
SENATE BILL 6050

State of Washington

55th Legislature

1997 Regular Session

By Senator Oke

Read first time 03/05/97. Referred to Committee on Transportation.

1 AN ACT Relating to tax exemptions for state route number 16
2 corridor improvements constructed under chapter 47.46 RCW; amending RCW
3 82.29A.130; adding a new section to chapter 82.08 RCW; adding a new
4 section to chapter 82.12 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds and declares that:

7 Tax exemptions on state route number 16 corridor improvements,
8 constructed under the public-private initiatives in transportation
9 program, would decrease both the initial cost of the project and the
10 operating costs of the facility once it is in operation.

11 A sales tax exemption on construction would increase the financial
12 feasibility of constructing the state route number 16 corridor
13 improvements. Sales and leasehold tax exemptions would lower initial
14 toll levels charged to users of the facility, reduce the need for toll
15 increases, and reduce the length of time tolls are imposed. Lower toll
16 rates increase the likelihood of favorable voter response to the
17 advisory vote required under chapter 47.46 RCW on the state route
18 number 16 corridor improvements project.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
2 to read as follows:

3 The tax levied by RCW 82.08.020 does not apply to the state route
4 number 16 corridor improvements project constructed under chapter 47.46
5 RCW.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
7 to read as follows:

8 The provisions of this chapter do not apply in respect to the use
9 of the state route number 16 corridor improvements project constructed
10 under chapter 47.46 RCW.

11 **Sec. 4.** RCW 82.29A.130 and 1995 3rd sp.s. c 1 s 307 are each
12 amended to read as follows:

13 The following leasehold interests shall be exempt from taxes
14 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

15 (1) All leasehold interests constituting a part of the operating
16 properties of any public utility which is assessed and taxed as a
17 public utility pursuant to chapter 84.12 RCW.

18 (2) All leasehold interests in facilities owned or used by a
19 school, college or university which leasehold provides housing for
20 students and which is otherwise exempt from taxation under provisions
21 of RCW 84.36.010 and 84.36.050.

22 (3) All leasehold interests of subsidized housing where the fee
23 ownership of such property is vested in the government of the United
24 States, or the state of Washington or any political subdivision thereof
25 but only if income qualification exists for such housing.

26 (4) All leasehold interests used for fair purposes of a nonprofit
27 fair association that sponsors or conducts a fair or fairs which
28 receive support from revenues collected pursuant to RCW 67.16.100 and
29 allocated by the director of the department of agriculture where the
30 fee ownership of such property is vested in the government of the
31 United States, the state of Washington or any of its political
32 subdivisions: PROVIDED, That this exemption shall not apply to the
33 leasehold interest of any sublessee of such nonprofit fair association
34 if such leasehold interest would be taxable if it were the primary
35 lease.

36 (5) All leasehold interests in any property of any public entity
37 used as a residence by an employee of that public entity who is

1 required as a condition of employment to live in the publicly owned
2 property.

3 (6) All leasehold interests held by enrolled Indians of lands owned
4 or held by any Indian or Indian tribe where the fee ownership of such
5 property is vested in or held in trust by the United States and which
6 are not subleased to other than to a lessee which would qualify
7 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

8 (7) All leasehold interests in any real property of any Indian or
9 Indian tribe, band, or community that is held in trust by the United
10 States or is subject to a restriction against alienation imposed by the
11 United States: PROVIDED, That this exemption shall apply only where it
12 is determined that contract rent paid is greater than or equal to
13 ninety percent of fair market rental, to be determined by the
14 department of revenue using the same criteria used to establish taxable
15 rent in RCW 82.29A.020(2)(b).

16 (8) All leasehold interests for which annual taxable rent is less
17 than two hundred fifty dollars per year. For purposes of this
18 subsection leasehold interests held by the same lessee in contiguous
19 properties owned by the same lessor shall be deemed a single leasehold
20 interest.

21 (9) All leasehold interests which give use or possession of the
22 leased property for a continuous period of less than thirty days:
23 PROVIDED, That for purposes of this subsection, successive leases or
24 lease renewals giving substantially continuous use of possession of the
25 same property to the same lessee shall be deemed a single leasehold
26 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed
27 to give use or possession for a period of less than thirty days solely
28 by virtue of the reservation by the public lessor of the right to use
29 the property or to allow third parties to use the property on an
30 occasional, temporary basis.

31 (10) All leasehold interests under month-to-month leases in
32 residential units rented for residential purposes of the lessee pending
33 destruction or removal for the purpose of constructing a public highway
34 or building.

35 (11) All leasehold interests in any publicly owned real or personal
36 property to the extent such leasehold interests arises solely by virtue
37 of a contract for public improvements or work executed under the public
38 works statutes of this state or of the United States between the public
39 owner of the property and a contractor.

1 (12) All leasehold interests that give use or possession of state
2 adult correctional facilities for the purposes of operating
3 correctional industries under RCW 72.09.100.

4 (13) All leasehold interests used to provide organized and
5 supervised recreational activities for disabled persons of all ages in
6 a camp facility and for public recreational purposes by a nonprofit
7 organization, association, or corporation that would be exempt from
8 property tax under RCW 84.36.030(1) if it owned the property. If the
9 publicly owned property is used for any taxable purpose, the leasehold
10 excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be
11 imposed and shall be apportioned accordingly.

12 (14) All leasehold interests in the public or entertainment areas
13 of a baseball stadium with natural turf and a retractable roof or
14 canopy that is in a county with a population of over one million, that
15 has a seating capacity of over forty thousand, and that is constructed
16 on or after January 1, 1995. "Public or entertainment areas" include
17 ticket sales areas, ramps and stairs, lobbies and concourses, parking
18 areas, concession areas, restaurants, hospitality and stadium club
19 areas, kitchens or other work areas primarily servicing other public or
20 entertainment areas, public rest room areas, press and media areas,
21 control booths, broadcast and production areas, retail sales areas,
22 museum and exhibit areas, scoreboards or other public displays, storage
23 areas, loading, staging, and servicing areas, seating areas and suites,
24 the playing field, and any other areas to which the public has access
25 or which are used for the production of the entertainment event or
26 other public usage, and any other personal property used for these
27 purposes. "Public or entertainment areas" does not include locker
28 rooms or private offices exclusively used by the lessee.

29 (15) All leasehold interests in the state route number 16 corridor
30 improvements project constructed and operated under chapter 47.46 RCW.

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