
HOUSE BILL 2189

State of Washington 53rd Legislature 1994 Regular Session

By Representatives Kremen, J. Kohl and Linville

Prefiled 1/7/94. Read first time 01/10/94. Referred to Committee on Revenue.

1 AN ACT Relating to tax exemption of public-owned property used by
2 nonprofit organizations; amending RCW 84.36.031 and 84.36.805; creating
3 a new section; and declaring an emergency.

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

5 **Sec. 1.** RCW 84.36.031 and 1969 c 137 s 2 are each amended to read
6 as follows:

7 Property leased, loaned, sold with the option to repurchase, or
8 otherwise made available to organizations as set out in RCW 84.36.030
9 (~~above~~) shall not be exempt from taxation: PROVIDED, That:

10 (1) Property which is owned by an organization as set out in RCW
11 84.36.030 may loan the property to another organization for the same
12 purpose as set out in RCW 84.36.030.

13 (2) Property which is owned by a governmental agency and used by an
14 organization described in RCW 84.36.030(1) to provide organized and
15 supervised recreational activities for disabled persons in a camp
16 facility as well as for public recreational purposes is exempt from
17 taxation.

1 **Sec. 2.** RCW 84.36.805 and 1993 c 79 s 3 are each amended to read
2 as follows:

3 In order to be exempt pursuant to RCW 84.36.030, 84.36.550,
4 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,
5 84.36.047, 84.36.050, 84.36.060, 84.36.350, and 84.36.480, the
6 nonprofit organizations, associations or corporations shall satisfy the
7 following conditions:

8 (1) The property is used exclusively for the actual operation of
9 the activity for which exemption is granted, unless otherwise provided,
10 and does not exceed an amount reasonably necessary for that purpose,
11 except:

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

14 (i) The rents and donations received for the use of the portion of
15 the property are reasonable and do not exceed the maintenance and
16 operation expenses attributable to the portion of the property loaned
17 or rented; and

18 (ii) Except for the exemptions under RCW 84.36.030(4),
19 84.36.031(2), and 84.36.037, the property would be exempt from tax if
20 owned by the organization to which it is loaned or rented;

21 (b) The use of the property for fund-raising activities does not
22 subject the property to tax if the fund-raising activities are
23 consistent with the purposes for which the exemption is granted;

24 (2) The property is irrevocably dedicated to the purpose for which
25 exemption has been granted, and on the liquidation, dissolution, or
26 abandonment by said organization, association, or corporation, said
27 property will not inure directly or indirectly to the benefit of any
28 shareholder or individual, except a nonprofit organization,
29 association, or corporation which too would be entitled to property tax
30 exemption: PROVIDED, That the property need not be irrevocably
31 dedicated if it is leased or rented to those qualified for exemption
32 pursuant to RCW 84.36.040, 84.36.041, or 84.36.043 or those qualified
33 for exemption as an association engaged in the production or
34 performance of musical, dance, artistic, dramatic, or literary works
35 pursuant to RCW 84.36.060, but only if under the terms of the lease or
36 rental agreement the nonprofit organization, association, or
37 corporation receives the benefit of the exemption;

38 (3) The facilities and services are available to all regardless of
39 race, color, national origin or ancestry;

1 (4) The organization, association, or corporation is duly licensed
2 or certified where such licensing or certification is required by law
3 or regulation;

4 (5) Property sold to organizations, associations, or corporations
5 with an option to be repurchased by the seller shall not qualify for
6 exempt status;

7 (6) The director of the department of revenue shall have access to
8 its books in order to determine whether such organization, association,
9 or corporation is exempt from taxes within the intent of RCW 84.36.030,
10 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,
11 84.36.047, 84.36.050, 84.36.060, 84.36.350, and 84.36.480.

12 NEW SECTION. **Sec. 3.** This act shall be effective for taxes levied
13 for collection in 1994 and thereafter.

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

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