
HOUSE BILL 2621

State of Washington

56th Legislature

2000 Regular Session

By Representatives Lambert, Kastama, Schindler, Koster, Miloscia,
Talcott and Boldt

Read first time . Referred to Committee on .

1 AN ACT Relating to property tax exemptions for churches; amending
2 RCW 84.36.020; and reenacting and amending RCW 84.36.805 and 84.36.810.

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

4 **Sec. 1.** RCW 84.36.020 and 1994 c 124 s 16 are each amended to read
5 as follows:

6 The following real and personal property shall be exempt from
7 taxation:

8 (1) All lands, buildings, and personal property required for
9 necessary administration and maintenance, used, or to the extent used,
10 exclusively for public burying grounds or cemeteries without
11 discrimination as to race, color, national origin or ancestry;

12 (2) All churches, personal property, and the ground(~~(, not~~
13 ~~exceeding five acres in area,)) upon which a church of any nonprofit
14 recognized religious denomination is or shall be built, together with
15 a parsonage, convent, and buildings and improvements required for the
16 maintenance and safeguarding of such property. The area exempted shall
17 in any case include all ground covered by the church, parsonage,
18 convent, and buildings and improvements required for the maintenance
19 and safeguarding of such property and the structures and ground~~

1 necessary for street access, parking, light, and ventilation(~~(, but the~~
2 ~~area of unoccupied ground exempted in such cases, in connection with~~
3 ~~church, parsonage, convent, and buildings and improvements required for~~
4 ~~the maintenance and safeguarding of such property, shall not exceed the~~
5 ~~equivalent of one hundred twenty by one hundred twenty feet except~~
6 ~~where additional unoccupied land may be required to conform with state~~
7 ~~or local codes, zoning, or licensing requirements)). The parsonage and~~
8 ~~convent need not be on land contiguous to the church property. To be~~
9 ~~exempt the property must be wholly used for church purposes: PROVIDED,~~
10 ~~That the loan or rental of property otherwise exempt under this~~
11 ~~((paragraph)) subsection to a nonprofit organization, association, or~~
12 ~~corporation, or school for use for an eleemosynary activity shall not~~
13 ~~nullify the exemption provided in this ((paragraph)) subsection if the~~
14 ~~rental income, if any, is reasonable and is devoted solely to the~~
15 ~~operation and maintenance of the property.~~

16 **Sec. 2.** RCW 84.36.805 and 1999 c 203 s 2 and 1999 c 139 s 3 are
17 each reenacted and amended to read as follows:

18 (1) In order to qualify for an exemption under this chapter and RCW
19 84.36.560, the nonprofit organizations, associations, or corporations
20 must satisfy the conditions in this section.

21 (2) The property must be used exclusively for the actual operation
22 of the activity for which exemption is granted, unless otherwise
23 provided, and does not exceed an amount reasonably necessary for that
24 purpose, except:

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

27 (i) The rents and donations received for the use of the portion of
28 the property are reasonable and do not exceed the maintenance and
29 operation expenses attributable to the portion of the property loaned
30 or rented; and

31 (ii) Except for the exemptions under RCW 84.36.030(4) and
32 84.36.037, the property would be exempt from tax if owned by the
33 organization to which it is loaned or rented;

34 (b) The use of the property for fund-raising activities does not
35 subject the property to tax if the fund-raising activities are
36 consistent with the purposes for which the exemption is granted.

37 (3) The property must be irrevocably dedicated to the purpose for
38 which exemption has been granted, and on the liquidation, dissolution,

1 or abandonment by said organization, association, or corporation, said
2 property will not inure directly or indirectly to the benefit of any
3 shareholder or individual, except a nonprofit organization,
4 association, or corporation which too would be entitled to property tax
5 exemption. This property need not be irrevocably dedicated if it is
6 leased or rented to those qualified for exemption under this chapter or
7 RCW 84.36.560 for leased property, but only if under the terms of the
8 lease or rental agreement the nonprofit organization, association, or
9 corporation receives the benefit of the exemption.

10 (4) The facilities and services must be available to all regardless
11 of race, color, national origin or ancestry.

12 (5) The organization, association, or corporation must be duly
13 licensed or certified where such licensing or certification is required
14 by law or regulation.

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

18 (7) The department shall have access to its books in order to
19 determine whether the nonprofit organization, association, or
20 corporation is exempt from taxes under this chapter and RCW 84.36.560.

21 (8) This section does not apply to exemptions granted under RCW
22 84.36.020(1), 84.36.032, 84.36.250, and 84.36.260.

23 **Sec. 3.** RCW 84.36.810 and 1999 c 203 s 3 and 1999 c 139 s 4 are
24 each reenacted and amended to read as follows:

25 (1) Upon cessation of a use under which an exemption has been
26 granted pursuant to RCW 84.36.020(2), 84.36.030, 84.36.037, 84.36.040,
27 84.36.041, 84.36.042, 84.36.043, 84.36.046, 84.36.050, 84.36.060,
28 84.36.550, 84.36.560, and 84.36.570, the county treasurer shall collect
29 all taxes which would have been paid had the property not been exempt
30 during the three years preceding, or the life of such exemption, if
31 such be less, together with the interest at the same rate and computed
32 in the same way as that upon delinquent property taxes. If the
33 property has been granted an exemption for more than ten consecutive
34 years, taxes and interest shall not be assessed under this section.

35 (2) Subsection (1) of this section applies only when ownership of
36 the property is transferred or when fifty-one percent or more of the
37 area of the property loses its exempt status. The additional tax under

1 subsection (1) of this section shall not be imposed if the cessation of
2 use resulted solely from:

3 (a) Transfer to a nonprofit organization, association, or
4 corporation for a use which also qualifies and is granted exemption
5 under this chapter;

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

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

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

16 (e) Relocation of the activity and use of another location or site
17 except for undeveloped properties of camp facilities exempted under RCW
18 84.36.030;

19 (f) Cancellation of a lease on leased property that had been exempt
20 under this chapter or RCW 84.36.560; or

21 (g) A change in the exempt portion of a home for the aging under
22 RCW 84.36.041(3), as long as some portion of the home remains exempt.

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