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SENATE BILL 5977

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State of Washington

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2001 Regular Session

By Senators Rossi, Eide, T. Sheldon, Hochstatter, Stevens, Hargrove, Rasmussen and Roach

Read first time 02/12/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to exempting private residences on United States  
2 forest service land from the leasehold excise tax; and amending RCW  
3 82.29A.130.

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

5 **Sec. 1.** RCW 82.29A.130 and 1999 c 165 s 21 are each amended to  
6 read as follows:

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

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

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

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

1 (4) All leasehold interests used for fair purposes of a nonprofit  
2 fair association that sponsors or conducts a fair or fairs which  
3 receive support from revenues collected pursuant to RCW 67.16.100 and  
4 allocated by the director of the department of agriculture where the  
5 fee ownership of such property is vested in the government of the  
6 United States, the state of Washington or any of its political  
7 subdivisions: PROVIDED, That this exemption shall not apply to the  
8 leasehold interest of any sublessee of such nonprofit fair association  
9 if such leasehold interest would be taxable if it were the primary  
10 lease.

11 (5) All leasehold interests in any property of any public entity  
12 used as a residence by an employee of that public entity who is  
13 required as a condition of employment to live in the publicly owned  
14 property.

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

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

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

33 (9) All leasehold interests which give use or possession of the  
34 leased property for a continuous period of less than thirty days:  
35 PROVIDED, That for purposes of this subsection, successive leases or  
36 lease renewals giving substantially continuous use of possession of the  
37 same property to the same lessee shall be deemed a single leasehold  
38 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed  
39 to give use or possession for a period of less than thirty days solely

1 by virtue of the reservation by the public lessor of the right to use  
2 the property or to allow third parties to use the property on an  
3 occasional, temporary basis.

4 (10) All leasehold interests under month-to-month leases in  
5 residential units rented for residential purposes of the lessee pending  
6 destruction or removal for the purpose of constructing a public highway  
7 or building.

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

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

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

24 (14) All leasehold interests in the public or entertainment areas  
25 of a baseball stadium with natural turf and a retractable roof or  
26 canopy that is in a county with a population of over one million, that  
27 has a seating capacity of over forty thousand, and that is constructed  
28 on or after January 1, 1995. "Public or entertainment areas" include  
29 ticket sales areas, ramps and stairs, lobbies and concourses, parking  
30 areas, concession areas, restaurants, hospitality and stadium club  
31 areas, kitchens or other work areas primarily servicing other public or  
32 entertainment areas, public rest room areas, press and media areas,  
33 control booths, broadcast and production areas, retail sales areas,  
34 museum and exhibit areas, scoreboards or other public displays, storage  
35 areas, loading, staging, and servicing areas, seating areas and suites,  
36 the playing field, and any other areas to which the public has access  
37 or which are used for the production of the entertainment event or  
38 other public usage, and any other personal property used for these

1 purposes. "Public or entertainment areas" does not include locker  
2 rooms or private offices exclusively used by the lessee.

3 (15) All leasehold interests in the public or entertainment areas  
4 of a stadium and exhibition center, as defined in RCW 36.102.010, that  
5 is constructed on or after January 1, 1998. For the purposes of this  
6 subsection, "public or entertainment areas" has the same meaning as in  
7 subsection (14) of this section, and includes exhibition areas.

8 (16) All leasehold interests in public facilities districts, as  
9 provided in chapter 36.100 or 35.57 RCW.

10 (17) All leasehold interests granting use or possession of federal  
11 lands administered by the United States forest service for the purposes  
12 of building and/or occupying an improvement owned by the lessee for  
13 private, noncommercial use as a recreational residence, and for which  
14 an annual permit fee is paid to the United States department of  
15 agriculture or the United States forest service. To claim this  
16 exemption, the leasehold interest must be renewed at least annually and  
17 preclude permanent occupancy. The lessee must also comply with all  
18 forest service regulations. This exemption does not apply to  
19 commercial and multiunit housing.

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