

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1248

Chapter 352, Laws of 1995

54th Legislature
1995 Regular Session

NEW THOROUGHBRED RACE TRACK--TAX DEFERRALS

EFFECTIVE DATE: 5/16/95

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

CLYDE BALLARD

**Speaker of the
House of Representatives**

Passed by the Senate April 12, 1995
Yeas 43 Nays 2

JOEL PRITCHARD

President of the Senate

Approved May 16, 1995

MIKE LOWRY

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.

TIMOTHY A. MARTIN

Chief Clerk

FILED

May 16, 1995 - 11:02 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1248

AS AMENDED BY THE SENATE

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 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 to the department in a form and manner prescribed
21 by the department. The application shall contain information regarding
22 the location of the investment project, estimated or actual costs, time
23 schedules for completion and operation, and other information required
24 by the department. The department shall rule on the application within
25 sixty days.

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

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

32 NEW SECTION. **Sec. 4.** (1) The recipient shall begin paying the
33 deferred taxes in the fifth year after the date certified by the
34 department as the date on which the investment project is operationally
35 complete. The first payment is due on December 31st of the fifth
36 calendar year after such certified date, with subsequent annual

1 payments due on December 31st of the following nine years with amounts
2 of payment scheduled as follows:

3	Repayment Year	% of Deferred Tax Repaid
4	1	10%
5	2	10%
6	3	10%
7	4	10%
8	5	10%
9	6	10%
10	7	10%
11	8	10%
12	9	10%
13	10	10%

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

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

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

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

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

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

1 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect immediately.

 Passed the House March 7, 1995.

 Passed the Senate April 12, 1995.

 Approved by the Governor May 16, 1995.

 Filed in Office of Secretary of State May 16, 1995.