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**SENATE BILL 6040**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senators Hatfield, Zarelli, Hobbs, Delvin and Tom; by request of Lieutenant Governor

Read first time 02/15/2007. Referred to Committee on Agriculture & Rural Economic Development.

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,  
3 70.107.080, 39.04.010, 84.33.140, 76.09.060, 35.13.005, 35.13.180,  
4 36.94.020, 36.94.030, 35.91.020, 84.34.037, and 36.96.010; reenacting  
5 and amending RCW 82.29A.130; adding new sections to chapter 82.14 RCW;  
6 adding a new section to chapter 82.08 RCW; adding a new section to  
7 chapter 82.12 RCW; adding a new chapter to Title 36 RCW; creating new  
8 sections; providing an effective date; and declaring an emergency.

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

10 **PART I**

11 **INTENT**

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

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

11 **PART II**  
12 **DEFINITIONS**

13 NEW SECTION. **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.

19 (2) "Facility" means a professional motorsports entertainment and  
20 family recreation facility.

21 (3) "Force majeure event" means natural disasters or other  
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  
26 other labor dispute (not involving the public speedway authority or its  
27 lessee or prospective lessee or any parent, corporate affiliate, or  
28 successor directly as a party in such strike, lockout, or other labor  
29 dispute); embargoes; epidemics; terrorist acts; riots; insurrections;  
30 explosions; and nuclear accidents or other occurrence reasonably beyond  
31 the control of the public speedway authority or its lessee or  
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

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

9 (5) "Lessee" means a corporation that enters into a lease agreement  
10 with a public speedway authority under section 401 of this act and that  
11 is a corporation that, or is a wholly owned subsidiary of a corporation  
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,  
15 top tier professional motorsports events, including at least twenty  
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.

22 (7) "NASCAR" means the National Association for Stockcar Auto  
23 Racing, Inc. or its designees or assignees.

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

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

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

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

17 **PART III**  
18 **PUBLIC SPEEDWAY AUTHORITY**

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

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.

1        NEW SECTION.    **Sec. 302.**    GOVERNANCE.

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

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

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

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

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

1 effective date of such change. If a county becomes the host  
2 jurisdiction after a city has been the host jurisdiction, the  
3 legislative body of the county shall appoint members of the board of  
4 directors to replace the members appointed by the previous host  
5 jurisdiction within thirty days of the effective date of such change.  
6 Each newly appointed member of the board of directors shall serve for  
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  
10 speedway authority is authorized to undertake or otherwise provide for  
11 the acquisition of a site for and the financing, permitting, design,  
12 development, construction, reconstruction, remodeling, alteration,  
13 maintenance, equipping, reequipping, repair, and operation of a  
14 professional motorsports entertainment and family recreation facility.

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,  
19 sublease, purchase, or sale, and to enter into contracts. An authority  
20 may also sell, lease, convey, or otherwise dispose of any real or  
21 personal property or property rights no longer necessary or desirable  
22 for the conduct of the affairs of the authority.

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,  
27 maintenance, equipping, reequipping, repair, or operation of a  
28 facility. Such activities shall be deemed to be a public purpose of  
29 the state or any such municipal corporation. The agreements may  
30 provide that any party to the contract designs, finances, acquires,  
31 develops, constructs, reconstructs, remodels, alters, maintains,  
32 equips, reequips, repairs, or operates the facility for the other party  
33 or parties to the contract. The state and any municipal corporation is  
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,  
37 or other financing agreement. The legislative body of any county or

1 city within which a public speedway authority functions may acquire  
2 property on behalf of, or transfer property to, a public speedway  
3 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.

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

28 NEW SECTION. **Sec. 305.** PER DIEM COMPENSATION. Each member of the  
29 board of directors of a public speedway authority may receive  
30 compensation of fifty dollars per day for attending meetings or  
31 conferences on behalf of the authority, not to exceed three thousand  
32 dollars per year. A director may waive all or a portion of his or her  
33 compensation under this section during his or her term of office, by a  
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.

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

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

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



1 NEW SECTION. Sec. 309. TREASURER. The treasurer of the host  
2 jurisdiction shall be the ex officio treasurer of the authority.

3 **PART IV**  
4 **PUBLIC FUNDING AND FACILITY FINANCING**

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

7 SALES TAX--CREDIT AGAINST STATE SALES TAX. (1) Beginning on  
8 January 1, 2011, the board of directors of a public speedway authority  
9 that has entered into a lease agreement with a lessee under section 601  
10 of this act may impose a sales and use tax in accordance with this  
11 chapter. The tax is in addition to other taxes authorized by law and  
12 shall be collected from those persons who are taxable by the state  
13 under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable  
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  
16 of the article used in the case of a use tax.

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

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

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

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

7 NEW SECTION. **Sec. 402.** PUBLIC SPEEDWAY AUTHORITY ADMISSIONS TAX.

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

22 (2) An authority may apply the proceeds of the tax pursuant to  
23 either (a) or (b) of this subsection:

24 (a) Until all costs of the initial acquisition, permitting, design,  
25 development, construction, and equipping of a facility have been paid  
26 and all bonds issued to finance these costs and paid from the  
27 admissions tax have been retired, whether upon maturity or by early  
28 retirement, not more than eighty percent of the proceeds of the tax  
29 applied under this subsection may be used exclusively to pay costs of  
30 the acquisition, permitting, design, development, construction, or  
31 equipping of the facility, including paying debt service on or  
32 providing for the early retirement of bonds issued to finance or  
33 refinance these costs, paying for credit enhancement and other costs of  
34 issuance, and funding reasonable debt service or capital reserves, and  
35 at least twenty percent of the proceeds of the tax shall be used  
36 exclusively for payments to the host jurisdiction for use by the host  
37 jurisdiction for any public purpose. After all costs of the initial

1 acquisition, permitting, design, development, construction, and  
2 equipping of a facility have been paid and all bonds issued to finance  
3 or refinance these costs and paid from the admissions tax have been  
4 retired, whether upon maturity or by early retirement, the proceeds of  
5 the tax applied under this subsection first may be used to pay debt  
6 service on any other authority bonds and to pay amounts due in  
7 connection with credit enhancement for authority bonds, and, second,  
8 shall be paid to the host jurisdiction for use by the host jurisdiction  
9 for any public purpose.

10 (b) Proceeds of the tax collected under this section may be  
11 provided by the authority to the host jurisdiction. The host  
12 jurisdiction shall use such proceeds to fund, to the extent of the  
13 proceeds of the admissions tax, the off-site public infrastructure  
14 improvements necessary for the efficient operation of the facility  
15 identified through environmental review of the proposed facility,  
16 required as conditions of its permitting, and only to the extent such  
17 improvements are incremental to the public infrastructure required to  
18 serve nearby development as described in any host jurisdiction  
19 comprehensive plan. Improvements undertaken in connection with the  
20 development of the facility shall satisfy the obligation of the public  
21 speedway authority or its lessee under section 501(1) of this act  
22 concerning off-site infrastructure. The host jurisdiction may  
23 determine to undertake only such off-site public infrastructure  
24 improvements necessary to satisfy the obligation of the public speedway  
25 authority or its lessee under section 501(1) of this act with respect  
26 to off-site infrastructure and use any proceeds remaining after payment  
27 of the costs of such improvements, including debt service on any  
28 financing undertaken for such improvements, for public infrastructure  
29 required to serve development in the vicinity of the facility, as  
30 described in the host jurisdiction's comprehensive plan, if applicable,  
31 or for any other public purpose. After the costs of any public  
32 infrastructure funded from the proceeds of the tax applied under this  
33 subsection have been fully paid, including the retirement of any  
34 financing undertaken for such improvements, the authority first may  
35 apply proceeds of the tax applied under this subsection to pay debt  
36 service on any other authority bonds and to pay amounts due in  
37 connection with credit enhancement on authority bonds, and, second,

1 shall be paid to the host jurisdiction for use by the host jurisdiction  
2 for any public purpose.

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

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

25 (2) The proceeds of bonds issued under this section may be applied  
26 to finance or refinance the acquisition, permitting, design,  
27 development, construction, or equipping of the facility, including  
28 payments for costs of credit enhancement and other costs of issuance,  
29 establishment of reasonable reserves, and capitalizing interest on  
30 bonds during and up to eighteen months following completion of  
31 construction of the facility. A public speedway authority may issue  
32 additional bonds to pay costs of reconstruction, remodeling,  
33 alteration, maintenance, reequipping, and repair of a facility payable  
34 from and secured by a pledge of revenues derived from the lease of the  
35 facility or any other amounts derived from any other source that are  
36 available for the payment of debt service on the bonds.

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

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

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

1 early retirement of bonds issued pursuant to this section, consistent  
2 with any applicable requirements of the federal tax code.

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

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

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

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

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

30 (11) The financing of a facility owned by a public speedway  
31 authority is deemed to be a public purpose for each city or county  
32 within the area boundaries of the public speedway authority, and such  
33 city or county, acting through its legislative body, is authorized to  
34 issue bonds or otherwise contract indebtedness and make the proceeds of  
35 bonds and indebtedness available to the public speedway authority for  
36 its purposes upon the terms and conditions that the county or city and  
37 the public speedway authority may mutually agree upon. The public

1 speedway authority may pledge the taxes, revenues, or other amounts  
2 described in subsection (1) of this section to pay and secure bonds and  
3 indebtedness of any such city or county.

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

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

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

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

25 (1) Any county may by ordinance enacted by its county legislative  
26 authority, levy and fix a tax of not more than one cent on twenty cents  
27 or fraction thereof to be paid for county purposes by persons who pay  
28 an admission charge to any place, including a tax on persons who are  
29 admitted free of charge or at reduced rates to any place for which  
30 other persons pay a charge or a regular higher charge for the same or  
31 similar privileges or accommodations; and require that one who receives  
32 any admission charge to any place shall collect and remit the tax to  
33 the county treasurer of the county(~~(:—PROVIDED,)~~). No county shall  
34 impose (~~(such)~~) the tax on persons paying an admission to any activity  
35 of any elementary or secondary school (~~(or)~~), any public facility of a  
36 public facility district under chapter 35.57 or 36.100 RCW for which a

1 tax is imposed under RCW 35.57.100 or 36.100.210, or any professional  
2 motorsports entertainment and family recreation facility for which a  
3 tax is imposed under section 402 of this act.

4 (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 a charge made for use of seats and tables, reserved or otherwise, and  
7 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 equipment or facilities is necessary to the enjoyment of a privilege  
12 for which a general admission is charged, the combined charges shall be  
13 considered as the admission charge. It shall also include any  
14 automobile parking charge where the amount of such charge is determined  
15 according to the number of passengers in any automobile.

16 (3) Subject to subsections (4) and (5) of this section, the tax  
17 herein authorized shall not be exclusive and shall not prevent any city  
18 or town within the taxing county, when authorized by law, from imposing  
19 within its corporate limits a tax of the same or similar kind(~~+~~  
20 ~~PROVIDED, That whenever~~)). If the same or similar kind of tax is  
21 imposed by any such city or town, no such tax shall be levied within  
22 the corporate limits of such city or town by the county.

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

29 (a) Not more than one cent on twenty cents or fraction thereof, to  
30 be used for the purpose of paying the principal and interest payments  
31 on bonds issued by a county to construct a baseball stadium as defined  
32 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 baseball stadium, excluding any cost overruns on initial construction;  
36 and

37 (b) Not more than one cent on twenty cents or fraction thereof, to  
38 be used for the purpose of paying the principal and interest payments



1 on bonds issued by a county to construct a baseball stadium as defined  
2 in RCW 82.14.0485. The tax imposed under this subsection (4)(b) shall  
3 expire when the bonds issued for the construction of the baseball  
4 stadium are retired, but not later than twenty years after the tax is  
5 first collected.

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

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

35 (1) Every city and town may levy and fix a tax of not more than one  
36 cent on twenty cents or fraction thereof to be paid by the person who

1 pays an admission charge to any place with the following limitations:  
2 ((~~PROVIDED,~~))

3 (a) No city or town shall impose such tax on persons paying an  
4 admission to any activity of any elementary or secondary school or any  
5 public facility of a public facility district under chapter 35.57 or  
6 36.100 RCW for which a tax is imposed under RCW 35.57.100 or  
7 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 maintenance, repair, replacement, or enhancement of that public  
12 facility or to develop, support, operate, or enhance programs in that  
13 public facility; and

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

17 (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 same privileges or accommodations. A city that is located in a county  
21 with a population of one million or more may not levy a tax on events  
22 in stadia constructed on or after January 1, 1995, that are owned by a  
23 public facilities district under chapter 36.100 RCW and that have  
24 seating capacities over forty thousand. The city or town may require  
25 anyone who receives payment for an admission charge to collect and  
26 remit the tax to the city or town.

27 (3) The term "admission charge" includes:

28 (a) A charge made for season tickets or subscriptions;  
29 (b) A cover charge, or a charge made for use of seats and tables  
30 reserved or otherwise, and other similar accommodations;

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

33 (d) A charge made for rental or use of equipment or facilities for  
34 purposes of recreation or amusement; if the rental of the equipment or  
35 facilities is necessary to the enjoyment of a privilege for which a  
36 general admission is charged, the combined charges shall be considered  
37 as the admission charge;

1 (e) Automobile parking charges if the amount of the charge is  
2 determined according to the number of passengers in the automobile.

3 **PART V**

4 **DEVELOPMENT OF FACILITY**

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

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

3 NEW SECTION. **Sec. 502.** FACILITY DEVELOPMENT. (1) A public  
4 speedway authority may, in consultation with its lessee or prospective  
5 lessee, determine the overall scope and components of any professional  
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  
10 professional motorsports events, and approve the final budget for  
11 financing, permitting, design, development, construction, and equipping  
12 of the facility.

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

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

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

18 NEW SECTION. **Sec. 503.** SALES TAX DEFERRAL. (1) The public  
19 speedway authority may apply for deferral of taxes on the design and  
20 construction of buildings, site preparation, and the acquisition of  
21 related tangible personal property and retail services for a facility  
22 including, but not limited to, parking lots, parking garages,  
23 landscaping, environmental or other mitigation work required as part of  
24 any federal, state, county, city, or other governmental regulatory  
25 approval process, utility relocation, sidewalks, storm water systems,  
26 transit improvements, roads, or other investments made: Either at the  
27 facility or off-site and regardless if owned by the authority or  
28 dedicated to a public body. Application shall be made to the  
29 department of revenue in a form and manner prescribed by the department  
30 of revenue. The application shall contain information regarding the  
31 location of the facility, estimated or actual costs, time schedules for  
32 completion and operation, and other information required by the  
33 department of revenue. The department of revenue shall approve the  
34 application within sixty days if it meets the requirements of this  
35 section.

36 (2) The department of revenue shall issue a sales and use tax

1 deferral certificate for state and local sales and use taxes due under  
2 chapters 82.08, 82.12, and 82.14 RCW for the activities described in  
3 subsection (1) of this section.

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

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

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

19 (6) Applications and any other information received by the  
20 department of revenue under this section are not confidential and are  
21 subject to disclosure. Chapter 82.32 RCW applies to the administration  
22 of this section.

23 NEW SECTION. **Sec. 504.** PERMITTING. (1) The lessee and the

24 legislative bodies of the public speedway authority and the host  
25 jurisdiction shall negotiate terms acceptable to each party to address:

26 (a) A schedule for efficient, timely, and reliable permit  
27 processing for the facility, to reflect statutory and regulatory  
28 permitting time frames and local government best practices;

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

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

36 (d) Other items deemed appropriate by the lessee and the  
37 legislative bodies of the authority and the host jurisdiction for an

1 efficient permitting, environmental review, and regulatory approval  
2 process and timely construction of the facility, including use of  
3 parallel review processes, early coordination and timely comment on  
4 preapplication matters, consolidated hearings, and identification of a  
5 lead representative for permit preparation and environmental review for  
6 each party.

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

12 (3) The proceeds of any public speedway authority bonds issued to  
13 finance costs of acquisition, permitting, design, development,  
14 construction, or equipping of the facility may not be expended until  
15 any host jurisdiction that requires master plan approval for the  
16 proposed facility approves a master plan for the facility or,  
17 alternatively, when the proposed facility site is annexed into any city  
18 that is a host jurisdiction in which a professional motorsports  
19 entertainment and family recreation facility is a permitted use.

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

23 (5) Nothing in this section shall be construed to reduce the  
24 responsibility or ability of the host jurisdiction to carry out such  
25 permitting, review, and regulatory approval processes in compliance  
26 with applicable law and regulations; the purpose of any agreements  
27 entered into pursuant to this section specifying schedules for  
28 permitting, environmental review, and regulatory approval is to  
29 facilitate construction of a large capital facility project in a timely  
30 manner and avoid the inflationary costs associated with undue delay.

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

33 URBAN SERVICES TO THE FACILITY. (1) Each county that is required  
34 or chooses to plan under RCW 36.70A.040 shall designate an urban growth  
35 area or areas within which urban growth shall be encouraged and outside  
36 of which growth can occur only if it is not urban in nature. Each city  
37 that is located in such a county shall be included within an urban

1 growth area. An urban growth area may include more than a single city.  
2 An urban growth area may include territory that is located outside of  
3 a city only if such territory already is characterized by urban growth  
4 whether or not the urban growth area includes a city, or is adjacent to  
5 territory already characterized by urban growth, or is a designated new  
6 fully contained community as defined by RCW 36.70A.350.

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

13 Each urban growth area shall permit urban densities and shall  
14 include greenbelt and open space areas. In the case of urban growth  
15 areas contained totally within a national historical reserve, the city  
16 may restrict densities, intensities, and forms of urban growth as  
17 determined to be necessary and appropriate to protect the physical,  
18 cultural, or historic integrity of the reserve. An urban growth area  
19 determination may include a reasonable land market supply factor and  
20 shall permit a range of urban densities and uses. In determining this  
21 market factor, cities and counties may consider local circumstances.  
22 Cities and counties have discretion in their comprehensive plans to  
23 make many choices about accommodating growth.

24 Within one year of July 1, 1990, each county that as of June 1,  
25 1991, was required or chose to plan under RCW 36.70A.040, shall begin  
26 consulting with each city located within its boundaries and each city  
27 shall propose the location of an urban growth area. Within sixty days  
28 of the date the county legislative authority of a county adopts its  
29 resolution of intention or of certification by the office of financial  
30 management, all other counties that are required or choose to plan  
31 under RCW 36.70A.040 shall begin this consultation with each city  
32 located within its boundaries. The county shall attempt to reach  
33 agreement with each city on the location of an urban growth area within  
34 which the city is located. If such an agreement is not reached with  
35 each city located within the urban growth area, the county shall  
36 justify in writing why it so designated the area an urban growth area.  
37 A city may object formally with the department over the designation of



1 the urban growth area within which it is located. Where appropriate,  
2 the department shall attempt to resolve the conflicts, including the  
3 use of mediation services.

4 (3) Urban growth should be located first in areas already  
5 characterized by urban growth that have adequate existing public  
6 facility and service capacities to serve such development, second in  
7 areas already characterized by urban growth that will be served  
8 adequately by a combination of both existing public facilities and  
9 services and any additional needed public facilities and services that  
10 are provided by either public or private sources, and third in the  
11 remaining portions of the urban growth areas. Urban growth may also be  
12 located in designated new fully contained communities as defined by RCW  
13 36.70A.350.

14 (4) In general, cities are the units of local government most  
15 appropriate to provide urban governmental services. In general, it is  
16 not appropriate that urban governmental services be extended to or  
17 expanded in rural areas except in those limited circumstances shown to  
18 be necessary to protect basic public health and safety and the  
19 environment and when such services are financially supportable at rural  
20 densities and do not permit urban development. The extension of urban  
21 governmental services including, without limitation, storm and sanitary  
22 sewer services, to a facility owned or operated by a public roadway  
23 authority and with capacity for not fewer than eighty-three thousand  
24 people is necessary to protect basic public health and safety and the  
25 environment, provided it is located at least partially within an urban  
26 area.

27 (5) On or before October 1, 1993, each county that was initially  
28 required to plan under RCW 36.70A.040(1) shall adopt development  
29 regulations designating interim urban growth areas under this chapter.  
30 Within three years and three months of the date the county legislative  
31 authority of a county adopts its resolution of intention or of  
32 certification by the office of financial management, all other counties  
33 that are required or choose to plan under RCW 36.70A.040 shall adopt  
34 development regulations designating interim urban growth areas under  
35 this chapter. Adoption of the interim urban growth areas may only  
36 occur after public notice; public hearing; and compliance with the  
37 state environmental policy act, chapter 43.21C RCW, and ((RCW  
38 ~~36.70A.110~~)) this section. Such action may be appealed to the

1 appropriate growth management hearings board under RCW 36.70A.280.  
2 Final urban growth areas shall be adopted at the time of comprehensive  
3 plan adoption under this chapter.

4 (6) Each county shall include designations of urban growth areas in  
5 its comprehensive plan.

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

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

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

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

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

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

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

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

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

33 (7) Beginning on state route number 3 at the junction with Old  
34 Belfair Highway, thence northeasterly approximately four and  
35 nine-tenths miles to a point along state route number 3 adjacent to the  
36 northernmost boundary of the Bremerton national airport, for any  
37 professional motorsports entertainment and family recreation facility

1 signage. This section of the system shall be excluded from the scenic  
2 system but remain subject to any applicable local legal standards  
3 concerning signage, to review under chapter 43.21C RCW, and to any  
4 requirements imposed for the purpose of mitigating impacts under RCW  
5 43.21C.060.

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

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

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

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

26 **Sec. 508.** RCW 39.04.010 and 2000 c 138 s 102 are each amended to  
27 read as follows:

28 PUBLIC WORKS PROVISIONS. The term state shall include the state of  
29 Washington and all departments, supervisors, commissioners and agencies  
30 thereof.

31 The term "municipality" shall include every city, county, town,  
32 district or other public agency thereof which is authorized by law to  
33 require the execution of public work, except drainage districts, diking  
34 districts, diking and drainage improvement districts, drainage  
35 improvement districts, diking improvement districts, consolidated  
36 diking and drainage improvement districts, consolidated drainage

1 improvement districts, consolidated diking improvement districts,  
2 irrigation districts or any such other districts as shall from time to  
3 time be authorized by law for the reclamation or development of waste  
4 or undeveloped lands.

5 The term "public work" shall include all work, construction,  
6 alteration, repair, or improvement other than ordinary maintenance,  
7 executed at the cost of the state or of any municipality, or which is  
8 by law a lien or charge on any property therein. All public works,  
9 including maintenance when performed by contract shall comply with the  
10 provisions of RCW 39.12.020. The term does not include work,  
11 construction, alteration, repair, or improvement performed under  
12 contracts entered into under RCW 36.102.060(4) or under development  
13 agreements entered into under RCW 36.102.060(7) or leases entered into  
14 under RCW 36.102.060(8). The term does not include work, construction,  
15 alteration, repair, or improvement of a professional motorsports  
16 entertainment and family recreation facility performed under a  
17 development agreement authorized pursuant to section 502(2) of this act  
18 or lease authorized pursuant to section 601 of this act or services  
19 procured by the lessee or prospective lessee in connection with any  
20 such work, construction, alteration, repair, or improvement.

21 The term "contract" shall mean a contract in writing for the  
22 execution of public work for a fixed or determinable amount duly  
23 awarded after advertisement and competitive bid. However, a contract  
24 which is awarded from a small works roster need not be advertised.

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

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

34 (2) In preparing the assessment roll as of January 1, 2002, for  
35 taxes payable in 2003 and each January 1st thereafter, the assessor  
36 shall list each parcel of designated forest land at a value with  
37 respect to the grade and class provided in this subsection and adjusted

1 as provided in subsection (3) of this section. The assessor shall  
 2 compute the assessed value of the land using the same assessment ratio  
 3 applied generally in computing the assessed value of other property in  
 4 the county. Values for the several grades of bare forest land shall be  
 5 as follows:

6	LAND	OPERABILITY	VALUES
7	GRADE	CLASS	PER ACRE
8		1	\$234
9	1	2	229
10		3	217
11		4	157
12		1	198
13	2	2	190
14		3	183
15		4	132
16		1	154
17	3	2	149
18		3	148
19		4	113
20		1	117
21	4	2	114
22		3	113
23		4	86
24		1	85
25	5	2	78
26		3	77
27		4	52
28		1	43
29	6	2	39
30		3	39
31		4	37
32		1	21
33	7	2	21
34		3	20
35		4	20
36	8		1

1 (3) On or before December 31, 2001, the department shall adjust by  
2 rule under chapter 34.05 RCW, the forest land values contained in  
3 subsection (2) of this section in accordance with this subsection, and  
4 shall certify the adjusted values to the assessor who will use these  
5 values in preparing the assessment roll as of January 1, 2002. For the  
6 adjustment to be made on or before December 31, 2001, for use in the  
7 2002 assessment year, the department shall:

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

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

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

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

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

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

31 (b) Sale or transfer to an ownership making the land exempt from ad  
32 valorem taxation;

33 (c) Sale or transfer of all or a portion of the land to a new  
34 owner, unless the new owner has signed a notice of forest land  
35 designation continuance, except transfer to an owner who is an heir or  
36 devisee of a deceased owner, shall not, by itself, result in removal of  
37 designation. The signed notice of continuance shall be attached to the  
38 real estate excise tax affidavit provided for in RCW 82.45.150. The

1 notice of continuance shall be on a form prepared by the department.  
2 If the notice of continuance is not signed by the new owner and  
3 attached to the real estate excise tax affidavit, all compensating  
4 taxes calculated under subsection (11) of this section shall become due  
5 and payable by the seller or transferor at time of sale. The auditor  
6 shall not accept an instrument of conveyance regarding designated  
7 forest land for filing or recording unless the new owner has signed the  
8 notice of continuance or the compensating tax has been paid, as  
9 evidenced by the real estate excise tax stamp affixed thereto by the  
10 treasurer. The seller, transferor, or new owner may appeal the new  
11 assessed valuation calculated under subsection (11) of this section to  
12 the county board of equalization in accordance with the provisions of  
13 RCW 84.40.038. Jurisdiction is hereby conferred on the county board of  
14 equalization to hear these appeals;

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

17 (i) The land is no longer primarily devoted to and used for growing  
18 and harvesting timber. However, land shall not be removed from  
19 designation if a governmental agency, organization, or other recipient  
20 identified in subsection (13) or (14) of this section as exempt from  
21 the payment of compensating tax has manifested its intent in writing or  
22 by other official action to acquire a property interest in the  
23 designated forest land by means of a transaction that qualifies for an  
24 exemption under subsection (13) or (14) of this section. The  
25 governmental agency, organization, or recipient shall annually provide  
26 the assessor of the county in which the land is located reasonable  
27 evidence in writing of the intent to acquire the designated land as  
28 long as the intent continues or within sixty days of a request by the  
29 assessor. The assessor may not request this evidence more than once in  
30 a calendar year;

31 (ii) The owner has failed to comply with a final administrative or  
32 judicial order with respect to a violation of the restocking, forest  
33 management, fire protection, insect and disease control, and forest  
34 debris provisions of Title 76 RCW or any applicable rules under Title  
35 76 RCW; or

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

1 (6) Land shall not be removed from designation if there is a  
2 governmental restriction that prohibits, in whole or in part, the owner  
3 from harvesting timber from the owner's designated forest land. If  
4 only a portion of the parcel is impacted by governmental restrictions  
5 of this nature, the restrictions cannot be used as a basis to remove  
6 the remainder of the forest land from designation under this chapter.  
7 For the purposes of this section, "governmental restrictions" includes:  
8 (a) Any law, regulation, rule, ordinance, program, or other action  
9 adopted or taken by a federal, state, county, city, or other  
10 governmental entity; or (b) the land's zoning or its presence within an  
11 urban growth area designated under RCW 36.70A.110.

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

- 15 (a) An application for designation as forest land is submitted; or
- 16 (b) Designated forest land is sold or transferred and a notice of  
17 continuance, described in subsection (5)(c) of this section, is signed.

18 (8) If land is removed from designation because of any of the  
19 circumstances listed in subsection (5)(a) through (c) of this section,  
20 the removal shall apply only to the land affected. If land is removed  
21 from designation because of subsection (5)(d) of this section, the  
22 removal shall apply only to the actual area of land that is no longer  
23 primarily devoted to the growing and harvesting of timber, without  
24 regard to any other land that may have been included in the application  
25 and approved for designation, as long as the remaining designated  
26 forest land meets the definition of forest land contained in RCW  
27 84.33.035.

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

33 (10) Unless the removal is reversed on appeal a copy of the notice  
34 of removal with a notation of the action, if any, upon appeal, together  
35 with the legal description or assessor's parcel numbers for the land  
36 removed from designation shall, at the expense of the applicant, be  
37 filed by the assessor in the same manner as deeds are recorded and a  
38 notation of removal from designation shall immediately be made upon the



1 assessment and tax rolls. The assessor shall revalue the land to be  
2 removed with reference to its true and fair value as of January 1st of  
3 the year of removal from designation. Both the assessed value before  
4 and after the removal of designation shall be listed. Taxes based on  
5 the value of the land as forest land shall be assessed and payable up  
6 until the date of removal and taxes based on the true and fair value of  
7 the land shall be assessed and payable from the date of removal from  
8 designation.

9 (11) Except as provided in subsection (5)(c), (13), or (14) of this  
10 section, a compensating tax shall be imposed on land removed from  
11 designation as forest land. The compensating tax shall be due and  
12 payable to the treasurer thirty days after the owner is notified of the  
13 amount of this tax. As soon as possible after the land is removed from  
14 designation, the assessor shall compute the amount of compensating tax  
15 and mail a notice to the owner of the amount of compensating tax owed  
16 and the date on which payment of this tax is due. The amount of  
17 compensating tax shall be equal to the difference between the amount of  
18 tax last levied on the land as designated forest land and an amount  
19 equal to the new assessed value of the land multiplied by the dollar  
20 rate of the last levy extended against the land, multiplied by a  
21 number, in no event greater than nine, equal to the number of years for  
22 which the land was designated as forest land, plus compensating taxes  
23 on the land at forest land values up until the date of removal and the  
24 prorated taxes on the land at true and fair value from the date of  
25 removal to the end of the current tax year.

26 (12) Compensating tax, together with applicable interest thereon,  
27 shall become a lien on the land which shall attach at the time the land  
28 is removed from designation as forest land and shall have priority to  
29 and shall be fully paid and satisfied before any recognizance,  
30 mortgage, judgment, debt, obligation, or responsibility to or with  
31 which the land may become charged or liable. The lien may be  
32 foreclosed upon expiration of the same period after delinquency and in  
33 the same manner provided by law for foreclosure of liens for delinquent  
34 real property taxes as provided in RCW 84.64.050. Any compensating tax  
35 unpaid on its due date shall thereupon become delinquent. From the  
36 date of delinquency until paid, interest shall be charged at the same  
37 rate applied by law to delinquent ad valorem property taxes.

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

4 (a) Transfer to a government entity in exchange for other forest  
5 land located within the state of Washington;

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

9 (c) A donation of fee title, development rights, or the right to  
10 harvest timber, to a government agency or organization qualified under  
11 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
12 sections, or the sale or transfer of fee title to a governmental entity  
13 or a nonprofit nature conservancy corporation, as defined in RCW  
14 64.04.130, exclusively for the protection and conservation of lands  
15 recommended for state natural area preserve purposes by the natural  
16 heritage council and natural heritage plan as defined in chapter 79.70  
17 RCW or approved for state natural resources conservation area purposes  
18 as defined in chapter 79.71 RCW. At such time as the land is not used  
19 for the purposes enumerated, the compensating tax specified in  
20 subsection (11) of this section shall be imposed upon the current  
21 owner;

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

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

27 (f) The creation, sale, or transfer of forestry riparian easements  
28 under RCW 76.13.120;

29 (g) The creation, sale, or transfer of a fee interest or a  
30 conservation easement for the riparian open space program under RCW  
31 76.09.040;

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

1 (i) The sale or transfer of land after the death of the owner of at  
2 least a fifty percent interest in the land if the land has been  
3 assessed and valued as classified forest land, designated as forest  
4 land under this chapter, or classified under chapter 84.34 RCW  
5 continuously since 1993 and the sale or transfer takes place after July  
6 22, 2001, and on or before July 22, 2003, and the death of the owner  
7 occurred after January 1, 1991. The date of death shown on a death  
8 certificate is the date used for the purposes of this subsection  
9 (13)(i); or

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

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

20 (a) An action described in subsection (13) of this section; or

21 (b) A transfer of a property interest to a government entity, or to  
22 a nonprofit historic preservation corporation or nonprofit nature  
23 conservancy corporation, as defined in RCW 64.04.130, to protect or  
24 enhance public resources, or to preserve, maintain, improve, restore,  
25 limit the future use of, or otherwise to conserve for public use or  
26 enjoyment, the property interest being transferred. At such time as  
27 the property interest is not used for the purposes enumerated, the  
28 compensating tax shall be imposed upon the current owner.

29 **Sec. 510.** RCW 76.09.060 and 2005 c 274 s 357 are each amended to  
30 read as follows:

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

35 (1) The department shall prescribe the form and contents of the  
36 notification and application. The forest practices rules shall specify  
37 by whom and under what conditions the notification and application

1 shall be signed or otherwise certified as acceptable. The application  
2 or notification shall be delivered in person to the department, sent by  
3 first class mail to the department or electronically filed in a form  
4 defined by the department. The form for electronic filing shall be  
5 readily convertible to a paper copy, which shall be available to the  
6 public pursuant to chapter 42.56 RCW. The information required may  
7 include, but is not limited to:

8 (a) Name and address of the forest landowner, timber owner, and  
9 operator;

10 (b) Description of the proposed forest practice or practices to be  
11 conducted;

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

14 (d) Planimetric and topographic maps showing location and size of  
15 all lakes and streams and other public waters in and immediately  
16 adjacent to the operating area and showing all existing and proposed  
17 roads and major tractor roads;

18 (e) Description of the silvicultural, harvesting, or other forest  
19 practice methods to be used, including the type of equipment to be used  
20 and materials to be applied;

21 (f) Proposed plan for reforestation and for any revegetation  
22 necessary to reduce erosion potential from roadsides and yarding roads,  
23 as required by the forest practices rules;

24 (g) Soil, geological, and hydrological data with respect to forest  
25 practices;

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

28 (i) Provisions for continuing maintenance of roads and other  
29 construction or other measures necessary to afford protection to public  
30 resources;

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

33 (k) All necessary application or notification fees.

34 (2) Long range plans may be submitted to the department for review  
35 and consultation.

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

1 (a) If the application states that any such land will be or is  
2 intended to be so converted:

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

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

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

16 (b) Except as provided elsewhere in this section, if the  
17 application or notification does not state that any land covered by the  
18 application or notification will be or is intended to be so converted:

19 (i) For six years after the date of the application the county,  
20 city, town, and regional governmental entities shall deny any or all  
21 applications for permits or approvals, including building permits and  
22 subdivision approvals, relating to nonforestry uses of land subject to  
23 the application;

24 (A) The department shall submit to the local governmental entity a  
25 copy of the statement of a forest landowner's intention not to convert  
26 which shall represent a recognition by the landowner that the six-year  
27 moratorium shall be imposed and shall preclude the landowner's ability  
28 to obtain development permits while the moratorium is in place. This  
29 statement shall be filed by the local governmental entity with the  
30 county recording officer, who shall record the documents as provided in  
31 chapter 65.04 RCW, except that lands designated as forest lands of  
32 long-term commercial significance under chapter 36.70A RCW shall not be  
33 recorded due to the low likelihood of conversion. Not recording the  
34 statement of a forest landowner's conversion intention shall not be  
35 construed to mean the moratorium is not in effect.

36 (B) The department shall collect the recording fee and reimburse  
37 the local governmental entity for the cost of recording the  
38 application.

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

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

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

13 (F) The six-year moratorium shall not be imposed on a forest  
14 practices application that contains a conversion option harvest plan  
15 approved by the local governmental entity unless the forest practice  
16 was not in compliance with the approved forest practice permit. Where  
17 not in compliance with the conversion option harvest plan, the six-year  
18 moratorium shall be imposed from the date the application was approved  
19 by the department or the local governmental entity.

20 (G) Any six-year moratorium preventing conversion to nonforestry  
21 uses shall be waived as of the date the land subject to the moratorium  
22 is purchased or acquired for use as a professional motorsports  
23 entertainment and family recreation facility;

24 (ii) Failure to comply with the reforestation requirements  
25 contained in any final order or decision shall constitute a removal of  
26 designation under the provisions of RCW 84.33.140, and a change of use  
27 under the provisions of RCW 84.34.080, and, if applicable, shall  
28 subject such lands to the payments and/or penalties resulting from such  
29 removals or changes; and

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

36 (c) The application or notification shall be signed by the forest  
37 landowner and accompanied by a statement signed by the forest landowner

1 indicating his or her intent with respect to conversion and  
2 acknowledging that he or she is familiar with the effects of this  
3 subsection.

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

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

15 (6) Except as provided in RCW 76.09.350(4), the notification to or  
16 the approval given by the department to an application to conduct a  
17 forest practice shall be effective for a term of two years from the  
18 date of approval or notification and shall not be renewed unless a new  
19 application is filed and approved or a new notification has been filed.  
20 At the option of the applicant, an application or notification may be  
21 submitted to cover a single forest practice or a number of forest  
22 practices within reasonable geographic or political boundaries as  
23 specified by the department. An application or notification that  
24 covers more than one forest practice may have an effective term of more  
25 than two years. The board shall adopt rules that establish standards  
26 and procedures for approving an application or notification that has an  
27 effective term of more than two years. Such rules shall include  
28 extended time periods for application or notification approval or  
29 disapproval. On an approved application with a term of more than two  
30 years, the applicant shall inform the department before commencing  
31 operations.

32 (7) Notwithstanding any other provision of this section, no prior  
33 application or notification shall be required for any emergency forest  
34 practice necessitated by fire, flood, windstorm, earthquake, or other  
35 emergency as defined by the board, but the operator shall submit an  
36 application or notification, whichever is applicable, to the department  
37 within forty-eight hours after commencement of such practice or as  
38 required by local regulations.

1 (8) Forest practices applications or notifications are not required  
2 for forest practices conducted to control exotic forest insect or  
3 disease outbreaks, when conducted by or under the direction of the  
4 department of agriculture in carrying out an order of the governor or  
5 director of the department of agriculture to implement pest control  
6 measures as authorized under chapter 17.24 RCW, and are not required  
7 when conducted by or under the direction of the department in carrying  
8 out emergency measures under a forest health emergency declaration by  
9 the commissioner of public lands as provided in RCW 76.06.130.

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

12 (b) In order to minimize adverse impacts to public resources,  
13 control measures must be based on integrated pest management, as  
14 defined in RCW 17.15.010, and must follow forest practices rules  
15 relating to road construction and maintenance, timber harvest, and  
16 forest chemicals, to the extent possible without compromising control  
17 objectives.

18 (c) Agencies conducting or directing control efforts must provide  
19 advance notice to the appropriate regulatory staff of the department of  
20 the operations that would be subject to exemption from forest practices  
21 application or notification requirements.

22 (d) When the appropriate regulatory staff of the department are  
23 notified under (c) of this subsection, they must consult with the  
24 landowner, interested agencies, and affected tribes, and assist the  
25 notifying agencies in the development of integrated pest management  
26 plans that comply with forest practices rules as required under (b) of  
27 this subsection.

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

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

34 (g) The exemption from obtaining approved forest practices  
35 applications or notifications does not apply to forest practices  
36 conducted after the governor, the director of the department of  
37 agriculture, or the commissioner of public lands have declared that an



1 emergency no longer exists because control objectives have been met,  
2 that there is no longer an imminent threat, or that there is no longer  
3 a good likelihood of control.

4 **Sec. 511.** RCW 35.13.005 and 1990 1st ex.s. c 17 s 30 are each  
5 amended to read as follows:

6 No city or town located in a county in which urban growth areas  
7 have been designated under RCW 36.70A.110 may annex territory beyond an  
8 urban growth area. A city or town may annex territory beyond an urban  
9 growth area for municipal purposes as provided in RCW 35.13.180.

10 **Sec. 512.** RCW 35.13.180 and 1994 c 81 s 11 are each amended to  
11 read as follows:

12 City and town councils of second class cities and towns may by a  
13 majority vote annex new unincorporated territory outside the city or  
14 town limits, whether contiguous or noncontiguous for park, cemetery, or  
15 other municipal purposes when such territory is owned by the city or  
16 town or all of the owners of the real property in the territory give  
17 their written consent to the annexation. A first class city may annex  
18 territory that is used for the development, construction, maintenance,  
19 operation, or other activities related to the development,  
20 construction, maintenance, or operation of a professional motorsports  
21 entertainment and family recreation facility as provided in this  
22 section only when such territory is located within the same county as  
23 the first class city.

24 **PART VI**

25 **LEASE AND OPERATION OF FACILITY**

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

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

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

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

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

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

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

1 (7) If the sales and use tax credit under section 401 of this act  
2 is in effect, the lessee or any parent, corporate affiliate or  
3 successor, successor in interest, or other entity in any way related to  
4 the lessee shall not petition, support, or condone a proposal or  
5 decision of the sanctioning body of any nationally recognized, top tier  
6 professional motorsports event anchoring either of the two major  
7 motorsports event weekends at the facility required under subsection  
8 (6) of this section to move, realign, or otherwise deprive the facility  
9 of such event. The lessee may seek to replace an event only if it can  
10 demonstrate to the satisfaction of the office of financial management  
11 that a substitute nationally recognized, top tier professional  
12 motorsports event is capable of producing a higher level of economic  
13 activity, including without limitation paid attendance by out-of-state  
14 visitors, than the event on which public support for the development of  
15 the facility in the state was based. The loss of any nationally  
16 recognized, top tier professional motorsports event anchoring a major  
17 motorsports event weekend at the facility required under subsection (6)  
18 of this section while the sales and use tax credit under section 401 of  
19 this act is in effect shall be replaced by the lessee with a comparable  
20 or superior nationally recognized, top tier professional motorsports  
21 event.

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

30 (9) The lessee shall be required, subject to its rights under the  
31 lease agreement to use the site for professional motorsports  
32 entertainment and family recreation, to make the facility available for  
33 community, charitable, recreation, and other activities, such as family  
34 recreation and social events, local and regional business functions,  
35 arts events, emergency services, and public safety training, on a fee  
36 or nonfee basis as appropriate and to the extent that such activities  
37 are consistent with use of the facility for professional motorsports  
38 events; shall be required to use reasonable efforts to allow for

1 meaningful, noncommercial opportunities for the promotion of Washington  
2 state tourism, trade, and generic products when the facility is not  
3 otherwise in use; and shall be required to use reasonable efforts to  
4 provide opportunities for local not-for-profit organizations to  
5 participate in facility use and operation of concessions during  
6 professional motorsports events.

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

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

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

20 LEASEHOLD EXCISE TAX EXEMPTION. The following leasehold interests  
21 shall be exempt from taxes imposed pursuant to RCW 82.29A.030 and  
22 82.29A.040:

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

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

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

34 (4) All leasehold interests used for fair purposes of a nonprofit  
35 fair association that sponsors or conducts a fair or fairs which  
36 receive support from revenues collected pursuant to RCW 67.16.100 and  
37 allocated by the director of the department of agriculture where the

1 fee ownership of such property is vested in the government of the  
2 United States, the state of Washington, or any of its political  
3 subdivisions(~~(+ PROVIDED, That)~~). This exemption shall not apply to  
4 the leasehold interest of any sublessee of such nonprofit fair  
5 association if such leasehold interest would be taxable if it were the  
6 primary lease.

7 (5) All leasehold interests in any property of any public entity  
8 used as a residence by an employee of that public entity who is  
9 required as a condition of employment to live in the publicly owned  
10 property.

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

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

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

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

1 (10) All leasehold interests under month-to-month leases in  
2 residential units rented for residential purposes of the lessee pending  
3 destruction or removal for the purpose of constructing a public highway  
4 or building.

5 (11) All leasehold interests in any publicly owned real or personal  
6 property to the extent such leasehold interests arises solely by virtue  
7 of a contract for public improvements or work executed under the public  
8 works statutes of this state or of the United States between the public  
9 owner of the property and a contractor.

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

13 (13) All leasehold interests used to provide organized and  
14 supervised recreational activities for (~~disabled persons~~) individuals  
15 with disabilities of all ages in a camp facility and for public  
16 recreational purposes by a nonprofit organization, association, or  
17 corporation that would be exempt from property tax under RCW  
18 84.36.030(1) if it owned the property. If the publicly owned property  
19 is used for any taxable purpose, the leasehold excise taxes set forth  
20 in RCW 82.29A.030 and 82.29A.040 shall be imposed and shall be  
21 apportioned accordingly.

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

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

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

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

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

35 (19) All leasehold interests in the public or entertainment areas  
36 of a professional motorsports entertainment and family recreation  
37 facility that is constructed on or after January 1, 2007. For the  
38 purposes of this subsection, "public or entertainment areas" include

1 ticket sales areas, ramps and stairs, lobbies and concourses, parking  
2 areas, recreational vehicle camping areas, concession areas  
3 restaurants, hospitality and club areas, kitchens and other work and  
4 maintenance areas servicing other public or entertainment areas, public  
5 restroom areas, press and media areas, control towers and booths,  
6 broadcast and production areas, retail sales areas, museum and exhibit  
7 areas, scoreboards and other public displays, storage areas, loading,  
8 staging, and servicing areas, seating areas and suites, the closed-  
9 course speedway, open space, and any other areas to which the public  
10 has access or which are used for the production of the entertainment  
11 event or other public usage, and any other personal property used for  
12 these purposes. "Public or entertainment areas" does not include  
13 private offices or other areas exclusively used by the lessee.

14 NEW SECTION. Sec. 603. PAYMENTS IN LIEU OF TAXES. A public  
15 speedway authority may agree to make payments in lieu of property taxes  
16 to any fire protection district, regional fire protection service  
17 authority, emergency medical service district, urban emergency medical  
18 service district, or other taxing district for improvements, services,  
19 and facilities furnished by such taxing district for the direct benefit  
20 of a professional motorsports entertainment and family recreation  
21 facility, but in no event shall such payments in lieu of property taxes  
22 exceed the property taxes that would be payable with respect to the  
23 property were it not owned by a municipal corporation. If a host  
24 jurisdiction, rather than a special purpose district, provides such  
25 improvements, services, or facilities, the public speedway authority  
26 may also agree to make payments in lieu of property taxes to the host  
27 jurisdiction comparable to the property taxes that would be payable to  
28 such special purpose district with respect to the property were it not  
29 owned by a municipal corporation.

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

32 (1) The construction, operation, and maintenance of a system of  
33 sewerage and/or water is a county purpose. Subject to the provisions  
34 of this chapter, every county has the power, individually or in  
35 conjunction with another county or counties to adopt, provide for,  
36 accept, establish, condemn, purchase, construct, add to, operate, and



1 maintain a system or systems of sanitary and storm sewers, including  
2 outfalls, interceptors, plans, and facilities and services necessary  
3 for sewerage treatment and disposal, and/or system or systems of water  
4 supply within all or a portion of the county. However, counties shall  
5 not have power to condemn sewerage and/or water systems of any  
6 municipal corporation or private utility.

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

11 (3) Such county or counties shall have the authority to control,  
12 regulate, operate, and manage such system or systems and to provide  
13 funds therefor by general obligation bonds, revenue bonds, local  
14 improvement district bonds, utility local improvement district or local  
15 improvement district assessments, and in any other lawful fiscal  
16 manner. Rates or charges for on-site inspection and maintenance  
17 services may not be imposed under this chapter on the development,  
18 construction, or reconstruction of property.

19 (4) Under this chapter, after July 1, 1998, any requirements for  
20 pumping the septic tank of an on-site sewage system should be based,  
21 among other things, on actual measurement of accumulation of sludge and  
22 scum by a trained inspector, trained owner's agent, or trained owner.  
23 Training must occur in a program approved by the state board of health  
24 or by a local health officer.

25 Before adopting on-site inspection and maintenance utility  
26 services, or incorporating residences into an on-site inspection and  
27 maintenance or sewer utility under this chapter, notification must be  
28 provided, prior to the applicable public hearing, to all residences  
29 within the proposed service area that have on-site systems permitted by  
30 the local health officer. The notice must clearly state that the  
31 residence is within the proposed service area and must provide  
32 information on estimated rates or charges that may be imposed for the  
33 service.

34 A county shall not provide on-site sewage system inspection,  
35 pumping services, or other maintenance or repair services under this  
36 section using county employees unless the on-site system is connected  
37 by a publicly owned collection system to the county's sewerage system,  
38 and the on-site system represents the first step in the sewage disposal

1 process. Nothing in this section shall affect the authority of a state  
2 or local health officer to carry out their responsibilities under any  
3 other applicable law.

4 (5) A county may, as part of a system of sewerage established under  
5 this chapter, provide for, finance, and operate any of the facilities  
6 and services and may exercise the powers expressly authorized for  
7 county storm water, flood control, pollution prevention, and drainage  
8 services and activities under chapters 36.89, 86.12, 86.13, and 86.15  
9 RCW. A county also may provide for, finance, and operate the  
10 facilities and services and may exercise any of the powers authorized  
11 for aquifer protection areas under chapter 36.36 RCW; for lake  
12 management districts under chapter 36.61 RCW; for diking districts, and  
13 diking, drainage, and sewerage improvement districts under chapters  
14 85.05, 85.08, 85.15, 85.16, and 85.18 RCW; and for shellfish protection  
15 districts under chapter 90.72 RCW. However, if a county by reference  
16 to any of those statutes assumes as part of its system of sewerage any  
17 powers granted to such areas or districts and not otherwise available  
18 to a county under this chapter, then (1) the procedures and  
19 restrictions applicable to those areas or districts apply to the  
20 county's exercise of those powers, and (2) the county may not  
21 simultaneously impose rates and charges under this chapter and under  
22 the statutes authorizing such areas or districts for substantially the  
23 same facilities and services, but must instead impose uniform rates and  
24 charges consistent with RCW 36.94.140. By agreement with such an area  
25 or district that is not part of a county's system of sewerage, a county  
26 may operate that area's or district's services or facilities, but a  
27 county may not dissolve any existing area or district except in  
28 accordance with any applicable provisions of the statute under which  
29 that area or district was created.

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

32 Whenever the county legislative authority deems it advisable and  
33 necessary for the public health and welfare of the inhabitants of the  
34 county to establish, purchase, acquire, and construct a system of  
35 sewerage and/or water, or make any additions and betterments thereto,  
36 or extensions thereof, the board shall adopt a sewerage and/or water  
37 general plan for a system of sewerage and/or water for all or a portion

1 of the county as deemed necessary by the board, and for a system of  
2 sewerage service to a professional motorsports entertainment and family  
3 recreation facility as permitted by RCW 36.94.020. If the county has  
4 adopted a comprehensive plan for a physical development of the county  
5 pursuant to chapter 36.70 RCW and/or chapter 35.63 RCW, then the  
6 sewerage and/or water general plan shall be adopted as an element of  
7 that comprehensive plan pursuant to the applicable statute.

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

10 (1)(a) Except as provided under subsection (2) of this section, the  
11 governing body of any city, town, county, water-sewer district, or  
12 drainage district, hereinafter referred to as a "municipality" may  
13 contract with owners of real estate for the construction of storm,  
14 sanitary, or combination sewers, pumping stations, and disposal plants,  
15 water mains, hydrants, reservoirs, or appurtenances, hereinafter called  
16 "water or sewer facilities," within their boundaries or (except for  
17 counties) within ten miles from their corporate limits connecting with  
18 the public water or sewerage system to serve the area in which the real  
19 estate of such owners is located, and to provide for a period of not to  
20 exceed fifteen years for the reimbursement of such owners and their  
21 assigns by any owner of real estate who did not contribute to the  
22 original cost of such water or sewer facilities and who subsequently  
23 tap onto or use the same of a fair pro rata share of the cost of the  
24 construction of said water or sewer facilities, including not only  
25 those directly connected thereto, but also users connected to laterals  
26 or branches connecting thereto, subject to such reasonable rules and  
27 regulations as the governing body of such municipality may provide or  
28 contract, and notwithstanding the provisions of any other law.

29 (b) Notwithstanding any limitation on counties in (a) of this  
30 subsection, a county may contract with a public speedway authority or  
31 its lessee for the construction of water or sewer facilities within ten  
32 miles of its corporate limits connecting with the county's public  
33 sewerage system to service a professional motorsports entertainment and  
34 family recreation facility, and to provide for a period of not to  
35 exceed fifteen years for the reimbursement of the authority or its  
36 lessee and their assigns by any owner of real estate who did not  
37 contribute to the original cost of such sewer facilities and who

1 subsequently tap onto or use the same of a fair pro rata share of the  
2 cost of the construction of said sewer facilities, including not only  
3 those directly connected thereto, but also users connected to laterals  
4 or branches connecting thereto, subject to such reasonable rules and  
5 regulations as the governing body of such county may provide or  
6 contract.

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

13 (b) Upon the extension of the reimbursement period pursuant to (a)  
14 of this subsection, the contract must specify the duration of the  
15 contract extension and must be filed and recorded with the county  
16 auditor. Property owners who are subject to the reimbursement  
17 obligations under subsection (1) of this section shall be notified by  
18 the contracting municipality of the extension filed under this  
19 subsection.

20 (3) Each contract shall include a provision requiring that every  
21 two years from the date the contract is executed a property owner  
22 entitled to reimbursement under this section provide the contracting  
23 municipality with information regarding the current contract name,  
24 address, and telephone number of the person, company, or partnership  
25 that originally entered into the contract. If the property owner fails  
26 to comply with the notification requirements of this subsection within  
27 sixty days of the specified time, then the contracting municipality may  
28 collect any reimbursement funds owed to the property owner under the  
29 contract. Such funds must be deposited in the capital fund of the  
30 municipality.

31 (4) To the extent it may require in the performance of such  
32 contract, such municipality may install said water or sewer facilities  
33 in and along the county streets in the area to be served as hereinabove  
34 provided, subject to such reasonable requirements as to the manner of  
35 occupancy of such streets as the county may by resolution provide. The  
36 provisions of such contract shall not be effective as to any owner of  
37 real estate not a party thereto unless such contract has been recorded

1 in the office of the county auditor of the county in which the real  
2 estate of such owner is located prior to the time such owner taps into  
3 or connects to said water or sewer facilities.

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

6 (1) Applications for classification or reclassification under RCW  
7 84.34.020(1) shall be made to the county legislative authority. An  
8 application made for classification or reclassification of land under  
9 RCW 84.34.020(1) (b) and (c) which is in an area subject to a  
10 comprehensive plan shall be acted upon in the same manner in which an  
11 amendment to the comprehensive plan is processed. Application made for  
12 classification of land which is in an area not subject to a  
13 comprehensive plan shall be acted upon after a public hearing and after  
14 notice of the hearing shall have been given by one publication in a  
15 newspaper of general circulation in the area at least ten days before  
16 the hearing: PROVIDED, That applications for classification of land in  
17 an incorporated area shall be acted upon by a granting authority  
18 composed of three members of the county legislative body and three  
19 members of the city legislative body in which the land is located.

20 (2) In determining whether an application made for classification  
21 or reclassification under RCW 84.34.020(1) (b) and (c) should be  
22 approved or disapproved, the granting authority may take cognizance of  
23 the benefits to the general welfare of preserving the current use of  
24 the property which is the subject of application, and shall consider:

- 25 (a) The resulting revenue loss or tax shift;
- 26 (b) Whether granting the application for land applying under RCW  
27 84.34.020(1)(b) will (i) conserve or enhance natural, cultural, or  
28 scenic resources, (ii) protect streams, stream corridors, wetlands,  
29 natural shorelines and aquifers, (iii) protect soil resources and  
30 unique or critical wildlife and native plant habitat, (iv) promote  
31 conservation principles by example or by offering educational  
32 opportunities, (v) enhance the value of abutting or neighboring parks,  
33 forests, wildlife preserves, nature reservations, sanctuaries, or other  
34 open spaces, (vi) enhance recreation opportunities, (vii) preserve  
35 historic and archaeological sites, (viii) preserve visual quality along  
36 highway, road, and street corridors or scenic vistas, (ix) affect any

1 other factors relevant in weighing benefits to the general welfare of  
2 preserving the current use of the property; and

3 (c) Whether granting the application for land applying under RCW  
4 84.34.020(1)(c) will (i) either preserve land previously classified  
5 under RCW 84.34.020(2) or preserve land that is traditional farmland  
6 and not classified under chapter 84.33 or 84.34 RCW, (ii) preserve land  
7 with a potential for returning to commercial agriculture, and (iii)  
8 affect any other factors relevant in weighing benefits to the general  
9 welfare of preserving the current use of property.

10 (3) If a public benefit rating system is adopted under RCW  
11 84.34.055, the county legislative authority shall rate property for  
12 which application for classification has been made under RCW  
13 84.34.020(1) (b) and (c) according to the public benefit rating system  
14 in determining whether an application should be approved or  
15 disapproved, but when such a system is adopted, open space properties  
16 then classified under this chapter which do not qualify under the  
17 system shall not be removed from classification but may be rated  
18 according to the public benefit rating system.

19 (4) The granting authority may approve the application with respect  
20 to only part of the land which is the subject of the application. If  
21 any part of the application is denied, the applicant may withdraw the  
22 entire application. The granting authority in approving in part or  
23 whole an application for land classified or reclassified pursuant to  
24 RCW 84.34.020(1) may also require that certain conditions be met,  
25 including but not limited to the granting of easements. As a condition  
26 of granting open space classification, the legislative body may not  
27 require public access on land classified under RCW 84.34.020(1)(b)(iii)  
28 for the purpose of promoting conservation of wetlands.

29 (5) The granting authority shall approve an application for open  
30 space classification for any portion of a property used for a  
31 professional motorsports entertainment and family recreation facility  
32 that is (a) not covered with impervious surface and (b) maintained in  
33 a condition consistent with the open space designation, including  
34 without limitation portions used for activities such as recreation,  
35 temporary parking for events, storm water management, wetlands, and  
36 wetland buffers.

37 (6) The granting or denial of the application for current use

1 classification or reclassification is a legislative determination and  
2 shall be reviewable only for arbitrary and capricious actions.

3 **PART VII**  
4 **MISCELLANEOUS**

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

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

8 (1) "Special purpose district" means every municipal and quasi-  
9 municipal corporation other than counties, cities, and towns. Such  
10 special purpose districts shall include, but are not limited to, water-  
11 sewer districts, fire protection districts, port districts, public  
12 utility districts, county park and recreation service areas, flood  
13 control zone districts, diking districts, drainage improvement  
14 districts, public speedway authorities, and solid waste collection  
15 districts, but shall not include industrial development districts  
16 created by port districts, and shall not include local improvement  
17 districts, utility local improvement districts, and road improvement  
18 districts;

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

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

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

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

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

34 NEW SECTION. **Sec. 702.** APPLICABILITY OF PUBLIC LAWS. A public  
35 speedway authority, its officers, and the board of directors, created

1 under this act, are subject to the general laws regulating local  
2 governments and local governmental officials including, but not limited  
3 to, the requirement to be audited by the state auditor and various  
4 accounting requirements under chapter 43.09 RCW, the open public record  
5 requirements under chapter 42.17 RCW, the prohibition on using its  
6 facilities for campaign purposes under RCW 42.17.130, the open public  
7 meetings law under chapter 42.30 RCW, the code of ethics for municipal  
8 officers under chapter 42.23 RCW, and the local government  
9 whistleblower law under chapter 42.41 RCW.

10 NEW SECTION. **Sec. 703.** No direct or collateral attack on any  
11 public speedway authority purported to be authorized or created in  
12 conformance with this chapter may be commenced more than thirty days  
13 after creation.

14 NEW SECTION. **Sec. 704.** A new section is added to chapter 82.08  
15 RCW to read as follows:

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

20 NEW SECTION. **Sec. 705.** A new section is added to chapter 82.12  
21 RCW to read as follows:

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

26 NEW SECTION. **Sec. 706.** A new section is added to chapter 82.14  
27 RCW to read as follows:

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

32 NEW SECTION. **Sec. 707.** Part headings and captions used in this  
33 act are not any part of the law.



1        NEW SECTION.    **Sec. 708.** Sections 101 through 309, 402, 403, 501  
2 through 504, 601, 603, 702, and 703 of this act constitute a new  
3 chapter in Title 36 RCW.

4        NEW SECTION.    **Sec. 709.** If any provision of this act or its  
5 application to any person or circumstance is held invalid, the  
6 remainder of the act or the application of the provision to other  
7 persons or circumstances is not affected.

8        NEW SECTION.    **Sec. 710.** The provisions of this act shall be  
9 liberally construed to effect the policies and purposes of this act.

10       NEW SECTION.    **Sec. 711.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 July 1, 2007.

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