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HOUSE BILL 2545

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State of Washington                      55th Legislature                      1998 Regular Session

By Representatives Radcliff, Dunshee, Scott, Thompson and D. Schmidt

Read first time 01/15/98. Referred to Committee on Finance.

1            AN ACT Relating to property tax exemptions for community radio  
2 stations; reenacting and amending RCW 84.36.800, 84.36.805, and  
3 84.36.810; adding a new section to chapter 84.36 RCW; and creating a  
4 new section.

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

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

8            (1) All property owned by a community public radio station is  
9 exempt from taxation.

10           (2) As used in this section "community public radio station" means  
11 a nonprofit organization, other than a government entity or an  
12 educational institution, that holds a noncommercial FM broadcast  
13 license under 47 C.F.R. Sec. 73.503.

14           **Sec. 2.** RCW 84.36.800 and 1997 c 156 s 7 and 1997 c 143 s 2 are  
15 each reenacted and amended to read as follows:

16           As used in RCW 84.36.020, 84.36.030, 84.36.037, 84.36.040,  
17 84.36.041, 84.36.050, 84.36.060, 84.36.550, 84.36.046, section 1 of  
18 this act, and 84.36.800 through 84.36.865:

1 (1) "Church purposes" means the use of real and personal property  
2 owned by a nonprofit religious organization for religious worship or  
3 related administrative, educational, eleemosynary, and social  
4 activities. This definition is to be broadly construed;

5 (2) "Convent" means a house or set of buildings occupied by a  
6 community of clergy or nuns devoted to religious life under a superior;

7 (3) "Hospital" means any portion of a hospital building, or other  
8 buildings in connection therewith, used as a residence for persons  
9 engaged or employed in the operation of a hospital, or operated as a  
10 portion of the hospital unit;

11 (4) "Nonprofit" means an organization, association or corporation  
12 no part of the income of which is paid directly or indirectly to its  
13 members, stockholders, officers, directors or trustees except in the  
14 form of services rendered by the organization, association, or  
15 corporation in accordance with its purposes and bylaws and the salary  
16 or compensation paid to officers of such organization, association or  
17 corporation is for actual services rendered and compares to the salary  
18 or compensation of like positions within the public services of the  
19 state;

20 (5) "Parsonage" means a residence occupied by a member of the  
21 clergy who has been designated for a particular congregation and who  
22 holds regular services therefor.

23 **Sec. 3.** RCW 84.36.805 and 1997 c 156 s 8 and 1997 c 143 s 3 are  
24 each reenacted and amended to read as follows:

25 In order to be exempt pursuant to RCW 84.36.030, 84.36.035,  
26 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045, 84.36.047,  
27 84.36.050, 84.36.060, section 1 of this act, 84.36.350, 84.36.480,  
28 84.36.550, and 84.36.046, the nonprofit organizations, associations or  
29 corporations shall satisfy the following conditions:

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

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

36 (i) The rents and donations received for the use of the portion of  
37 the property are reasonable and do not exceed the maintenance and

1 operation expenses attributable to the portion of the property loaned  
2 or rented; and

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

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

9 (2) The property is irrevocably dedicated to the purpose for which  
10 exemption has been granted, and on the liquidation, dissolution, or  
11 abandonment by said organization, association, or corporation, said  
12 property will not inure directly or indirectly to the benefit of any  
13 shareholder or individual, except a nonprofit organization,  
14 association, or corporation which too would be entitled to property tax  
15 exemption. This property need not be irrevocably dedicated if it is  
16 leased or rented to those qualified for exemption pursuant to RCW  
17 84.36.035, 84.36.040, 84.36.041, 84.36.043, or 84.36.046 or those  
18 qualified for exemption as an association engaged in the production or  
19 performance of musical, dance, artistic, dramatic, or literary works  
20 pursuant to RCW 84.36.060, but only if under the terms of the lease or  
21 rental agreement the nonprofit organization, association, or  
22 corporation receives the benefit of the exemption;

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

25 (4) The organization, association, or corporation is duly licensed  
26 or certified where such licensing or certification is required by law  
27 or regulation;

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

31 (6) The director of the department of revenue shall have access to  
32 its books in order to determine whether such organization, association,  
33 or corporation is exempt from taxes within the intent of RCW 84.36.030,  
34 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,  
35 84.36.047, 84.36.050, 84.36.060, section 1 of this act, 84.36.350,  
36 84.36.480, and 84.36.046.

37 **Sec. 4.** RCW 84.36.810 and 1997 c 156 s 9 and 1997 c 143 s 4 are  
38 each reenacted and amended to read as follows:

1 (1) Upon cessation of a use under which an exemption has been  
2 granted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.041,  
3 84.36.043, 84.36.050, 84.36.060, 84.36.550, ((and)) 84.36.046, and  
4 section 1 of this act, the county treasurer shall collect all taxes  
5 which would have been paid had the property not been exempt during the  
6 three years preceding, or the life of such exemption, if such be less,  
7 together with the interest at the same rate and computed in the same  
8 way as that upon delinquent property taxes. Where the property has  
9 been granted an exemption for more than ten years, taxes and interest  
10 shall not be assessed under this section.

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

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

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

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

25 (d) A natural disaster such as a flood, windstorm, earthquake, or  
26 other such calamity rather than by virtue of the act of the  
27 organization, association, or corporation changing the use of such  
28 property;

29 (e) Relocation of the activity and use of another location or site  
30 except for undeveloped properties of camp facilities exempted under RCW  
31 84.36.030;

32 (f) Cancellation of a lease on property that had been exempt under  
33 RCW 84.36.040, 84.36.041, 84.36.043, 84.36.060, or 84.36.046;

34 (g) A change in the exempt portion of a home for the aging under  
35 RCW 84.36.041(3), as long as some portion of the home remains exempt;

36 (h) The conversion of a full exemption of a home for the aging to  
37 a partial exemption or taxable status or the conversion of a partial  
38 exemption to taxable status under RCW 84.36.041(8).

1        NEW SECTION.   **Sec. 5.**   Section 1 of this act is effective for taxes  
2   levied for collection in 1999 and thereafter.

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