

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1248

54th Legislature
1995 Regular Session

Passed by the House March 7, 1995
Yeas 92 Nays 2

**Speaker of the
House of Representatives**

Passed by the Senate April 11, 1995
Yeas 92 Nays 2

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1248** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1248

Passed Legislature - 1995 Regular Session

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, G. Fisher, Boldt, Carrell, Campbell, Mason, Ebersole, B. Thomas, Cairnes, Radcliff, Cooke, Chandler, Mielke, Ballasiotes, Robertson, Mitchell, Schoesler, Appelwick, Sheldon, Costa, Morris, Basich and Conway)

Read first time 02/07/95.

1 AN ACT Relating to tax deferrals for a new thoroughbred race track
2 facility; adding a new chapter to Title 82 RCW; and declaring an
3 emergency.

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

5 NEW SECTION. **Sec. 1.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Applicant" means a person applying for a tax deferral under
9 this chapter.

10 (2) "Person" has the meaning given in RCW 82.04.030.

11 (3) "Department" means the department of revenue.

12 (4) "Investment project" means construction of buildings, site
13 preparation, and the acquisition of related machinery and equipment
14 when the buildings, machinery, and equipment are to be used in the
15 operation of a new thoroughbred race track.

16 (5) "New thoroughbred race track" means a site for thoroughbred
17 horse racing located west of the Cascade mountains on which
18 construction is commenced after the effective date of this act and
19 prior to July 1, 1998.

1 (6) "Buildings" means only those new structures such as ticket
2 offices, concession areas, grandstands, stables, and other structures
3 that are an essential or an integral part of a thoroughbred race track.
4 If a building is used partly for use as an essential or integral part
5 of a thoroughbred race track and partly for other purposes, the
6 applicable tax deferral shall be determined by apportionment of the
7 costs of construction under rules adopted by the department.

8 (7) "Machinery and equipment" means all fixtures, equipment, and
9 support facilities that are an integral and necessary part of a
10 thoroughbred race track.

11 (8) "Recipient" means a person receiving a tax deferral under this
12 chapter.

13 (9) "Certificate holder" means an applicant to whom a tax deferral
14 certificate has been issued.

15 (10) "Operationally complete" means constructed or improved to the
16 point of being functionally useable for thoroughbred horse racing.

17 (11) "Initiation of construction" means that date upon which on-
18 site construction commences.

19 NEW SECTION. **Sec. 2.** Application for deferral of taxes under this
20 chapter shall be made before initiation of construction of buildings,
21 site preparation, or acquisition of machinery and equipment. The
22 application shall be made to the department in a form and manner
23 prescribed by the department. The application shall contain
24 information regarding the location of the investment project, estimated
25 or actual costs, time schedules for completion and operation, and other
26 information required by the department. The department shall rule on
27 the application within sixty days.

28 NEW SECTION. **Sec. 3.** (1) The department shall issue a sales and
29 use tax deferral certificate for state and local sales and use taxes
30 due under chapters 82.08, 82.12, and 82.14 RCW on each investment
31 project. The use of the certificate shall be governed by rules
32 established by the department.

33 (2) This section shall expire July 1, 1998.

34 NEW SECTION. **Sec. 4.** (1) The recipient shall begin paying the
35 deferred taxes in the tenth year after the date certified by the
36 department as the date on which the investment project is operationally

1 complete. The first payment is due on December 31st of the tenth
2 calendar year after such certified date, with subsequent annual
3 payments due on December 31st of the following four years with amounts
4 of payment scheduled as follows:

5	Repayment Year	% of Deferred Tax Repaid
6	1	20%
7	2	20%
8	3	20%
9	4	20%
10	5	20%

11 (2) The department may authorize an accelerated repayment schedule
12 upon request of the recipient.

13 (3) Interest shall not be charged on any taxes deferred under this
14 chapter for the period of deferral, although all other penalties and
15 interest applicable to delinquent excise taxes may be assessed and
16 imposed for delinquent payments under this chapter. The debt for
17 deferred taxes is not extinguished by insolvency or other failure of
18 the recipient.

19 NEW SECTION. **Sec. 5.** Chapter 82.32 RCW applies to the
20 administration of this chapter.

21 NEW SECTION. **Sec. 6.** Applications and any other information
22 received by the department under this chapter is not confidential and
23 is subject to disclosure.

24 NEW SECTION. **Sec. 7.** 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 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act shall
29 constitute a new chapter in Title 82 RCW.

30 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the

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

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