

2 **SB 6113** - H COMM AMDS **ADOPTED 3-06-98**

3 By Committee on Finance

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5 On page 1, line 13, after "taxation." insert "If the real or
6 personal property is leased, the benefit of the exemption shall inure
7 to the nonprofit corporation or association."

8 On page 1, after line 16, insert the following:

9 "Sec. 2. RCW 84.36.805 and 1997 c 156 s 8 and 1997 c 143 s 3 are
10 each reenacted and amended to read as follows:

11 In order to be exempt pursuant to RCW 84.36.030, 84.36.035,
12 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045, 84.36.047,
13 84.36.050, 84.36.060, 84.36.350, 84.36.480, 84.36.550, and 84.36.046,
14 the nonprofit organizations, associations or corporations shall satisfy
15 the following conditions:

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

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

22 (i) The rents and donations received for the use of the portion of
23 the property are reasonable and do not exceed the maintenance and
24 operation expenses attributable to the portion of the property loaned
25 or rented; and

26 (ii) Except for the exemptions under RCW 84.36.030(4) and
27 84.36.037, the property would be exempt from tax if owned by the
28 organization to which it is loaned or rented;

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

32 (2) The property is irrevocably dedicated to the purpose for which
33 exemption has been granted, and on the liquidation, dissolution, or
34 abandonment by said organization, association, or corporation, said
35 property will not inure directly or indirectly to the benefit of any

1 shareholder or individual, except a nonprofit organization,
2 association, or corporation which too would be entitled to property tax
3 exemption. This property need not be irrevocably dedicated if it is
4 leased or rented to those qualified for exemption pursuant to RCW
5 84.36.035, 84.36.040, 84.36.041, 84.36.043, 84.36.045, or 84.36.046 or
6 those qualified for exemption as an association engaged in the
7 production or performance of musical, dance, artistic, dramatic, or
8 literary works pursuant to RCW 84.36.060, but only if under the terms
9 of the lease or rental agreement the nonprofit organization,
10 association, or corporation receives the benefit of the exemption;

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

13 (4) The organization, association, or corporation is duly licensed
14 or certified where such licensing or certification is required by law
15 or regulation;

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

19 (6) The director of the department of revenue shall have access to
20 its books in order to determine whether such organization, association,
21 or corporation is exempt from taxes within the intent of RCW 84.36.030,
22 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,
23 84.36.047, 84.36.050, 84.36.060, 84.36.350, 84.36.480, and 84.36.046."

24 Renumber the remaining sections consecutively and correct internal
25 references accordingly.

26 EFFECT: If the property is leased, requires that the benefit inure
27 to the nonprofit organization.

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