
SUBSTITUTE SENATE BILL 6598

State of Washington

62nd Legislature

2012 Regular Session

By Senate Ways & Means (originally sponsored by Senators Ericksen, Haugen, Holmquist Newbry, Harper, Rolfes, King, Becker, Hatfield, Morton, Litzow, Schoesler, and Hewitt)

READ FIRST TIME 02/24/12.

1 AN ACT Relating to property tax exemptions for nonprofit fair
2 associations in rural counties; amending RCW 84.36.480; reenacting and
3 amending RCW 84.36.805; creating a new section; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 84.36.480 and 1984 c 220 s 6 are each amended to read
7 as follows:

8 (1) The following property (~~shall be~~) is exempt from taxation:
9 The real and personal property of a nonprofit fair association that
10 sponsors or conducts a fair or fairs which receive support from
11 revenues collected pursuant to RCW 67.16.100 and allocated by the
12 director of the department of agriculture. To be exempt under this
13 section, the property must be used exclusively for fair purposes,
14 except as provided in subsection (2) of this section and in RCW
15 84.36.805. However, the loan or rental of property otherwise exempt
16 under this section to a private concessionaire or to any person for use
17 as a concession in conjunction with activities permitted under this
18 section (~~shall~~) do not nullify the exemption if the concession

1 charges are subject to agreement and the rental income, if any, is
2 reasonable and is devoted solely to the operation and maintenance of
3 the property.

4 (2) The exemption in subsection (1) of this section is not
5 nullified if property of a nonprofit fair association, which received
6 support from the fair fund created in RCW 15.76.115 that was allocated
7 by the director of the department of agriculture by the effective date
8 of this section, is used by entities not eligible for a property tax
9 exemption under this chapter for periods of not more than fifty days in
10 the calendar year.

11 (3) If the use described in subsection (2) of this section exceeds
12 fifty days in a calendar year and the use only occurs in a portion of
13 the property, then that portion of the property can be segregated and
14 made taxable without nullifying the exemption in subsection (1) of this
15 section for the remaining property of the qualified nonprofit fair
16 association.

17 **Sec. 2.** RCW 84.36.805 and 2006 c 319 s 1 and 2006 c 226 s 3 are
18 each reenacted and amended to read as follows:

19 (1) In order to qualify for an exemption under this chapter, the
20 nonprofit organizations, associations, or corporations must satisfy the
21 conditions in this section.

22 (2) The property must be used exclusively for the actual operation
23 of the activity for which exemption is granted, unless otherwise
24 provided, and does not exceed an amount reasonably necessary for that
25 purpose, except:

26 (a) The loan or rental of the property does not subject the
27 property to tax if:

28 (i) The rents and donations received for the use of the portion of
29 the property are reasonable and do not exceed the maintenance and
30 operation expenses attributable to the portion of the property loaned
31 or rented; and

32 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
33 84.36.050, and 84.36.060(1) (a) and (b), and except as otherwise
34 provided in RCW 84.36.480 (2) and (3), the property would be exempt
35 from tax if owned by the organization to which it is loaned or rented;

36 (b) The use of the property for fund-raising activities does not

1 subject the property to tax if the fund-raising activities are
2 consistent with the purposes for which the exemption is granted.

3 (3) The facilities and services must be available to all regardless
4 of race, color, national origin or ancestry.

5 (4) The organization, association, or corporation must be duly
6 licensed or certified where such licensing or certification is required
7 by law or regulation.

8 (5) Property sold to organizations, associations, or corporations
9 with an option to be repurchased by the seller (~~shall~~) does not
10 qualify for exempt status. This subsection does not apply to property
11 sold to a nonprofit entity, as defined in RCW 84.36.560(7), by:

12 (a) A nonprofit as defined in RCW 84.36.800 that is exempt from
13 income tax under section 501(c) of the federal internal revenue code;

14 (b) A governmental entity established under RCW 35.21.660,
15 35.21.670, or 35.21.730;

16 (c) A housing authority created under RCW 35.82.030;

17 (d) A housing authority meeting the definition in RCW
18 35.82.210(2)(a); or

19 (e) A housing authority established under RCW 35.82.300.

20 (6) The department (~~shall~~) must have access to its books in order
21 to determine whether the nonprofit organization, association, or
22 corporation is exempt from taxes under this chapter.

23 (7) This section does not apply to exemptions granted under RCW
24 84.36.020, 84.36.032, 84.36.250, and 84.36.260.

25 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
26 collection in 2013 and 2014.

27 NEW SECTION. **Sec. 4.** This act expires January 1, 2015.

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