
HOUSE BILL 2750

State of Washington

57th Legislature

2002 Regular Session

By Representatives Gombosky, Nixon, Wood, Ballasiotes, Conway, Veloria, Ogden, Chase, Berkey, Skinner and Edwards

Read first time 01/25/2002. Referred to Committee on Finance.

1 AN ACT Relating to the property taxation of organizations operated
2 exclusively for art, scientific, or historical purposes; amending RCW
3 84.36.060; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that artistic,
6 scientific, or historical organizations and organizations engaged in
7 the production and performance of musical, dance, artistic, dramatic,
8 or literary works provide many public benefits to the people of the
9 state of Washington. Therefore, the legislature finds that it is in
10 the best interest of the state of Washington to provide a limited
11 property tax exemption for incidental use of the facilities of certain
12 organizations to allow these organizations to better raise additional
13 revenues from the public to be self-sustaining for their exempt
14 purposes.

15 **Sec. 2.** RCW 84.36.060 and 1995 c 306 s 1 are each amended to read
16 as follows:

17 The following property shall be exempt from taxation:

1 (1) All art, scientific, or historical collections of associations
2 maintaining and exhibiting such collections for the benefit of the
3 general public and not for profit, together with all real and personal
4 property of such associations used exclusively for the safekeeping,
5 maintaining and exhibiting of such collections; and all the real and
6 personal property owned by or leased to associations engaged in the
7 production and performance of musical, dance, artistic, dramatic, or
8 literary works for the benefit of the general public and not for
9 profit, which real and personal property is used exclusively for this
10 production or performance.

11 (a) To receive this exemption an organization must be organized and
12 operated exclusively for artistic, scientific, historical, literary,
13 musical, dance, dramatic, or educational purposes and receive a
14 substantial part of its support (exclusive of income received in the
15 exercise or performance by such organization of its purpose or
16 function) from the United States or any state or any political
17 subdivision thereof or from direct or indirect contributions from the
18 general public.

19 (b) If the property is not currently being used for an exempt
20 purpose but will be used for an exempt purpose within a reasonable
21 period of time, the nonprofit organization, association, or corporation
22 claiming the exemption must submit proof that a reasonably specific and
23 active program is being carried out to construct, remodel, or otherwise
24 enable the property to be used for an exempt purpose. The property
25 does not qualify for an exemption during this interim period if the
26 property is used by, loaned to, or rented to a for-profit organization
27 or business enterprise. Proof of a specific and active program to
28 build or remodel the property so it may be used for an exempt purpose
29 may include, but is not limited to:

30 (i) Affirmative action by the board of directors, trustees, or
31 governing body of the nonprofit organization, association, or
32 corporation toward an active program of construction or remodeling;

33 (ii) Itemized reasons for the proposed construction or remodeling;

34 (iii) Clearly established plans for financing the construction or
35 remodeling; or

36 (iv) Building permits.

37 (c) Notwithstanding (b) of this subsection, a for-profit limited
38 partnership created to provide facilities for the use of nonprofit art,
39 scientific, or historical organizations qualifies for the exemption

1 under (b) of this subsection through 1997 if the for-profit limited
2 partnership otherwise qualifies under (b) of this subsection.

3 (d) Property qualifies for an exemption under this subsection (1)
4 if it is used by, loaned to, or rented to another organization or
5 business enterprise that does not otherwise qualify for the exemption
6 under this subsection (1) if: (i) The use, loan, or rental is
7 reasonable; (ii) the income derived from the use, loan, or rental does
8 not exceed the maintenance and operation expenses attributable to the
9 portion of the property used, loaned, or rented; and (iii) the income
10 derived from the use, loan, or rental does not exceed ten percent of
11 the total financial support the qualifying organization receives.

12 (2) All fire engines and other implements used for the
13 extinguishment of fire, with the buildings used exclusively for the
14 safekeeping thereof, and for meetings of fire companies, provided such
15 properties belong to any city or town or to a fire company therein.

16 (3) Property owned by humane societies in this state in actual use
17 by such societies.

18 NEW SECTION. Sec. 3. This act applies to property taxes levied
19 for collection in 2003 and thereafter.

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