
SUBSTITUTE HOUSE BILL 2144

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Finance (originally sponsored by Representatives Kirby, Cairnes, Talcott, Fisher, Van Luven, Darneille and Morris)

Read first time 03/08/2001. Referred to Committee on .

1 AN ACT Relating to tax deferrals for theme parks; adding a new
2 chapter to Title 82 RCW; and providing an effective date.

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

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

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

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

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

11 (4) "Investment project" means construction of structures, site
12 preparation, and the acquisition of related machinery and equipment
13 when the structures, machinery, and equipment will be used in the
14 operation of a new theme park.

15 (5) "Theme park" means an entertainment facility that:

16 (a) Is on a site of at least eighty acres;

17 (b) Has entertainments and facilities designed around a particular
18 subject or idea;

1 (c) Provides a wide variety of entertainment, including amusement
2 rides, a water park, live and animated entertainment, games, retail
3 stores, restaurant and food service, and similar facilities; and

4 (d) For which initiation of construction is after January 1, 2001,
5 and before July 1, 2003.

6 (6) "Structures" means only new edifices such as ticket offices,
7 entertainment facilities, maintenance facilities, parking facilities,
8 and other structures that are an essential or integral part of a theme
9 park. If a structure is used partly for use as an essential or
10 integral part of a theme park and partly for other purposes, the
11 applicable tax deferral shall be determined by apportionment of the
12 costs of construction under rules adopted by the department.

13 (7) "Machinery and equipment" means all fixtures, equipment, and
14 support facilities that are an integral and necessary part of a theme
15 park.

16 (8) "Recipient" means a person receiving a tax deferral under this
17 chapter.

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

20 (10) "Operationally complete" means constructed or improved to the
21 point of being functionally useable as a theme park.

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

24 NEW SECTION. **Sec. 2.** Application for deferral of taxes under this
25 chapter must be made before initiation of the construction of the
26 investment project or acquisition of equipment or machinery.
27 Application shall be made to the department in a form and manner
28 prescribed by the department. The application shall contain
29 information regarding the location of the investment project, estimated
30 or actual costs, time schedules for completion and operation, and other
31 information required by the department. The department shall rule on
32 the application within sixty days. If the investment project meets the
33 requirements of this chapter, the department shall issue a sales and
34 use tax deferral certificate for state and local sales and use taxes
35 due under chapters 82.08, 82.12, and 82.14 RCW on the investment
36 project.

NEW SECTION.

Sec. 3.

(1) If a proposed investment project is located within a city then application for deferral of taxes under this chapter may be made only after the legislative authority of the city has conducted a public hearing on the proposed investment project after the effective date of this act, submitted an advisory vote ballot proposition to the registered voters residing within the city, and adopted a resolution supporting the investment project.

(2) Notice of the public hearing shall be published at least once, not less than ten days prior to the hearing, in a newspaper of general circulation within the city. The public hearing may be continued to other times, dates, and places announced at the public hearing, without other publication of notice. At the public hearing, the city legislative authority shall hear objections and comments from any person interested in the proposed investment project.

(3) After the public hearing, the city legislative authority may adopt a resolution causing an advisory vote ballot proposition to be submitted to the registered voters residing within the city. The resolution shall describe the investment project. The ballot proposition shall be in substantially the following form:

"Should the theme park described herein be constructed within the City of ?
YES 1
NO 1 "

(4) A simple majority "Yes" vote by registered voters is advisory only and means only that according to a majority of the persons voting on the proposition the investment project should proceed towards construction. A simple majority "Yes" vote by registered voters shall not be construed to have any other effect, including approval of any land use applications, building permits, or other legal requirements imposed on the investment project or of any city financial participation in the project or in public facilities designed to support the activities of the project.

(5) After the advisory vote, the city legislative authority may, upon a finding that the investment project would be in the public interest, adopt a resolution in support of the investment project. Adoption of a resolution in support of the investment project shall not be construed to be approval of any land use application, building permit, or other legal requirement imposed on the investment project or

1 of any city financial participation in the project or in public
2 facilities designed to support the activities of the project.

3 NEW SECTION. **Sec. 4.** (1) Except as provided in subsection (2) of
4 this section, taxes deferred under this chapter need not be repaid.

5 (2) If, on the basis of a report under section 5 of this act or
6 other information, the department finds that an investment project is
7 used for purposes other than a theme park at any time during the
8 calendar year in which the investment project is certified by the
9 department as being operationally complete, or at any time during any
10 of the seven succeeding calendar years, a portion of deferred taxes is
11 immediately due according to the following schedule:

12	Year in which use occurs	% of deferred taxes due
13	1	100.0%
14	2	87.5%
15	3	75.0%
16	4	62.5%
17	5	50.0%
18	6	37.5%
19	7	25.0%
20	8	12.5%

21 The department shall assess interest at the rate provided for
22 delinquent taxes, but not penalties, retroactively to the date of
23 deferral. The debt for deferred taxes will not be extinguished by
24 insolvency or other failure of the recipient. Transfer of ownership
25 does not terminate the deferral. The deferral is transferred, subject
26 to the successor meeting the eligibility requirements of this chapter,
27 for the remaining periods of the deferral.

28 NEW SECTION. **Sec. 5.** Each recipient of a deferral granted under
29 this chapter shall submit a report to the department on December 31st
30 of the year in which the investment project is certified by the
31 department as being operationally complete, and on December 31st of
32 each of the seven succeeding calendar years. The report shall contain
33 information, as required by the department, from which the department
34 may determine whether the recipient is meeting the requirements of this
35 chapter.

1 NEW SECTION. **Sec. 6.** This act takes effect August 1, 2001.

2 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act constitute
3 a new chapter in Title 82 RCW.

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