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HOUSE BILL 2348

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Honeyford, Appelwick, Fisher, Chandler, Linville, Anderson and Schoesler

Prefiled 01/08/98. Read first time 01/12/98. Referred to Committee on Finance.

1 AN ACT Relating to property tax exemptions for associations formed  
2 by fire protection district fire commissioners; adding new sections to  
3 chapter 84.36 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW  
6 to read as follows:

7 The following property shall be exempt from taxation: All property  
8 owned by an association formed under RCW 52.12.031(4) in accordance  
9 with sections 2 and 3 of this act.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36 RCW  
11 to read as follows:

12 In order to be exempt pursuant to section 1 of this act, the  
13 nonprofit organizations, associations or corporations shall satisfy the  
14 following conditions:

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

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

3 (i) The rents and donations received for the use of the portion of  
4 the property are reasonable; and

5 (ii) The property would be exempt from tax if owned by the  
6 organization to which it is loaned or rented;

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

10 (2) The property is irrevocably dedicated to the purpose for which  
11 exemption has been granted, and on the liquidation, dissolution, or  
12 abandonment by said organization, association, or corporation, said  
13 property will not inure directly or indirectly to the benefit of any  
14 shareholder or individual, except a nonprofit organization,  
15 association, or corporation which too would be entitled to property tax  
16 exemption;

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

19 (4) The organization, association, or corporation is duly licensed  
20 or certified where such licensing or certification is required by law  
21 or regulation;

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

25 (6) The director of the department of revenue shall have access to  
26 its books in order to determine whether such organization, association,  
27 or corporation is exempt from taxes within the intent of section 1 of  
28 this act.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36 RCW  
30 to read as follows:

31 (1) Upon cessation of a use under which an exemption has been  
32 granted pursuant to section 1 of this act, the county treasurer shall  
33 collect all taxes which would have been paid had the property not been  
34 exempt during the three years preceding, or the life of such exemption,  
35 if such be less, together with the interest at the same rate and  
36 computed in the same way as that upon delinquent property taxes. Where  
37 the property has been granted an exemption for more than ten years,  
38 taxes and interest shall not be assessed under this section.

1       (2) Subsection (1) of this section applies only when ownership of  
2 the property is transferred or when fifty-one percent or more of the  
3 area of the property has lost its exempt status. The additional tax  
4 under subsection (1) of this section shall not be imposed if the  
5 cessation of use resulted solely from:

6       (a) Transfer to a nonprofit organization, association, or  
7 corporation for a use which also qualifies and is granted exemption  
8 under the provisions of chapter 84.36 RCW;

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

12       (c) Official action by an agency of the state of Washington or by  
13 the county or city within which the property is located which disallows  
14 the present use of such property;

15       (d) A natural disaster such as a flood, windstorm, earthquake, or  
16 other such calamity rather than by virtue of the act of the  
17 organization, association, or corporation changing the use of such  
18 property;

19       (e) Relocation of the activity and use of another location or site;

20       (f) Cancellation of a lease on property that had been exempt under  
21 section 1 of this act.

22       NEW SECTION. **Sec. 4.** This act is effective for taxes levied for  
23 collection in 1999 and thereafter.

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