public speedway authority employees.

1 <u>NEW SECTION.</u> **Sec. 309.** TREASURER. The treasurer of the host 2 jurisdiction shall be the ex officio treasurer of the authority.

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PART IV

PUBLIC FUNDING AND FACILITY FINANCING

5 <u>NEW SECTION.</u> Sec. 401. A new section is added to chapter 82.14 6 RCW to read as follows:

SALES TAX--CREDIT AGAINST STATE SALES TAX. (1) Beginning on 7 January 1, 2011, the board of directors of a public speedway authority 8 that has entered into a lease agreement with a lessee under section 601 9 of this act may impose a sales and use tax in accordance with this 10 11 chapter. The tax is in addition to other taxes authorized by law and shall be collected from those persons who are taxable by the state 12 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable 13 14 event within the authority's area. The rate of tax shall not exceed 15 0.0480 percent of the selling price in the case of a sales tax or value of the article or service used in the case of a use tax. 16

(2) The department of revenue shall deduct the proceeds of the tax 17 imposed under subsection (1) of this section from the amount of tax 18 otherwise required to be collected or paid over to the department of 19 20 revenue under chapter 82.08 or 82.12 RCW and shall remit the proceeds of the tax imposed under subsection (1) of this section to the public 21 speedway authority. The department of revenue shall collect and remit 22 23 the proceeds of such taxes on behalf of the authority at no cost to the authority. 24

25 (3) The tax imposed pursuant to this section shall expire when all bonds issued to finance or refinance costs of the acquisition, 26 permitting, design, development, construction, or equipping of the 27 facility have been retired, whether upon maturity or by early 28 29 retirement, and all amounts due to any financial institutions, 30 insurance companies, or other public or private entities providing credit enhancement to the bonds have been paid, or twenty-five years 31 after the tax under this section is first imposed, whichever occurs 32 first. 33

(4) The tax collected under this section shall be used exclusively
 to pay costs of the acquisition, permitting, design, development,
 construction, or equipping of the facility, including paying debt

service on bonds issued to finance or refinance such costs, paying amounts due to any financial institutions, insurance companies, or other public or private entities providing credit enhancement and paying other costs of issuance, and to fund reasonable debt service reserves. Any excess taxes shall be applied to provide for the early retirement of any bonds issued by the public speedway authority.

7 (5) This section constitutes the entire state contribution for a 8 professional motorsports entertainment and family recreation facility, 9 as defined in section 101 of this act. The state will not make any 10 additional contributions based on revised cost or revenue estimates, 11 cost overruns, unforeseen circumstances, or any other reason.

NEW SECTION. Sec. 402. PUBLIC SPEEDWAY AUTHORITY ADMISSIONS TAX. 12 (1) A public speedway authority that has entered into a lease agreement 13 with a lessee under section 601 of this act may impose a tax of not 14 more than one cent on twenty cents or fraction thereof on the amount of 15 16 the admissions charge paid by any person who pays for admission to be 17 a motorsports event spectator at a professional motorsports entertainment and family recreation facility, including charges for 18 19 season or subscription tickets, but not including ticket handling fees, 20 seat license charges, and charges for admissions to ancillary 21 facilities such as hospitality venues. "Seat license" means a transferable license sold to a third party that, subject to certain 22 23 conditions, restrictions, and limitations, entitles the third party to 24 purchase a season or subscription ticket to professional motorsports events at a facility. Persons who are admitted to the facility by the 25 26 lessee free of charge are exempt from payment of the admissions tax.

27 (2) An authority may apply the proceeds of the tax as provided in the host jurisdiction agreement to pay costs of the acquisition, 28 permitting, design, development, construction, or equipping of the 29 30 facility, including paying debt service on or providing for the early 31 retirement of bonds issued to finance or refinance these costs, paying for credit enhancement and other costs of issuance, and funding 32 reasonable debt service or capital reserves, and for payments to the 33 host jurisdiction for use by the host jurisdiction for any public 34 purpose. After all costs of the initial acquisition, permitting, 35 36 design, development, construction, and equipping of a facility have 37 been paid and all bonds issued to finance or refinance these costs and

paid from the admissions tax have been retired, whether upon maturity or by early retirement, the proceeds of the tax first may be used to pay debt service on any other authority bonds issued to finance or refinance these costs and to pay amounts due in connection with credit enhancement for such authority bonds, and, second, shall be paid to the host jurisdiction for use by the host jurisdiction for any public purpose.

(3) No county, city, town, or special purpose district, other than 8 9 the public speedway authority within which the facility is located, may impose a tax of the same or similar kind on any admission or comparable 10 charge at the facility so long as a tax is imposed by the public 11 12 speedway authority under this section. After all costs of the initial 13 acquisition, permitting, design, development, construction, and 14 equipping of the facility and any public infrastructure funded from the proceeds of the admissions tax have been paid, all authority bonds and 15 refunding bonds have been retired, whether upon maturity or by early 16 17 retirement, and all amounts due in connection with credit enhancement of authority bonds have been paid, the rate of the admissions tax 18 imposed by the authority under this section shall not exceed the rate 19 of any admissions tax then imposed by the host jurisdiction within its 20 21 boundaries.

22 <u>NEW SECTION.</u> Sec. 403. BONDS. (1) To carry out the purposes of 23 this act, the board of directors of a public speedway authority may 24 authorize the issuance of bonds of the authority in one or more series to which it may pledge: (a) The sales tax authorized in section 401 of 25 26 this act; (b) the admissions tax authorized in section 402 of this act; 27 (c) revenues derived from the lease of the facility; and (d) any other amounts derived from any other source and available for the payment of 28 29 debt service on the bonds.

(2) The proceeds of bonds issued under this section may be applied 30 31 to finance or refinance the acquisition, permitting, design, development, construction, or equipping of the facility, including 32 payments for costs of credit enhancement and other costs of issuance, 33 34 establishment of reasonable reserves, and capitalizing interest on bonds during and up to eighteen months following completion of 35 36 construction of the facility. A public speedway authority may issue 37 additional bonds to pay costs of reconstruction, remodeling,

alteration, maintenance, reequipping, and repair of a facility payable from and secured by a pledge of revenues derived from the lease of the facility or any other amounts derived from any other source that are available for the payment of debt service on the bonds.

5 (3) A public speedway authority may create funds and accounts for 6 the deposit of pledged taxes, revenues and other amounts, and for the 7 deposit of bond proceeds as it deems necessary or prudent to issue, 8 secure, and administer the bonds, and may appoint one or more trustees 9 to hold and apply these funds and accounts.

(4) The bonds of a public speedway authority shall bear such date 10 or dates, mature at such time or times, be in such denominations, be in 11 12 such form, be registered or registrable in such manner, be made 13 transferable, exchangeable, and interchangeable, be payable in such 14 medium of payment, at such place or places, be subject to such terms of redemption, bear such fixed or variable rate or rates of interest, be 15 payable at such time or times, and be sold in such manner and at such 16 17 price or prices, as the public speedway authority determines. The bonds shall be executed by the chair of the public speedway authority, 18 by either its duly elected secretary or its treasurer, and by the 19 20 trustee or paying agent if the public speedway authority determines to 21 use a trustee or paying agent for the bonds. Execution of the bonds may be by manual or facsimile signature. The term of authority bonds 22 23 shall not exceed thirty years.

24 (5) The bonds of a public speedway authority shall be subject to 25 any terms, conditions, covenants, and protective provisions found necessary or desirable by the authority, including without limitation 26 27 the setting aside of reserves, limitations on additional forms of indebtedness, and other provisions the public speedway authority finds 28 necessary or desirable for the security of bondholders. 29 Damages received by the public speedway authority resulting from its lessee's 30 default on its obligation under section 601(6) of this act shall be 31 32 applied to pay or provide for the early retirement of bonds issued pursuant to this section. If any lease required under section 601 of 33 this act is terminated while the sales and use tax credit authorized 34 under section 401 of this act is in effect, the public speedway 35 authority shall apply the proceeds of (a) any subsequent lease, net of 36 37 reasonable administrative or operating expenses of the authority and 38 costs of capital improvements required of the authority under such

substitute lease, including debt service on bonds issued for such capital improvements, or (b) the sale of public speedway authority property for a use other than for a facility to pay or provide for the early retirement of bonds issued pursuant to this section, consistent with any applicable requirements of the federal tax code.

6 (6) Any pledge of taxes, revenue, or other amount by the authority 7 under subsection (1) or (11) of this section shall be valid and binding 8 at the time the pledge is made. The authority shall constitute a 9 governmental unit within the meaning of RCW 62A.9A-102(a)(45).

10 (7) When issuing bonds, a public speedway authority may provide for 11 the future issuance of additional bonds or debt consistent with 12 subsection (1) of this section on a parity with or subordinate to 13 outstanding bonds and the terms and conditions of their issuance. 14 Consistent with subsection (1) of this section, a public speedway 15 authority may refund or advance refund any bond of the public speedway 16 authority in accordance with chapter 39.53 RCW.

17 (8) The board members of a public speedway authority and any person 18 executing the bonds are not liable personally on the indebtedness or 19 subject to any personal liability or accountability by reason of their 20 issuance.

(9) The public speedway authority may, out of any available funds,
 purchase its bonds for cancellation or retirement.

(10) The public speedway authority is authorized to enter into 23 24 contracts with financial institutions, insurance companies, and other 25 public and private entities to provide credit enhancement for its bonds if the public speedway authority determines that credit enhancement is 26 27 cost-effective. Each city or county within the area boundaries of the public speedway authority is authorized, acting through its legislative 28 body, to enter into a contract with the public speedway authority, with 29 30 or without consideration and as the parties may mutually agree upon, to 31 provide credit enhancement to facilitate the sale of public speedway 32 authority bonds.

(11) The financing of a facility owned by a public speedway authority is deemed to be a public purpose for each city or county within the area boundaries of the public speedway authority, and such city or county, acting through its legislative body, is authorized to issue bonds or otherwise contract indebtedness and make the proceeds of bonds and indebtedness available to the public speedway authority for 1 its purposes upon the terms and conditions that the county or city and 2 the public speedway authority may mutually agree upon. The public 3 speedway authority may pledge the taxes, revenues, or other amounts 4 described in subsection (1) of this section to pay and secure bonds and 5 indebtedness of any such city or county.

6 (12) Except as specifically provided in this section, the bonds 7 shall be issued and sold in accordance with chapter 39.46 RCW.

8 (13) The provisions of this section and any resolution or trust 9 indenture of the public speedway authority providing for the 10 authorization, issuance, and sale of bonds shall constitute a contract 11 with the owners of such bonds, and the provisions thereof shall be 12 enforceable by any owner of such bonds by mandamus or any appropriate 13 suit, action, or proceeding at law or in equity in any court of 14 competent jurisdiction.

(14) The net proceeds of bonds issued to finance the acquisition, 15 16 financing, permitting, design, development, construction, and equipping of the facility and payable from the sales tax imposed under section 17 401 of this act shall not exceed one hundred forty-five million 18 19 dollars, adjusted for inflation annually beginning in 2008 using the 20 Engineering News-Record 20-city construction cost index. For the purposes of this limitation "net proceeds" means gross bond proceeds 21 less costs of credit enhancement and other costs of issuance and less 22 23 any deposits to fund reasonable debt service reserves for the bonds and 24 shall not include earnings on any portion of gross bond proceeds.

25 **Sec. 404.** RCW 36.38.010 and 1999 c 165 s 20 are each amended to 26 read as follows:

27 (1) Any county may by ordinance enacted by its county legislative authority, levy and fix a tax of not more than one cent on twenty cents 28 29 or fraction thereof to be paid for county purposes by persons who pay 30 an admission charge to any place, including a tax on persons who are 31 admitted free of charge or at reduced rates to any place for which 32 other persons pay a charge or a regular higher charge for the same or similar privileges or accommodations; and require that one who receives 33 any admission charge to any place shall collect and remit the tax to 34 the county treasurer of the county($(\div PROVIDED_{r})$). No county shall 35 36 impose ((such)) <u>the</u> tax on persons paying an admission to any activity 37 of any elementary or secondary school ((or)), any public facility of a

public facility district under chapter 35.57 or 36.100 RCW for which a tax is imposed under RCW 35.57.100 or 36.100.210, or any professional motorsports entertainment and family recreation facility for which a tax is imposed under section 402 of this act.

(2) As used in this chapter, the term "admission charge" includes 5 a charge made for season tickets or subscriptions, a cover charge, or 6 7 a charge made for use of seats and tables, reserved or otherwise, and other similar accommodations; a charge made for food and refreshments 8 in any place where any free entertainment, recreation, or amusement is 9 provided; a charge made for rental or use of equipment or facilities 10 for purpose of recreation or amusement, and where the rental of the 11 12 equipment or facilities is necessary to the enjoyment of a privilege 13 for which a general admission is charged, the combined charges shall be 14 considered as the admission charge. It shall also include any automobile parking charge where the amount of such charge is determined 15 16 according to the number of passengers in any automobile.

(3) Subject to subsections (4) and (5) of this section, the tax herein authorized shall not be exclusive and shall not prevent any city or town within the taxing county, when authorized by law, from imposing within its corporate limits a tax of the same or similar kind((÷ <u>PROVIDED, That whenever</u>)). If the same or similar kind of tax is imposed by any such city or town, no such tax shall be levied within the corporate limits of such city or town by the county.

(4) Notwithstanding subsection (3) of this section, the legislative authority of a county with a population of one million or more may exclusively levy taxes on events in baseball stadiums constructed on or after January 1, 1995, that are owned by a public facilities district under chapter 36.100 RCW and that have seating capacities over forty thousand at the rates of:

30 (a) Not more than one cent on twenty cents or fraction thereof, to 31 be used for the purpose of paying the principal and interest payments 32 on bonds issued by a county to construct a baseball stadium as defined in RCW 82.14.0485. If the revenue from the tax exceeds the amount 33 needed for that purpose, the excess shall be placed in a contingency 34 fund which may only be used to pay unanticipated capital costs on the 35 36 baseball stadium, excluding any cost overruns on initial construction; 37 and

(b) Not more than one cent on twenty cents or fraction thereof, to be used for the purpose of paying the principal and interest payments on bonds issued by a county to construct a baseball stadium as defined in RCW 82.14.0485. The tax imposed under this subsection (4)(b) shall expire when the bonds issued for the construction of the baseball stadium are retired, but not later than twenty years after the tax is first collected.

(5) Notwithstanding subsection (3) of this section, the legislative 8 authority of a county that has created a public stadium authority to 9 develop a stadium and exhibition center under RCW 36.102.050 may levy 10 and fix a tax on charges for admission to events in a stadium and 11 exhibition center, as defined in RCW 36.102.010, constructed in the 12 county on or after January 1, 1998, that is owned by a public stadium 13 authority under chapter 36.102 RCW. The tax shall be exclusive and 14 shall preclude the city or town within which the stadium and exhibition 15 16 center is located from imposing a tax of the same or similar kind on 17 charges for admission to events in the stadium and exhibition center, and shall preclude the imposition of a general county admissions tax on 18 charges for admission to events in the stadium and exhibition center. 19 For the purposes of this subsection, "charges for admission to events" 20 means only the actual admission charge, exclusive of taxes and service 21 22 charges and the value of any other benefit conferred by the admission. The tax authorized under this subsection shall be at the rate of not 23 24 more than one cent on ten cents or fraction thereof. Revenues 25 collected under this subsection shall be deposited in the stadium and exhibition center account under RCW 43.99N.060 until the bonds issued 26 27 under RCW 43.99N.020 for the construction of the stadium and exhibition center are retired. After the bonds issued for the construction of the 28 stadium and exhibition center are retired, the tax authorized under 29 this section shall be used exclusively to fund repair, reequipping, and 30 capital improvement of the stadium and exhibition center. 31 The tax 32 under this subsection may be levied upon the first use of any part of the stadium and exhibition center but shall not be collected at any 33 facility already in operation as of July 17, 1997. 34

35 **Sec. 405.** RCW 35.21.280 and 2002 c 363 s 5 are each amended to 36 read as follows:

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(1) Every city and town may levy and fix a tax of not more than one

cent on twenty cents or fraction thereof to be paid by the person who pays an admission charge to any place with the following limitations: ((PROVIDED,))

(a) No city or town shall impose such tax on persons paying an 4 5 admission to any activity of any elementary or secondary school or any public facility of a public facility district under chapter 35.57 or б 7 36.100 RCW for which a tax is imposed under RCW 35.57.100 or 36.100.210, except the city or town may impose a tax on persons paying 8 an admission to any activity of such public facility if the city or 9 town uses the admission tax revenue it collects on the admission 10 charges to that public facility for the construction, operation, 11 12 maintenance, repair, replacement, or enhancement of that public facility or to develop, support, operate, or enhance programs in that 13 14 public facility; and

15 (b) No city or town shall impose such a tax upon any admission to 16 a professional motorsports entertainment and family recreation 17 facility.

(2) Tax authorization under this section includes a tax on persons 18 who are admitted free of charge or at reduced rates to any place for 19 which other persons pay a charge or a regular higher charge for the 20 21 same privileges or accommodations. A city that is located in a county 22 with a population of one million or more may not levy a tax on events 23 in stadia constructed on or after January 1, 1995, that are owned by a 24 public facilities district under chapter 36.100 RCW and that have seating capacities over forty thousand. The city or town may require 25 anyone who receives payment for an admission charge to collect and 26 27 remit the tax to the city or town.

28

(3) The term "admission charge" includes:

29

(3) The cerm damibbion charge includes

(a) A charge made for season tickets or subscriptions;

30 (b) A cover charge, or a charge made for use of seats and tables31 reserved or otherwise, and other similar accommodations;

32 (c) A charge made for food and refreshment in any place where free33 entertainment, recreation or amusement is provided;

(d) A charge made for rental or use of equipment or facilities for purposes of recreation or amusement; if the rental of the equipment or facilities is necessary to the enjoyment of a privilege for which a general admission is charged, the combined charges shall be considered as the admission charge; (e) Automobile parking charges if the amount of the charge is
 determined according to the number of passengers in the automobile.

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PART V DEVELOPMENT OF FACILITY

5 NEW SECTION. Sec. 501. HOST JURISDICTION AGREEMENT. Prior to the construction of any professional motorsports entertainment and family б recreation facility by or on behalf of a public speedway authority, the 7 public speedway authority, its lessee or prospective lessee, and the 8 host jurisdiction, acting through its legislative body, shall have 9 10 first entered into a legally binding and enforceable host jurisdiction 11 agreement addressing matters appropriately of mutual interest concerning the development and operation of the facility. 12 The agreement shall include without limitation the following terms: 13 (1) 14 The authority or the lessee, or prospective lessee, shall assume 15 financial responsibility or otherwise provide for the construction of 16 such public infrastructure improvements off-site and on-site that are necessary for the efficient operation of the facility as identified 17 through environmental review of the proposed facility, required as 18 19 conditions to its permitting, and only to the extent such improvements 20 are incremental to the public infrastructure required to serve other nearby development as described in a host jurisdiction comprehensive 21 22 plan, if applicable. This obligation may be satisfied through payments 23 made to or on behalf of the host jurisdiction or from tax revenues generated by the facility directed to such host jurisdiction; (2) 24 25 confirmation that the lease between the authority and the lessee, or prospective lessee, shall require and provide for reasonable public 26 access to and use of the facility for community, charitable, 27 recreation, and other activities, such as family recreation and social 28 29 events, local and regional business functions, arts events, emergency 30 services, and public safety training, on a fee or nonfee basis as appropriate and to the extent that such activities are consistent with 31 32 use of the facility for professional motorsports events; and (3) confirmation that the authority or the lessee, or prospective lessee, 33 34 shall assume financial responsibility for the additional incremental 35 cost of public services required to operate the facility during major

motorsports event weekends as identified through environmental review
 of the proposed facility and required as conditions to its permitting.

NEW SECTION. Sec. 502. FACILITY DEVELOPMENT. (1) A public 3 speedway authority may, in consultation with its lessee or prospective 4 lessee, determine the overall scope and components of any professional 5 6 motorsports entertainment and family recreation facility owned or to be 7 owned by the authority, approve the final design and specifications of 8 the facility acceptable to the lessee for operation as a professional 9 motorsports venue for hosting nationally recognized, top tier professional motorsports events, and approve the final budget for 10 11 financing, permitting, design, development, construction, and equipping 12 of the facility.

(2) A public speedway authority shall enter into a development 13 agreement with a lessee or prospective lessee under which the lessee or 14 prospective lessee undertakes and controls the development of the 15 16 facility to be owned by the authority, consistent with subsection (1) 17 of this section. Under the development agreement, the lessee shall, subject to the approval of the public speedway authority, determine 18 project design, specifications, and the budget. In addition, the 19 20 lessee shall determine procurement procedures, select and contract with 21 an architect or architects, other professional service providers, or a contractor or contractors for the design, construction, operation, or 22 23 maintenance of the facility and determine whether to enter into a 24 project labor agreement related to construction of the facility. However, any contracts for the construction, operation, and maintenance 25 26 of a facility shall be subject to the prevailing wage requirements of 27 chapter 39.12 RCW and the goals established by the state for women's and minority business participation consistent with the provisions of 28 RCW 39.04.160 and 49.60.400. Contractors shall be required, to the 29 extent feasible, to both hire local residents in connection with the 30 31 development of the facility and utilize apprentices enrolled in a state-approved apprenticeship training program, consistent with the 32 33 goals established for state public works projects in RCW 39.04.320.

34 (3) Under the development agreement, the lessee or prospective
35 lessee shall agree to provide at least one hundred eighty million
36 dollars toward the cost of the acquisition, financing, permitting,
37 design, development, construction, or equipping of the facility. The

lessee shall assume responsibility for any construction cost overruns
 in completing the project consistent with the final design and budget
 approved by the public speedway authority.

(4) The development agreement shall provide for parity in the 4 5 expenditure of public speedway authority bond proceeds and lessee or prospective lessee funding after the public speedway authority is б 7 authorized to issue its bonds and expend funds upon and following satisfaction of the requirements of sections 501 and 504 of this act. 8 The lessee or prospective lessee is responsible for advancing funds 9 needed to satisfy the requirements of sections 501 and 504 of this act 10 until public speedway authority bonds can be issued and bond proceeds 11 12 become available.

13 (5) The development agreement shall require the lessee or 14 prospective lessee to obtain performance and payment bonds from any 15 contractors it contracts with to perform construction of the facility. 16 The performance and payment bonds shall be consistent, in form and 17 amount, with the requirements of chapter 39.08 RCW.

The development agreement shall require the lessee 18 (6) or prospective lessee to commit to support one or more land conservation 19 20 projects located within the area of the public speedway authority, 21 subject to development and construction of the facility as provided in 22 this act. Such project or projects shall be undertaken in addition to 23 any offsite mitigation projects or activities that may be required of 24 the lessee or prospective lessee as a condition of permitting the 25 The total value of the lessee's or prospective lessee's facility. support of such a conservation project or projects shall be not less 26 27 than one million dollars total, which may be provided over three years following approval by the host jurisdiction of all land use permitting 28 decisions necessary for development of the facility as provided in this 29 30 The lessee or prospective lessee may work with a nonprofit land act. 31 trust or other conservation organization to identify and implement 32 projects to which support can be directed in satisfaction of the requirements of this section. 33

34 <u>NEW SECTION.</u> Sec. 503. SALES TAX DEFERRAL. (1) The public 35 speedway authority may apply for deferral of taxes on the design and 36 construction of buildings, site preparation, and the acquisition of 37 related tangible personal property and retail services for a facility

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including, but not limited to, parking lots, parking garages, 1 2 landscaping, environmental or other mitigation work required as part of any federal, state, county, city, or other governmental regulatory 3 approval process, utility relocation, sidewalks, storm water systems, 4 5 transit improvements, roads, or other investments made: Either at the facility or off-site and regardless if owned by the authority or 6 7 dedicated to a public body. Application shall be made to the department of revenue in a form and manner prescribed by the department 8 The application shall contain information regarding the 9 of revenue. 10 location of the facility, estimated or actual costs, time schedules for completion and operation, and other information required by the 11 12 department of revenue. The department of revenue shall approve the 13 application within sixty days if it meets the requirements of this 14 section.

15 (2) The department of revenue shall issue a sales and use tax 16 deferral certificate for state and local sales and use taxes due under 17 chapters 82.08, 82.12, and 82.14 RCW for the activities described in 18 subsection (1) of this section.

(3) The public speedway authority shall begin paying the deferred taxes in the fifth year after the date certified by the department of revenue as the date on which the facility is operationally complete. The first payment is due on December 31st of the fifth calendar year after such certified date, with subsequent annual payments due on December 31st of the following nine years. Each payment shall equal ten percent of the deferred tax.

(4) The department of revenue may authorize an accelerated
 repayment schedule upon request of the public speedway authority.

(5) Interest and penalties shall not be charged on any taxes deferred under this section for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this section. The debt for deferred taxes is not extinguished by insolvency or other failure of the public speedway authority.

34 (6) Applications and any other information received by the 35 department of revenue under this section are not confidential and are 36 subject to disclosure. Chapter 82.32 RCW applies to the administration 37 of this section. NEW SECTION. Sec. 504. PERMITTING. (1) The lessee and the legislative bodies of the public speedway authority and the host jurisdiction shall negotiate terms acceptable to each party to address: (a) A schedule for efficient, timely, and reliable permit processing for the facility, to reflect statutory and regulatory permitting time frames and local government best practices;

7 (b) A schedule for efficient, timely, and reliable environmental
8 review processing for the facility, to reflect statutory and regulatory
9 permitting time frames and local government best practices;

10 (c) A schedule for efficient, timely, and reliable processing of 11 requests for street, right-of-way, or easement vacations necessary for 12 the construction of the facility, to reflect statutory and regulatory 13 permitting time frames and local government best practices; and

14 (d) Other items deemed appropriate by the lessee and the legislative bodies of the authority and the host jurisdiction for an 15 efficient permitting, environmental review, and regulatory approval 16 17 process and timely construction of the facility, including use of parallel review processes, early coordination and timely comment on 18 preapplication matters, consolidated hearings, and identification of a 19 20 lead representative for permit preparation and environmental review for 21 each party.

(2) The agreements required by subsection (1) of this section shall address host jurisdiction permitting and review processes and not federal permitting or review processes. State agencies with expertise and jurisdiction may also enter into such agreements to the extent necessary to assure timely, efficient, and reliable permitting.

27 (3) The proceeds of any public speedway authority bonds issued to costs of acquisition, permitting, design, development, 28 finance construction, or equipping of the facility may not be expended until 29 any host jurisdiction that requires master plan approval for the 30 31 proposed facility approves a master plan for the facility or, 32 alternatively, when the proposed facility site is annexed into any city that is a host jurisdiction in which a professional motorsports 33 entertainment and family recreation facility is a permitted use. 34

35 (4) All land use permitting decisions for a professional 36 motorsports entertainment and family recreation facility shall be made 37 by the host jurisdiction.

(5) Nothing in this section shall be construed to reduce the 1 2 responsibility or ability of the host jurisdiction or state agencies with jurisdiction to carry out such permitting, review, and regulatory 3 approval processes in compliance with applicable law and regulations; 4 5 the purpose of any agreements entered into pursuant to this section specifying schedules for permitting, environmental review, б and 7 regulatory approval is to facilitate construction of a large capital facility project in a timely manner and avoid the inflationary costs 8 9 associated with undue delay.

10 **Sec. 505.** RCW 36.70A.110 and 2004 c 206 s 1 are each amended to 11 read as follows:

12 URBAN SERVICES TO THE FACILITY. (1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth 13 area or areas within which urban growth shall be encouraged and outside 14 of which growth can occur only if it is not urban in nature. Each city 15 16 that is located in such a county shall be included within an urban 17 growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of 18 a city only if such territory already is characterized by urban growth 19 20 whether or not the urban growth area includes a city, or is adjacent to 21 territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350. 22

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve.

Each urban growth area shall permit urban densities and shall 29 30 include greenbelt and open space areas. In the case of urban growth 31 areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as 32 33 determined to be necessary and appropriate to protect the physical, 34 cultural, or historic integrity of the reserve. An urban growth area 35 determination may include a reasonable land market supply factor and 36 shall permit a range of urban densities and uses. In determining this

market factor, cities and counties may consider local circumstances.
 Cities and counties have discretion in their comprehensive plans to
 make many choices about accommodating growth.

Within one year of July 1, 1990, each county that as of June 1, 4 1991, was required or chose to plan under RCW 36.70A.040, shall begin 5 consulting with each city located within its boundaries and each city б 7 shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its 8 resolution of intention or of certification by the office of financial 9 10 management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city 11 located within its boundaries. The county shall attempt to reach 12 13 agreement with each city on the location of an urban growth area within 14 which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall 15 justify in writing why it so designated the area an urban growth area. 16 17 A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, 18 the department shall attempt to resolve the conflicts, including the 19 use of mediation services. 20

21 (3) Urban growth should be located first in areas already 22 characterized by urban growth that have adequate existing public facility and service capacities to serve such development, second in 23 24 areas already characterized by urban growth that will be served 25 adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that 26 27 are provided by either public or private sources, and third in the remaining portions of the urban growth areas. Urban growth may also be 28 located in designated new fully contained communities as defined by RCW 29 36.70A.350. 30

(4) In general, cities are the units of local government most 31 32 appropriate to provide urban governmental services. In general, it is not appropriate that urban governmental services be extended to or 33 34 expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the 35 environment and when such services are financially supportable at rural 36 37 densities and do not permit urban development. The extension of urban governmental services including, without limitation, storm and sanitary 38

sewer services, to a facility owned or operated by a public speedway authority and with capacity for not fewer than eighty-three thousand people is necessary to protect basic public health and safety and the environment, provided it is located at least partially within an urban growth area.

(5) On or before October 1, 1993, each county that was initially 6 7 required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. 8 Within three years and three months of the date the county legislative 9 10 authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties 11 that are required or choose to plan under RCW 36.70A.040 shall adopt 12 13 development regulations designating interim urban growth areas under 14 Adoption of the interim urban growth areas may only this chapter. occur after public notice; public hearing; and compliance with the 15 16 state environmental policy act, chapter 43.21C RCW, and ((RCW 17 36.70A.110)) <u>this section</u>. Such action may be appealed to the appropriate growth management hearings board under RCW 36.70A.280. 18 Final urban growth areas shall be adopted at the time of comprehensive 19 plan adoption under this chapter. 20

(6) Each county shall include designations of urban growth areas inits comprehensive plan.

(7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.

27 **Sec. 506.** RCW 47.42.025 and 1971 ex.s. c 62 s 2 are each amended 28 to read as follows:

SIGNAGE EXEMPTION. The following sections of the scenic and recreational highway system are excluded from the scenic system as defined in ((subsection (7) of)) RCW 47.42.020(7):

32 (1) Beginning on state route number 101 at the junction with
 33 Airport Road north of Shelton, thence north to a point two thousand
 34 feet north of Airport Road.

35 (2) Beginning on state route number 101 at the junction with Mill
 36 Creek Road south of Forks, thence north two and four-tenths miles to
 37 the Calawah River bridge.

(3) Beginning on state route number 105 at a point one-half mile
 southwest of the boundary of Aberdeen, thence northeast to the boundary
 of Aberdeen.

4 (4) Beginning on state route number 17 at a point nine-tenths of a
5 mile west of Grape Drive in the vicinity of Moses Lake, thence easterly
6 to a junction of Grape Drive.

7 (5) Beginning on state route number 12 at a point one-half mile
8 south of the south boundary of Dayton, thence northerly to the south
9 boundary of Dayton.

10 (6) Beginning on state route number 14 one-half mile west of the 11 west boundary of Bingen, thence east to a point one-half mile east of 12 the east boundary of Bingen.

13 (7) Beginning on state route number 3 at the junction with Old 14 Belfair Highway, thence northeasterly approximately four and nine-tenths miles to a point along state route number 3 adjacent to the 15 northernmost boundary of the Bremerton national airport, for any 16 professional motorsports entertainment and family recreation facility 17 signage. This section of the system shall be excluded from the scenic 18 system but remain subject to any applicable local legal standards 19 concerning signage, to review under chapter 43.21C RCW, and to any 20 21 requirements imposed for the purpose of mitigating impacts under RCW 22 43.21C.060.

23 **Sec. 507.** RCW 70.107.080 and 1974 ex.s. c 183 s 8 are each amended 24 to read as follows:

NOISE. (1) The department shall, in the exercise of rule-making power under this chapter, provide exemptions or specially limited regulations relating to recreational shooting and emergency or law enforcement equipment where appropriate in the interests of public safety.

30 (2) Sounds originating from any professional motorsports 31 entertainment and family recreation facility shall be exempt from rules 32 adopted pursuant to this chapter to the same extent as at existing 33 motor vehicle racing event facilities, and the department shall 34 prepare, publish, and approve rules to this effect within one hundred 35 eighty days of the effective date of this section. Nothing in this 36 subsection shall be deemed to exempt sounds originating from any professional motorsports entertainment and family recreation facility from review under chapter 43.21C RCW or from any requirements imposed for the purpose of mitigating impacts under RCW 43.21C.060.

4 (3) The department, in the development of rules under this chapter,
5 shall consult and take into consideration the land use policies and
6 programs of local government.

7 Sec. 508. RCW 39.04.010 and 2000 c 138 s 102 are each amended to 8 read as follows:

9 PUBLIC WORKS PROVISIONS. The term state shall include the state of 10 Washington and all departments, supervisors, commissioners and agencies 11 thereof.

12 The term <u>"municipality</u> shall include every city, county, town, 13 district or other public agency thereof which is authorized by law to require the execution of public work, except drainage districts, diking 14 15 districts, diking and drainage improvement districts, drainage 16 improvement districts, diking improvement districts, consolidated diking and drainage improvement districts, consolidated drainage 17 improvement districts, consolidated diking improvement districts, 18 irrigation districts or any such other districts as shall from time to 19 20 time be authorized by law for the reclamation or development of waste 21 or undeveloped lands.

22 The term "public work" shall include all work, construction, 23 alteration, repair, or improvement other than ordinary maintenance, 24 executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. All public works, 25 26 including maintenance when performed by contract shall comply with the provisions of RCW 39.12.020. The term does not include work, 27 construction, alteration, repair, or improvement performed under 28 contracts entered into under RCW 36.102.060(4) or under development 29 agreements entered into under RCW 36.102.060(7) or leases entered into 30 under RCW 36.102.060(8). The term does not include work, construction, 31 alteration, repair, or improvement of a professional motorsports 32 entertainment and family recreation facility performed under a 33 34 development agreement authorized pursuant to section 502(2) of this act 35 or lease authorized pursuant to section 601 of this act or services 36 procured by the lessee or prospective lessee in connection with any such work, construction, alteration, repair, or improvement. 37

1 The term <u>"contract"</u> shall mean a contract in writing for the 2 execution of public work for a fixed or determinable amount duly 3 awarded after advertisement and competitive bid. However, a contract 4 which is awarded from a small works roster need not be advertised.

5 **Sec. 509.** RCW 84.33.140 and 2005 c 303 s 13 are each amended to 6 read as follows:

7 EXEMPTION FROM FOREST LAND COMPENSATION TAX. (1) When land has 8 been designated as forest land under RCW 84.33.130, a notation of the 9 designation shall be made each year upon the assessment and tax rolls. 10 A copy of the notice of approval together with the legal description or 11 assessor's parcel numbers for the land shall, at the expense of the 12 applicant, be filed by the assessor in the same manner as deeds are 13 recorded.

(2) In preparing the assessment roll as of January 1, 2002, for 14 15 taxes payable in 2003 and each January 1st thereafter, the assessor 16 shall list each parcel of designated forest land at a value with 17 respect to the grade and class provided in this subsection and adjusted 18 as provided in subsection (3) of this section. The assessor shall 19 compute the assessed value of the land using the same assessment ratio 20 applied generally in computing the assessed value of other property in 21 the county. Values for the several grades of bare forest land shall be 22 as follows:

23	LAND	OPERABILITY	VALUES
24	GRADE	CLASS	PER ACRE
25		1	\$234
26	1	2	229
27		3	217
28		4	157
29		1	198
30	2	2	190
31		3	183
32		4	132
33		1	154
34	3	2	149
35		3	148

1		4	113
2		1	117
3	4	2	114
4		3	113
5		4	86
6		1	85
7	5	2	78
8		3	77
9		4	52
10		1	43
11	6	2	39
12		3	39
13		4	37
14		1	21
15	7	2	21
16		3	20
17		4	20
18	8		1

(3) On or before December 31, 2001, the department shall adjust by rule under chapter 34.05 RCW, the forest land values contained in subsection (2) of this section in accordance with this subsection, and shall certify the adjusted values to the assessor who will use these values in preparing the assessment roll as of January 1, 2002. For the adjustment to be made on or before December 31, 2001, for use in the 2002 assessment year, the department shall:

(a) Divide the aggregate value of all timber harvested within the
state between July 1, 1996, and June 30, 2001, by the aggregate harvest
volume for the same period, as determined from the harvester excise tax
returns filed with the department under RCW 84.33.074; and

30 (b) Divide the aggregate value of all timber harvested within the 31 state between July 1, 1995, and June 30, 2000, by the aggregate harvest 32 volume for the same period, as determined from the harvester excise tax 33 returns filed with the department under RCW 84.33.074; and

34 (c) Adjust the forest land values contained in subsection (2) of 35 this section by a percentage equal to one-half of the percentage change 36 in the average values of harvested timber reflected by comparing the 37 resultant values calculated under (a) and (b) of this subsection.

1 (4) For the adjustments to be made on or before December 31, 2002, 2 and each succeeding year thereafter, the same procedure described in 3 subsection (3) of this section shall be followed using harvester excise 4 tax returns filed under RCW 84.33.074. However, this adjustment shall 5 be made to the prior year's adjusted value, and the five-year periods 6 for calculating average harvested timber values shall be successively 7 one year more recent.

8 (5) Land graded, assessed, and valued as forest land shall continue 9 to be so graded, assessed, and valued until removal of designation by 10 the assessor upon the occurrence of any of the following:

11

(a) Receipt of notice from the owner to remove the designation;

(b) Sale or transfer to an ownership making the land exempt from advalorem taxation;

(c) Sale or transfer of all or a portion of the land to a new 14 owner, unless the new owner has signed a notice of forest land 15 designation continuance, except transfer to an owner who is an heir or 16 17 devisee of a deceased owner, shall not, by itself, result in removal of designation. The signed notice of continuance shall be attached to the 18 real estate excise tax affidavit provided for in RCW 82.45.150. 19 The notice of continuance shall be on a form prepared by the department. 20 If the notice of continuance is not signed by the new owner and 21 22 attached to the real estate excise tax affidavit, all compensating taxes calculated under subsection (11) of this section shall become due 23 and payable by the seller or transferor at time of sale. The auditor 24 25 shall not accept an instrument of conveyance regarding designated forest land for filing or recording unless the new owner has signed the 26 27 notice of continuance or the compensating tax has been paid, as evidenced by the real estate excise tax stamp affixed thereto by the 28 treasurer. The seller, transferor, or new owner may appeal the new 29 assessed valuation calculated under subsection (11) of this section to 30 31 the county board of equalization in accordance with the provisions of 32 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of equalization to hear these appeals; 33

34 (d) Determination by the assessor, after giving the owner written35 notice and an opportunity to be heard, that:

(i) The land is no longer primarily devoted to and used for growing
 and harvesting timber. However, land shall not be removed from
 designation if a governmental agency, organization, or other recipient

identified in subsection (13) or (14) of this section as exempt from 1 2 the payment of compensating tax has manifested its intent in writing or by other official action to acquire a property interest in the 3 designated forest land by means of a transaction that qualifies for an 4 5 exemption under subsection (13) or (14) of this section. The governmental agency, organization, or recipient shall annually provide б 7 the assessor of the county in which the land is located reasonable evidence in writing of the intent to acquire the designated land as 8 9 long as the intent continues or within sixty days of a request by the 10 assessor. The assessor may not request this evidence more than once in 11 a calendar year;

(ii) The owner has failed to comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW; or

(iii) Restocking has not occurred to the extent or within the timespecified in the application for designation of such land.

(6) Land shall not be removed from designation if there is a 19 governmental restriction that prohibits, in whole or in part, the owner 20 21 from harvesting timber from the owner's designated forest land. Ιf 22 only a portion of the parcel is impacted by governmental restrictions 23 of this nature, the restrictions cannot be used as a basis to remove 24 the remainder of the forest land from designation under this chapter. 25 For the purposes of this section, "governmental restrictions" includes: (a) Any law, regulation, rule, ordinance, program, or other action 26 27 adopted or taken by a federal, state, county, city, or other governmental entity; or (b) the land's zoning or its presence within an 28 urban growth area designated under RCW 36.70A.110. 29

30 (7) The assessor shall have the option of requiring an owner of 31 forest land to file a timber management plan with the assessor upon the 32 occurrence of one of the following:

(a) An application for designation as forest land is submitted; or
(b) Designated forest land is sold or transferred and a notice of
continuance, described in subsection (5)(c) of this section, is signed.
(8) If land is removed from designation because of any of the
circumstances listed in subsection (5)(a) through (c) of this section,
the removal shall apply only to the land affected. If land is removed

from designation because of subsection (5)(d) of this section, the removal shall apply only to the actual area of land that is no longer primarily devoted to the growing and harvesting of timber, without regard to any other land that may have been included in the application and approved for designation, as long as the remaining designated forest land meets the definition of forest land contained in RCW 84.33.035.

8 (9) Within thirty days after the removal of designation as forest 9 land, the assessor shall notify the owner in writing, setting forth the 10 reasons for the removal. The seller, transferor, or owner may appeal 11 the removal to the county board of equalization in accordance with the 12 provisions of RCW 84.40.038.

13 (10) Unless the removal is reversed on appeal a copy of the notice 14 of removal with a notation of the action, if any, upon appeal, together with the legal description or assessor's parcel numbers for the land 15 removed from designation shall, at the expense of the applicant, be 16 17 filed by the assessor in the same manner as deeds are recorded and a notation of removal from designation shall immediately be made upon the 18 assessment and tax rolls. The assessor shall revalue the land to be 19 removed with reference to its true and fair value as of January 1st of 20 21 the year of removal from designation. Both the assessed value before 22 and after the removal of designation shall be listed. Taxes based on 23 the value of the land as forest land shall be assessed and payable up 24 until the date of removal and taxes based on the true and fair value of 25 the land shall be assessed and payable from the date of removal from designation. 26

27 (11) Except as provided in subsection (5)(c), (13), or (14) of this section, a compensating tax shall be imposed on land removed from 28 29 designation as forest land. The compensating tax shall be due and payable to the treasurer thirty days after the owner is notified of the 30 31 amount of this tax. As soon as possible after the land is removed from 32 designation, the assessor shall compute the amount of compensating tax and mail a notice to the owner of the amount of compensating tax owed 33 and the date on which payment of this tax is due. The amount of 34 compensating tax shall be equal to the difference between the amount of 35 tax last levied on the land as designated forest land and an amount 36 37 equal to the new assessed value of the land multiplied by the dollar 38 rate of the last levy extended against the land, multiplied by a

number, in no event greater than nine, equal to the number of years for which the land was designated as forest land, plus compensating taxes on the land at forest land values up until the date of removal and the prorated taxes on the land at true and fair value from the date of removal to the end of the current tax year.

(12) Compensating tax, together with applicable interest thereon, 6 7 shall become a lien on the land which shall attach at the time the land is removed from designation as forest land and shall have priority to 8 9 and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with 10 which the land may become charged or liable. The lien may be 11 12 foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent 13 real property taxes as provided in RCW 84.64.050. Any compensating tax 14 unpaid on its due date shall thereupon become delinquent. From the 15 date of delinquency until paid, interest shall be charged at the same 16 17 rate applied by law to delinquent ad valorem property taxes.

18 (13) The compensating tax specified in subsection (11) of this 19 section shall not be imposed if the removal of designation under 20 subsection (5) of this section resulted solely from:

(a) Transfer to a government entity in exchange for other forestland located within the state of Washington;

(b) A taking through the exercise of the power of eminent domain,
or sale or transfer to an entity having the power of eminent domain in
anticipation of the exercise of such power;

(c) A donation of fee title, development rights, or the right to 26 27 harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those 28 sections, or the sale or transfer of fee title to a governmental entity 29 or a nonprofit nature conservancy corporation, as defined in RCW 30 31 64.04.130, exclusively for the protection and conservation of lands 32 recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 33 RCW or approved for state natural resources conservation area purposes 34 as defined in chapter 79.71 RCW. At such time as the land is not used 35 for the purposes enumerated, the compensating tax specified in 36 37 subsection (11) of this section shall be imposed upon the current 38 owner;

(d) The sale or transfer of fee title to the parks and recreation
 commission for park and recreation purposes;

3 (e) Official action by an agency of the state of Washington or by 4 the county or city within which the land is located that disallows the 5 present use of the land;

6 (f) The creation, sale, or transfer of forestry riparian easements7 under RCW 76.13.120;

8 (g) The creation, sale, or transfer of a fee interest or a 9 conservation easement for the riparian open space program under RCW 10 76.09.040;

(h) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(h); ((or))

(i) The sale or transfer of land after the death of the owner of at 18 least a fifty percent interest in the land if the land has been 19 20 assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW 21 22 continuously since 1993 and the sale or transfer takes place after July 22, 2001, and on or before July 22, 2003, and the death of the owner 23 24 occurred after January 1, 1991. The date of death shown on a death 25 certificate is the date used for the purposes of this subsection (13)(i); or 26

(j) The sale or transfer of land to a public speedway authority for use as a portion of a professional motorsports entertainment and family recreation facility for as long as such land is not covered with an impervious surface. At any time a portion of the land is covered with an impervious surface or is no longer used as a portion of such a facility, the compensating tax shall be imposed on the current owner.

(14) In a county with a population of more than one million inhabitants, the compensating tax specified in subsection (11) of this section shall not be imposed if the removal of designation as forest land under subsection (5) of this section resulted solely from: (a) An action described in subsection (13) of this section; or

(b) A transfer of a property interest to a government entity, or to 1 2 a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or 3 4 enhance public resources, or to preserve, maintain, improve, restore, 5 limit the future use of, or otherwise to conserve for public use or enjoyment, the property interest being transferred. At such time as 6 7 the property interest is not used for the purposes enumerated, the 8 compensating tax shall be imposed upon the current owner.

9 Sec. 510. RCW 76.09.060 and 2005 c 274 s 357 are each amended to 10 read as follows:

11 EXEMPTION FROM FOREST PRACTICES ACT CONVERSION MORATORIA. The 12 following shall apply to those forest practices administered and 13 enforced by the department and for which the board shall promulgate 14 regulations as provided in this chapter:

15 (1) The department shall prescribe the form and contents of the 16 notification and application. The forest practices rules shall specify 17 by whom and under what conditions the notification and application shall be signed or otherwise certified as acceptable. The application 18 19 or notification shall be delivered in person to the department, sent by first class mail to the department or electronically filed in a form 20 21 defined by the department. The form for electronic filing shall be 22 readily convertible to a paper copy, which shall be available to the public pursuant to chapter 42.56 RCW. The information required may 23 24 include, but is not limited to:

25 (a) Name and address of the forest landowner, timber owner, and 26 operator;

(b) Description of the proposed forest practice or practices to beconducted;

(c) Legal description and tax parcel identification numbers of the land on which the forest practices are to be conducted;

31 (d) Planimetric and topographic maps showing location and size of 32 all lakes and streams and other public waters in and immediately 33 adjacent to the operating area and showing all existing and proposed 34 roads and major tractor roads;

35 (e) Description of the silvicultural, harvesting, or other forest 36 practice methods to be used, including the type of equipment to be used 37 and materials to be applied; (f) Proposed plan for reforestation and for any revegetation
 necessary to reduce erosion potential from roadsides and yarding roads,
 as required by the forest practices rules;

4 (g) Soil, geological, and hydrological data with respect to forest 5 practices;

6 (h) The expected dates of commencement and completion of all forest 7 practices specified in the application;

8 (i) Provisions for continuing maintenance of roads and other 9 construction or other measures necessary to afford protection to public 10 resources;

11 (j) An affirmation that the statements contained in the 12 notification or application are true; and

(k) All necessary application or notification fees.

14 (2) Long range plans may be submitted to the department for review15 and consultation.

16 (3) The application for a forest practice or the notification of a 17 Class II forest practice is subject to the three-year reforestation 18 requirement.

(a) If the application states that any such land will be or isintended to be so converted:

(i) The reforestation requirements of this chapter and of the forest practices rules shall not apply if the land is in fact so converted unless applicable alternatives or limitations are provided in forest practices rules issued under RCW 76.09.070 as now or hereafter amended;

(ii) Completion of such forest practice operations shall be deemed conversion of the lands to another use for purposes of chapters 84.33 and 84.34 RCW unless the conversion is to a use permitted under a current use tax agreement permitted under chapter 84.34 RCW;

30 (iii) The forest practices described in the application are subject 31 to applicable county, city, town, and regional governmental authority 32 permitted under RCW 76.09.240 as now or hereafter amended as well as 33 the forest practices rules.

(b) Except as provided elsewhere in this section, if the
application or notification does not state that any land covered by the
application or notification will be or is intended to be so converted:
(i) For six years after the date of the application the county,
city, town, and regional governmental entities shall deny any or all

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1 applications for permits or approvals, including building permits and 2 subdivision approvals, relating to nonforestry uses of land subject to 3 the application;

(A) The department shall submit to the local governmental entity a 4 copy of the statement of a forest landowner's intention not to convert 5 which shall represent a recognition by the landowner that the six-year 6 moratorium shall be imposed and shall preclude the landowner's ability 7 to obtain development permits while the moratorium is in place. 8 This statement shall be filed by the local governmental entity with the 9 10 county recording officer, who shall record the documents as provided in chapter 65.04 RCW, except that lands designated as forest lands of 11 12 long-term commercial significance under chapter 36.70A RCW shall not be 13 recorded due to the low likelihood of conversion. Not recording the statement of a forest landowner's conversion intention shall not be 14 construed to mean the moratorium is not in effect. 15

16 (B) The department shall collect the recording fee and reimburse 17 the local governmental entity for the cost of recording the 18 application.

(C) When harvesting takes place without an application, the local governmental entity shall impose the six-year moratorium provided in (b)(i) of this subsection from the date the unpermitted harvesting was discovered by the department or the local governmental entity.

(D) The local governmental entity shall develop a process for
 lifting the six-year moratorium, which shall include public
 notification, and procedures for appeals and public hearings.

(E) The local governmental entity may develop an administrative process for lifting or waiving the six-year moratorium for the purposes of constructing a single-family residence or outbuildings, or both, on a legal lot and building site. Lifting or waiving of the six-year moratorium is subject to compliance with all local ordinances.

(F) The six-year moratorium shall not be imposed on a forest practices application that contains a conversion option harvest plan approved by the local governmental entity unless the forest practice was not in compliance with the approved forest practice permit. Where not in compliance with the conversion option harvest plan, the six-year moratorium shall be imposed from the date the application was approved by the department or the local governmental entity. 1 (G) Any six-year moratorium preventing conversion to nonforestry
2 uses shall be waived as of the date the land subject to the moratorium
3 is purchased or acquired for use as a professional motorsports
4 entertainment and family recreation facility;

5 (ii) Failure to comply with the reforestation requirements 6 contained in any final order or decision shall constitute a removal of 7 designation under the provisions of RCW 84.33.140, and a change of use 8 under the provisions of RCW 84.34.080, and, if applicable, shall 9 subject such lands to the payments and/or penalties resulting from such 10 removals or changes; and

(iii) Conversion to a use other than commercial forest product operations within six years after approval of the forest practices without the consent of the county, city, or town shall constitute a violation of each of the county, municipal city, town, and regional authorities to which the forest practice operations would have been subject if the application had so stated.

(c) The application or notification shall be signed by the forest landowner and accompanied by a statement signed by the forest landowner indicating his or her intent with respect to conversion and acknowledging that he or she is familiar with the effects of this subsection.

(4) Whenever an approved application authorizes a forest practice which, because of soil condition, proximity to a water course or other unusual factor, has a potential for causing material damage to a public resource, as determined by the department, the applicant shall, when requested on the approved application, notify the department two days before the commencement of actual operations.

(5) Before the operator commences any forest practice in a manner or to an extent significantly different from that described in a previously approved application or notification, there shall be submitted to the department a new application or notification form in the manner set forth in this section.

(6) Except as provided in RCW 76.09.350(4), the notification to or the approval given by the department to an application to conduct a forest practice shall be effective for a term of two years from the date of approval or notification and shall not be renewed unless a new application is filed and approved or a new notification has been filed. At the option of the applicant, an application or notification may be

submitted to cover a single forest practice or a number of forest 1 2 practices within reasonable geographic or political boundaries as specified by the department. An application or notification that 3 covers more than one forest practice may have an effective term of more 4 5 than two years. The board shall adopt rules that establish standards and procedures for approving an application or notification that has an 6 7 effective term of more than two years. Such rules shall include extended time periods for application or notification approval or 8 9 disapproval. On an approved application with a term of more than two 10 years, the applicant shall inform the department before commencing operations. 11

12 (7) Notwithstanding any other provision of this section, no prior 13 application or notification shall be required for any emergency forest 14 practice necessitated by fire, flood, windstorm, earthquake, or other 15 emergency as defined by the board, but the operator shall submit an 16 application or notification, whichever is applicable, to the department 17 within forty-eight hours after commencement of such practice or as 18 required by local regulations.

(8) Forest practices applications or notifications are not required 19 for forest practices conducted to control exotic forest insect or 20 21 disease outbreaks, when conducted by or under the direction of the 22 department of agriculture in carrying out an order of the governor or director of the department of agriculture to implement pest control 23 24 measures as authorized under chapter 17.24 RCW, and are not required 25 when conducted by or under the direction of the department in carrying out emergency measures under a forest health emergency declaration by 26 27 the commissioner of public lands as provided in RCW 76.06.130.

(a) For the purposes of this subsection, exotic forest insect ordisease has the same meaning as defined in RCW 76.06.020.

30 (b) In order to minimize adverse impacts to public resources, 31 control measures must be based on integrated pest management, as 32 defined in RCW 17.15.010, and must follow forest practices rules 33 relating to road construction and maintenance, timber harvest, and 34 forest chemicals, to the extent possible without compromising control 35 objectives.

36 (c) Agencies conducting or directing control efforts must provide37 advance notice to the appropriate regulatory staff of the department of

the operations that would be subject to exemption from forest practices
 application or notification requirements.

3 (d) When the appropriate regulatory staff of the department are 4 notified under (c) of this subsection, they must consult with the 5 landowner, interested agencies, and affected tribes, and assist the 6 notifying agencies in the development of integrated pest management 7 plans that comply with forest practices rules as required under (b) of 8 this subsection.

9 (e) Nothing under this subsection relieves agencies conducting or 10 directing control efforts from requirements of the federal clean water 11 act as administered by the department of ecology under RCW 90.48.260.

(f) Forest lands where trees have been cut as part of an exotic forest insect or disease control effort under this subsection are subject to reforestation requirements under RCW 76.09.070.

15 (g) The exemption from obtaining approved forest practices 16 applications or notifications does not apply to forest practices 17 conducted after the governor, the director of the department of 18 agriculture, or the commissioner of public lands have declared that an 19 emergency no longer exists because control objectives have been met, 20 that there is no longer an imminent threat, or that there is no longer 21 a good likelihood of control.

PART VI

LEASE AND OPERATION OF FACILITY

NEW SECTION. Sec. 601. LEASE OF FACILITY. In consideration for the public funding provided for the acquisition of a site for and the financing, permitting, design, development, and construction of a facility, a lessee shall enter into a binding and legally enforceable sole master tenant lease agreement with the public speedway authority for the management and operation of the facility, which includes without limitation the following terms:

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(1) The term of the lease shall be not less than fifty years.

32 (2) The lessee shall pay reasonable rent and assume risk, legal 33 liability, and responsibility for costs associated with maintaining and 34 operating the facility. As used in this subsection, "reasonable rent" 35 is solely intended to fund the reasonable annual operating expenses of 36 the public speedway authority, including a reasonable operating expense 1 reserve. Rents paid in excess of actual operating expenses of the 2 public speedway authority shall be committed to funding capital 3 improvements to the facility undertaken pursuant to plans approved by 4 the public speedway authority and the lessee.

5 (3) The lessee shall, at its own expense, maintain, provide major 6 repairs and renovations of, and operate the facility in a first-class 7 manner consistent with any standards or requirements of NASCAR or other 8 nationally recognized motorsports sanctioning bodies to ensure the 9 continuous and uninterrupted suitability of the facility as a viable 10 venue for hosting nationally recognized, top tier professional 11 motorsports events.

12 (4) The lessee shall make and participate financially in capital 13 improvements necessary to ensure the continuous and uninterrupted 14 suitability of the facility as a viable venue for hosting nationally 15 recognized, top tier professional motorsports events.

16 (5) The lessee shall have the authority to sublease and enter into 17 use, license, naming rights, and concession agreements with various lessees, users, licensees, or concessionaires of the facility. 18 The lessee shall have the right to retain all revenues derived from the 19 operation of the facility, including revenues from any sublease, use, 20 21 license, naming rights, and concession agreements, revenues from 22 concessions, ticket sales, suite rentals, suite and seat licenses, advertising, parking, signage, and intellectual property rights. 23

24 (6) The lessee shall host at least two major motorsports event 25 weekends annually if the sales and use tax credit under section 401 of this act is in effect and the lessee is not prevented from doing so by 26 27 a force majeure event. The lessee and its parent company shall use their good faith best efforts to secure as one of the two major 28 motorsports event weekends hosted annually at the facility a NASCAR 29 Nextel Cup event or an event in NASCAR's then-comparable successor 30 premier national series beginning in the initial year of operation of 31 32 the facility.

(7) If the sales and use tax credit under section 401 of this act is in effect, the lessee or any parent, corporate affiliate or successor, successor in interest, or other entity in any way related to the lessee shall not petition, support, or condone a proposal or decision of the sanctioning body of any nationally recognized, top tier professional motorsports event anchoring either of the two major

motorsports event weekends at the facility required under subsection 1 2 (6) of this section to move, realign, or otherwise deprive the facility of such event. The lessee may seek to replace an event only if it can 3 demonstrate to the satisfaction of the office of financial management 4 5 that a substitute nationally recognized, top tier professional motorsports event is capable of producing a higher level of economic б 7 activity, including without limitation paid attendance by out-of-state visitors, than the event on which public support for the development of 8 9 the facility in the state was based. The loss of any nationally 10 recognized, top tier professional motorsports event anchoring a major motorsports event weekend at the facility required under subsection (6) 11 of this section while the sales and use tax credit under section 401 of 12 13 this act is in effect shall be replaced by the lessee with a comparable 14 or superior nationally recognized, top tier professional motorsports 15 event.

(8) If the sales and use tax credit under section 401 of this act 16 17 is in effect, the lessee or any parent, corporate affiliate or successor, successor in interest, or other entity in any way related to 18 the lessee shall not develop, own, or operate or participate in the 19 20 development, ownership, or operation of any other professional 21 motorsports entertainment and family recreation facility to host 22 nationally recognized, top tier professional motorsports events within five hundred miles of the facility. 23

24 (9) The lessee shall be required, subject to its rights under the 25 lease agreement to use the site for professional motorsports entertainment and family recreation, to make the facility available for 26 27 community, charitable, recreation, and other activities, such as family recreation and social events, local and regional business functions, 28 arts events, emergency services, and public safety training, on a fee 29 or nonfee basis as appropriate and to the extent that such activities 30 31 are consistent with use of the facility for professional motorsports 32 events; shall be required to use reasonable efforts to allow for meaningful, noncommercial opportunities for the promotion of Washington 33 state tourism, trade, and generic products when the facility is not 34 otherwise in use; and shall be required to use reasonable efforts to 35 provide opportunities for local not-for-profit organizations 36 to 37 participate in facility use and operation of concessions during 38 professional motorsports events.

(10) The lessee shall assume responsibility for payment of sales
 and use taxes deferred under section 503 of this act when the deferred
 taxes become due and payable by the public speedway authority.

Violations by the lessee of its material obligations under 4 (11)5 the lease shall be considered defaults under the lease subject to such remedies and reasonable opportunities to cure as the lease may provide. 6 7 Damages received by the public speedway authority resulting from the lessee's default on its obligation to annually host two major 8 motorsports event weekends shall be applied by the public speedway 9 10 authority to pay or provide for the early retirement of bonds issued pursuant to section 403 of this act. 11

12 Sec. 602. RCW 82.29A.130 and 2005 c 514 s 601 and 2005 c 170 s 1 13 are each reenacted and amended to read as follows:

LEASEHOLD EXCISE TAX EXEMPTION. The following leasehold interests shall be exempt from taxes imposed pursuant to RCW 82.29A.030 and 82.29A.040:

(1) All leasehold interests constituting a part of the operating
properties of any public utility which is assessed and taxed as a
public utility pursuant to chapter 84.12 RCW.

(2) All leasehold interests in facilities owned or used by a
school, college or university which leasehold provides housing for
students and which is otherwise exempt from taxation under provisions
of RCW 84.36.010 and 84.36.050.

(3) All leasehold interests of subsidized housing where the fee
ownership of such property is vested in the government of the United
States, or the state of Washington or any political subdivision thereof
but only if income qualification exists for such housing.

(4) All leasehold interests used for fair purposes of a nonprofit 28 fair association that sponsors or conducts a fair or fairs which 29 30 receive support from revenues collected pursuant to RCW 67.16.100 and 31 allocated by the director of the department of agriculture where the fee ownership of such property is vested in the government of the 32 United States, the state of Washington, or any of its political 33 subdivisions((+ PROVIDED, That)). This exemption shall not apply to 34 the leasehold interest of any sublessee of such nonprofit fair 35 36 association if such leasehold interest would be taxable if it were the 37 primary lease.

1 (5) All leasehold interests in any property of any public entity 2 used as a residence by an employee of that public entity who is 3 required as a condition of employment to live in the publicly owned 4 property.

5 (6) All leasehold interests held by enrolled Indians of lands owned 6 or held by any Indian or Indian tribe where the fee ownership of such 7 property is vested in or held in trust by the United States and which 8 are not subleased to other than to a lessee which would qualify 9 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

(7) All leasehold interests in any real property of any Indian or 10 Indian tribe, band, or community that is held in trust by the United 11 States or is subject to a restriction against alienation imposed by the 12 United States((+ PROVIDED, That)). This exemption shall apply only 13 where it is determined that contract rent paid is greater than or equal 14 to ninety percent of fair market rental, to be determined by the 15 16 department of revenue using the same criteria used to establish taxable 17 rent in RCW 82.29A.020(2)(b).

18 (8) All leasehold interests for which annual taxable rent is less 19 than two hundred fifty dollars per year. For purposes of this 20 subsection leasehold interests held by the same lessee in contiguous 21 properties owned by the same lessor shall be deemed a single leasehold 22 interest.

23 (9) All leasehold interests which give use or possession of the leased property for a continuous period of less than thirty days((+ 24 25 PROVIDED, That)). For purposes of this subsection, successive leases or lease renewals giving substantially continuous use of possession of 26 27 the same property to the same lessee shall be deemed a single leasehold interest((: PROVIDED FURTHER, That)). No leasehold interest shall be 28 deemed to give use or possession for a period of less than thirty days 29 30 solely by virtue of the reservation by the public lessor of the right 31 to use the property or to allow third parties to use the property on an 32 occasional, temporary basis.

33 (10) All leasehold interests under month-to-month leases in 34 residential units rented for residential purposes of the lessee pending 35 destruction or removal for the purpose of constructing a public highway 36 or building.

(11) All leasehold interests in any publicly owned real or personalproperty to the extent such leasehold interests arises solely by virtue

of a contract for public improvements or work executed under the public works statutes of this state or of the United States between the public owner of the property and a contractor.

4 (12) All leasehold interests that give use or possession of state
5 adult correctional facilities for the purposes of operating
6 correctional industries under RCW 72.09.100.

7 (13) All leasehold interests used to provide organized and supervised recreational activities for ((disabled persons)) individuals 8 with disabilities of all ages in a camp facility and for public 9 10 recreational purposes by a nonprofit organization, association, or 11 corporation that would be exempt from property tax under RCW 84.36.030(1) if it owned the property. If the publicly owned property 12 is used for any taxable purpose, the leasehold excise taxes set forth 13 14 in RCW 82.29A.030 and 82.29A.040 shall be imposed and shall be apportioned accordingly. 15

16 (14) All leasehold interests in the public or entertainment areas 17 of a baseball stadium with natural turf and a retractable roof or canopy that is in a county with a population of over one million, that 18 has a seating capacity of over forty thousand, and that is constructed 19 on or after January 1, 1995. "Public or entertainment areas" include 20 ticket sales areas, ramps and stairs, lobbies and concourses, parking 21 22 areas, concession areas, restaurants, hospitality and stadium club 23 areas, kitchens or other work areas primarily servicing other public or 24 entertainment areas, public rest room areas, press and media areas, 25 control booths, broadcast and production areas, retail sales areas, museum and exhibit areas, scoreboards or other public displays, storage 26 27 areas, loading, staging, and servicing areas, seating areas and suites, the playing field, and any other areas to which the public has access 28 or which are used for the production of the entertainment event or 29 30 other public usage, and any other personal property used for these 31 purposes. "Public or entertainment areas" does not include locker 32 rooms or private offices exclusively used by the lessee.

33 (15) All leasehold interests in the public or entertainment areas 34 of a stadium and exhibition center, as defined in RCW 36.102.010, that 35 is constructed on or after January 1, 1998. For the purposes of this 36 subsection, "public or entertainment areas" has the same meaning as in 37 subsection (14) of this section, and includes exhibition areas.

(16) All leasehold interests in public facilities districts, as
 provided in chapter 36.100 or 35.57 RCW.

3 (17) All leasehold interests in property that is: (a) Owned by a 4 municipal corporation; (b) listed on any federal or state register of 5 historical sites; and (c) wholly contained within a designated national 6 historic reserve under 16 U.S.C. Sec. 461.

7 (18) All leasehold interests in the public or entertainment areas of an amphitheater if a private entity is responsible for one hundred 8 9 percent of the cost of constructing the amphitheater which is not 10 reimbursed by the public owner, both the public owner and the private lessee sponsor events at the facility on a regular basis, the lessee is 11 12 responsible under the lease or agreement to operate and maintain the 13 facility, and the amphitheater has a seating capacity of over seventeen 14 thousand reserved and general admission seats and is in a county with a population of over three hundred fifty thousand, but less than four 15 hundred twenty-five thousand. For the purposes of this subsection, 16 17 "public or entertainment areas" include box offices or other ticket sales areas, entrance gates, ramps and stairs, lobbies and concourses, 18 parking areas, concession areas, restaurants, hospitality areas, 19 kitchens or other work areas primarily servicing other public or 20 21 entertainment areas, public rest room areas, press and media areas, 22 control booths, broadcast and production areas, retail sales areas, 23 museum and exhibit areas, scoreboards or other public displays, storage 24 areas, loading, staging, and servicing areas, seating areas including 25 lawn seating areas and suites, stages, and any other areas to which the public has access or which are used for the production of the 26 27 entertainment event or other public usage, and any other personal property used for these purposes. "Public or entertainment areas" does 28 not include office areas used predominately by the lessee. 29

(19) All leasehold interests in the public or entertainment areas 30 of a professional motorsports entertainment and family recreation 31 facility that is constructed on or after January 1, 2007. For the 32 purposes of this subsection, "public or entertainment areas" include 33 ticket sales areas, ramps and stairs, lobbies and concourses, parking 34 areas, recreational vehicle camping areas, concession areas 35 36 restaurants, hospitality and club areas, kitchens and other work and 37 maintenance areas servicing other public or entertainment areas, public restroom areas, press and media areas, control towers and booths, 38

broadcast and production areas, retail sales areas, museum and exhibit 1 2 areas, scoreboards and other public displays, storage areas, loading, staging, and servicing areas, seating areas and suites, the closed-3 course speedway, open space, and any other areas to which the public 4 has access or which are used for the production of the entertainment 5 event or other public usage, and any other personal property used for б these purposes. "Public or entertainment areas" does not include 7 private offices or other areas exclusively used by the lessee. 8

9 <u>NEW SECTION.</u> Sec. 603. PAYMENTS IN LIEU OF TAXES. A public 10 speedway authority shall make annual payments in lieu of property taxes 11 to any host jurisdiction, fire protection district, regional fire 12 protection service authority, emergency medical service district, urban 13 emergency medical service district, or other taxing district in an 14 amount equal to the property taxes that would be payable with respect 15 to the property were it not owned by a municipal corporation.

16 **Sec. 604.** RCW 36.94.020 and 1997 c 447 s 11 are each amended to 17 read as follows:

(1) The construction, operation, and maintenance of a system of 18 sewerage and/or water is a county purpose. Subject to the provisions 19 20 of this chapter, every county has the power, individually or in conjunction with another county or counties to adopt, provide for, 21 22 accept, establish, condemn, purchase, construct, add to, operate, and 23 maintain a system or systems of sanitary and storm sewers, including outfalls, interceptors, plans, and facilities and services necessary 24 25 for sewerage treatment and disposal, and/or system or systems of water supply within all or a portion of the county. However, counties shall 26 27 not have power to condemn sewerage and/or water systems of any 28 municipal corporation or private utility.

29 (2) A county may provide sewer service within ten miles outside of 30 its corporate limits to a professional motorsports entertainment and 31 family recreation facility, provided that another municipal corporation 32 is not already furnishing sewerage service to the facility.

33 (3) Such county or counties shall have the authority to control, 34 regulate, operate, and manage such system or systems and to provide 35 funds therefor by general obligation bonds, revenue bonds, local 36 improvement district bonds, utility local improvement district or local

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1 improvement district assessments, and in any other lawful fiscal 2 manner. Rates or charges for on-site inspection and maintenance 3 services may not be imposed under this chapter on the development, 4 construction, or reconstruction of property.

5 <u>(4)</u> Under this chapter, after July 1, 1998, any requirements for 6 pumping the septic tank of an on-site sewage system should be based, 7 among other things, on actual measurement of accumulation of sludge and 8 scum by a trained inspector, trained owner's agent, or trained owner. 9 Training must occur in a program approved by the state board of health 10 or by a local health officer.

Before adopting on-site inspection and maintenance utility 11 services, or incorporating residences into an on-site inspection and 12 13 maintenance or sewer utility under this chapter, notification must be provided, prior to the applicable public hearing, to all residences 14 within the proposed service area that have on-site systems permitted by 15 The notice must clearly state that the 16 the local health officer. 17 residence is within the proposed service area and must provide information on estimated rates or charges that may be imposed for the 18 service. 19

A county shall not provide on-site sewage system inspection, 20 21 pumping services, or other maintenance or repair services under this 22 section using county employees unless the on-site system is connected 23 by a publicly owned collection system to the county's sewerage system, 24 and the on-site system represents the first step in the sewage disposal 25 process. Nothing in this section shall affect the authority of a state or local health officer to carry out their responsibilities under any 26 27 other applicable law.

(5) A county may, as part of a system of sewerage established under 28 this chapter, provide for, finance, and operate any of the facilities 29 and services and may exercise the powers expressly authorized for 30 31 county storm water, flood control, pollution prevention, and drainage 32 services and activities under chapters 36.89, 86.12, 86.13, and 86.15 A county also may provide for, finance, and operate the 33 RCW. facilities and services and may exercise any of the powers authorized 34 for aquifer protection areas under chapter 36.36 RCW; for lake 35 management districts under chapter 36.61 RCW; for diking districts, and 36 37 diking, drainage, and sewerage improvement districts under chapters 38 85.05, 85.08, 85.15, 85.16, and 85.18 RCW; and for shellfish protection

districts under chapter 90.72 RCW. However, if a county by reference 1 2 to any of those statutes assumes as part of its system of sewerage any powers granted to such areas or districts and not otherwise available 3 to a county under this chapter, then (1) the procedures and 4 5 restrictions applicable to those areas or districts apply to the county's exercise of those powers, and (2) the county may not 6 7 simultaneously impose rates and charges under this chapter and under the statutes authorizing such areas or districts for substantially the 8 same facilities and services, but must instead impose uniform rates and 9 10 charges consistent with RCW 36.94.140. By agreement with such an area 11 or district that is not part of a county's system of sewerage, a county 12 may operate that area's or district's services or facilities, but a 13 county may not dissolve any existing area or district except in 14 accordance with any applicable provisions of the statute under which that area or district was created. 15

16 **Sec. 605.** RCW 36.94.030 and 1981 c 313 s 15 are each amended to 17 read as follows:

Whenever the county legislative authority deems it advisable and 18 19 necessary for the public health and welfare of the inhabitants of the 20 county to establish, purchase, acquire, and construct a system of 21 sewerage and/or water, or make any additions and betterments thereto, or extensions thereof, the board shall adopt a sewerage and/or water 22 23 general plan for a system of sewerage and/or water for all or a portion 24 of the county as deemed necessary by the board, and for a system of sewerage service to a professional motorsports entertainment and family 25 26 recreation facility as permitted by RCW 36.94.020. If the county has adopted a comprehensive plan for a physical development of the county 27 pursuant to chapter 36.70 RCW and/or chapter 35.63 RCW, then the 28 29 sewerage and/or water general plan shall be adopted as an element of 30 that comprehensive plan pursuant to the applicable statute.

31 **Sec. 606.** RCW 35.91.020 and 2006 c 88 s 2 are each amended to read 32 as follows:

33 (1)(a) Except as provided under subsection (2) of this section, the 34 governing body of any city, town, county, water-sewer district, or 35 drainage district, hereinafter referred to as a "municipality" may 36 contract with owners of real estate for the construction of storm,

sanitary, or combination sewers, pumping stations, and disposal plants, 1 2 water mains, hydrants, reservoirs, or appurtenances, hereinafter called "water or sewer facilities," within their boundaries or (except for 3 counties) within ten miles from their corporate limits connecting with 4 5 the public water or sewerage system to serve the area in which the real estate of such owners is located, and to provide for a period of not to 6 7 exceed fifteen years for the reimbursement of such owners and their assigns by any owner of real estate who did not contribute to the 8 original cost of such water or sewer facilities and who subsequently 9 10 tap onto or use the same of a fair pro rata share of the cost of the construction of said water or sewer facilities, including not only 11 those directly connected thereto, but also users connected to laterals 12 13 or branches connecting thereto, subject to such reasonable rules and 14 regulations as the governing body of such municipality may provide or contract, and notwithstanding the provisions of any other law. 15

(b) Notwithstanding any limitation on counties in (a) of this 16 17 subsection, a county may contract with a public speedway authority or its lessee for the construction of water or sewer facilities within ten 18 miles of its corporate limits connecting with the county's public 19 sewerage system to service a professional motorsports entertainment and 20 21 family recreation facility, and to provide for a period of not to 22 exceed fifteen years for the reimbursement of the authority or its lessee and their assigns by any owner of real estate who did not 23 24 contribute to the original cost of such sewer facilities and who 25 subsequently tap onto or use the same of a fair pro rata share of the cost of the construction of said sewer facilities, including not only 26 27 those directly connected thereto, but also users connected to laterals or branches connecting thereto, subject to such reasonable rules and 28 regulations as the governing body of such county may provide or 29 30 contract.

31 (2)(a) The contract may provide for an extension of the 32 fifteen-year reimbursement period for a time not to exceed the duration 33 of any moratorium, phasing ordinance, concurrency designation, or other 34 governmental action that prevents making applications for, or the 35 approval of, any new development within the benefit area for a period 36 of six months or more.

37 (b) Upon the extension of the reimbursement period pursuant to (a)38 of this subsection, the contract must specify the duration of the

1 contract extension and must be filed and recorded with the county 2 auditor. Property owners who are subject to the reimbursement 3 obligations under subsection (1) of this section shall be notified by 4 the contracting municipality of the extension filed under this 5 subsection.

(3) Each contract shall include a provision requiring that every 6 7 two years from the date the contract is executed a property owner entitled to reimbursement under this section provide the contracting 8 municipality with information regarding the current contract name, 9 10 address, and telephone number of the person, company, or partnership that originally entered into the contract. If the property owner fails 11 12 to comply with the notification requirements of this subsection within 13 sixty days of the specified time, then the contracting municipality may 14 collect any reimbursement funds owed to the property owner under the contract. Such funds must be deposited in the capital fund of the 15 16 municipality.

17 (4) To the extent it may require in the performance of such contract, such municipality may install said water or sewer facilities 18 in and along the county streets in the area to be served as hereinabove 19 20 provided, subject to such reasonable requirements as to the manner of 21 occupancy of such streets as the county may by resolution provide. The 22 provisions of such contract shall not be effective as to any owner of 23 real estate not a party thereto unless such contract has been recorded 24 in the office of the county auditor of the county in which the real 25 estate of such owner is located prior to the time such owner taps into or connects to said water or sewer facilities. 26

27 **Sec. 607.** RCW 84.34.037 and 1992 c 69 s 6 are each amended to read 28 as follows:

(1) Applications for classification or reclassification under RCW 29 30 84.34.020(1) shall be made to the county legislative authority. An 31 application made for classification or reclassification of land under RCW 84.34.020(1) (b) and (c) which is in an area subject to a 32 comprehensive plan shall be acted upon in the same manner in which an 33 34 amendment to the comprehensive plan is processed. Application made for classification of land which is in an area not subject to a 35 36 comprehensive plan shall be acted upon after a public hearing and after 37 notice of the hearing shall have been given by one publication in a

newspaper of general circulation in the area at least ten days before the hearing: PROVIDED, That applications for classification of land in an incorporated area shall be acted upon by a granting authority composed of three members of the county legislative body and three members of the city legislative body in which the land is located.

6 (2) In determining whether an application made for classification 7 or reclassification under RCW 84.34.020(1) (b) and (c) should be 8 approved or disapproved, the granting authority may take cognizance of 9 the benefits to the general welfare of preserving the current use of 10 the property which is the subject of application, and shall consider: 11 (a) The resulting revenue loss or tax shift;

12 (b) Whether granting the application for land applying under RCW 13 84.34.020(1)(b) will (i) conserve or enhance natural, cultural, or 14 scenic resources, (ii) protect streams, stream corridors, wetlands, natural shorelines and aquifers, (iii) protect soil resources and 15 unique or critical wildlife and native plant habitat, (iv) promote 16 17 conservation principles by example or by offering educational opportunities, (v) enhance the value of abutting or neighboring parks, 18 forests, wildlife preserves, nature reservations, sanctuaries, or other 19 open spaces, (vi) enhance recreation opportunities, (vii) preserve 20 21 historic and archaeological sites, (viii) preserve visual quality along 22 highway, road, and street corridors or scenic vistas, (ix) affect any other factors relevant in weighing benefits to the general welfare of 23 24 preserving the current use of the property; and

(c) Whether granting the application for land applying under RCW 84.34.020(1)(c) will (i) either preserve land previously classified under RCW 84.34.020(2) or preserve land that is traditional farmland and not classified under chapter 84.33 or 84.34 RCW, (ii) preserve land with a potential for returning to commercial agriculture, and (iii) affect any other factors relevant in weighing benefits to the general welfare of preserving the current use of property.

32 (3) If a public benefit rating system is adopted under RCW 84.34.055, the county legislative authority shall rate property for 33 which application for classification has been made under 34 RCW 35 84.34.020(1) (b) and (c) according to the public benefit rating system 36 in determining whether an application should be approved or 37 disapproved, but when such a system is adopted, open space properties

1 then classified under this chapter which do not qualify under the 2 system shall not be removed from classification but may be rated 3 according to the public benefit rating system.

(4) The granting authority may approve the application with respect 4 5 to only part of the land which is the subject of the application. Ιf any part of the application is denied, the applicant may withdraw the 6 entire application. The granting authority in approving in part or 7 whole an application for land classified or reclassified pursuant to 8 RCW 84.34.020(1) may also require that certain conditions be met, 9 including but not limited to the granting of easements. As a condition 10 of granting open space classification, the legislative body may not 11 require public access on land classified under RCW 84.34.020(1)(b)(iii) 12 13 for the purpose of promoting conservation of wetlands.

14 (5) The granting authority shall approve an application for open space classification for any portion of a property used for a 15 professional motorsports entertainment and family recreation facility 16 17 that is (a) not covered with impervious surface and (b) maintained in a condition consistent with the open space designation, including 18 without limitation portions used for activities such as recreation, 19 temporary parking for events, storm water management, wetlands, and 20 21 wetland buffers.

22 (6) The granting or denial of the application for current use 23 classification or reclassification is a legislative determination and 24 shall be reviewable only for arbitrary and capricious actions.

25

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PART VII

MISCELLANEOUS

27 **Sec. 701.** RCW 36.96.010 and 1999 c 153 s 50 are each amended to 28 read as follows:

29 As used in this chapter, unless the context requires otherwise:

30 (1) "Special purpose district" means every municipal and quasimunicipal corporation other than counties, cities, and towns. 31 Such 32 special purpose districts shall include, but are not limited to, watersewer districts, fire protection districts, port districts, public 33 34 utility districts, county park and recreation service areas, flood 35 control zone districts, diking districts, drainage improvement 36 districts, public speedway authorities, and solid waste collection

districts, but shall not include industrial development districts created by port districts, and shall not include local improvement districts, utility local improvement districts, and road improvement districts;

5 (2) "Governing authority" means the commission, council, or other
6 body which directs the affairs of a special purpose district;

7 (3) "Inactive" means that a special purpose district, other than a 8 public utility district, is characterized by either of the following 9 criteria:

10 (a) Has not carried out any of the special purposes or functions 11 for which it was formed within the preceding consecutive five-year 12 period; or

(b) No election has been held for the purpose of electing a member of the governing body within the preceding consecutive seven-year period or, in those instances where members of the governing body are appointed and not elected, where no member of the governing body has been appointed within the preceding seven-year period.

18 A public utility district is inactive when it is characterized by 19 both criteria (a) and (b) of this subsection.

20 NEW SECTION. Sec. 702. APPLICABILITY OF PUBLIC LAWS. A public 21 speedway authority, its officers, and the board of directors, created under this act, are subject to the general laws regulating local 22 23 governments and local governmental officials including, but not limited 24 to, the requirement to be audited by the state auditor and various accounting requirements under chapter 43.09 RCW, the open public record 25 26 requirements under chapter 42.17 RCW, the prohibition on using its facilities for campaign purposes under RCW 42.17.130, the open public 27 meetings law under chapter 42.30 RCW, the code of ethics for municipal 28 29 officers under chapter 42.23 RCW, and the local government 30 whistleblower law under chapter 42.41 RCW.

31 <u>NEW SECTION.</u> Sec. 703. No direct or collateral attack on any 32 public speedway authority purported to be authorized or created in 33 conformance with this chapter may be commenced more than thirty days 34 after creation.

<u>NEW SECTION.</u> Sec. 704. A new section is added to chapter 82.08
 RCW to read as follows:

The tax levied by RCW 82.08.020 does not apply to any retail sales for which a tax deferral certificate is currently effective and has been issued by the department to a public speedway authority, pursuant to section 503 of this act.

7 <u>NEW SECTION.</u> **Sec. 705.** A new section is added to chapter 82.12 8 RCW to read as follows:

9 The provisions of this chapter do not apply in respect to any uses 10 for which a tax deferral certificate is currently effective and has 11 been issued by the department to a public speedway authority, pursuant 12 to section 503 of this act.

13 <u>NEW SECTION.</u> Sec. 706. A new section is added to chapter 82.14 14 RCW to read as follows:

15 The provisions of this chapter do not apply in respect to any local 16 retail sales or uses for which a tax deferral certificate is currently 17 effective and has been issued by the department to a public speedway 18 authority, pursuant to section 503 of this act.

19 <u>NEW SECTION.</u> Sec. 707. Part headings and captions used in this 20 act are not any part of the law.

21 <u>NEW SECTION.</u> Sec. 708. Sections 101 through 309, 402, 403, 501 22 through 504, 601, 603, 702, and 703 of this act constitute a new 23 chapter in Title 36 RCW.

24 <u>NEW SECTION.</u> Sec. 709. If any provision of this act or its 25 application to any person or circumstance is held invalid, the 26 remainder of the act or the application of the provision to other 27 persons or circumstances is not affected.

28 <u>NEW SECTION.</u> **Sec. 710.** The provisions of this act shall be 29 liberally construed to effect the policies and purposes of this act.

30 <u>NEW SECTION.</u> Sec. 711. This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the 2 state government and its existing public institutions, and takes effect 3 July 1, 2007.

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