
SENATE BILL 5836

State of Washington 58th Legislature 2003 Regular Session

By Senators Thibaudeau, Winsley, Kohl-Welles, Kline and Prentice

Read first time 02/14/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for nonprofit
2 organizations supporting artists; amending RCW 84.36.810; adding a new
3 section to chapter 84.36 RCW; and creating a new section.

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

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

7 The real and personal property owned or used by a nonprofit
8 organization is exempt from taxation if the property is used for
9 solicitation or collection of gifts, donations, or grants for the
10 support of individual artists and the organization meets all of the
11 following conditions:

12 (1) The organization is organized and conducted for nonsectarian
13 purposes.

14 (2) The organization is qualified for exemption under section
15 501(c)(3) of the federal internal revenue code.

16 (3) The organization is governed by a volunteer board of directors
17 of at least eight members.

18 (4) If the property is leased, the benefit of the exemption inures
19 to the user.

1 (5) The gifts, donations, and grants are used by the organization
2 for grants, fellowships, information services, and educational
3 resources in support of individual artists engaged in the production or
4 performance of musical, dance, artistic, dramatic, or literary works.

5 **Sec. 2.** RCW 84.36.810 and 2001 c 126 s 3 are each amended to read
6 as follows:

7 (1)(a) Upon cessation of a use under which an exemption has been
8 granted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.041,
9 84.36.042, 84.36.043, 84.36.046, 84.36.050, 84.36.060, 84.36.550,
10 section 2 of this act, 84.36.560, and 84.36.570, except as provided in

11 (b) of this subsection, the county treasurer shall collect all taxes
12 which would have been paid had the property not been exempt during the
13 three years preceding, or the life of such exemption, if such be less,
14 together with the interest at the same rate and computed in the same
15 way as that upon delinquent property taxes. If the property has been
16 granted an exemption for more than ten consecutive years, taxes and
17 interest shall not be assessed under this section.

18 (b) Upon cessation of use by an institution of higher education of
19 property exempt under RCW 84.36.050(2) the county treasurer shall
20 collect all taxes which would have been paid had the property not been
21 exempt during the seven years preceding, or the life of the exemption,
22 whichever is less.

23 (2) Subsection (1) of this section applies only when ownership of
24 the property is transferred or when fifty-one percent or more of the
25 area of the property loses its exempt status. The additional tax under
26 subsection (1) of this section shall not be imposed if the cessation of
27 use resulted solely from:

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

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

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

1 (d) A natural disaster such as a flood, windstorm, earthquake, or
2 other such calamity rather than by virtue of the act of the
3 organization, association, or corporation changing the use of such
4 property;

5 (e) Relocation of the activity and use of another location or site
6 except for undeveloped properties of camp facilities exempted under RCW
7 84.36.030;

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

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

12 (3) Subsections (2)(e) and (f) of this section do not apply to
13 property leased to a state institution of higher education and exempt
14 under RCW 84.36.050(2).

15 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
16 collection in 2004 and thereafter.

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