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HOUSE BILL 1855

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State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Ericksen, Ahern, Buri, Serben, Kretz, McCune,  
Nixon, Campbell, Simpson and Dunn

Read first time 02/08/2005. Referred to Committee on Finance.

1            AN ACT Relating to property tax exemptions for churches and other  
2 religious organizations; amending RCW 84.36.020 and 84.36.030; and  
3 creating a new section.

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

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

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

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

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

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

17 **Sec. 2.** RCW 84.36.030 and 1993 c 327 s 2 are each amended to read  
18 as follows:

19 The following real and personal property shall be exempt from  
20 taxation:

21 (1) Property owned by nonprofit organizations or associations,  
22 organized and conducted for nonsectarian purposes, which shall be used  
23 for character-building, benevolent, protective or rehabilitative social  
24 services directed at persons of all ages. The sale of donated  
25 merchandise shall not be considered a commercial use of the property  
26 under this section if the proceeds are devoted to the furtherance of  
27 the purposes of the selling organization or association as specified in  
28 this paragraph.

29 (2) Property owned by any nonprofit (~~church~~) religious  
30 organization, denomination, or group of (~~churches~~) religious  
31 organizations, or (~~an~~) any organization or association, the  
32 membership of which is comprised solely of (~~churches~~) nonprofit  
33 religious organizations or their qualified representatives, which is  
34 utilized as a camp facility if used for organized and supervised  
35 recreational activities and (~~church~~) religious exercise purposes as  
36 related to such camp facilities. The exemption provided by this

1 paragraph shall apply to a maximum of (~~two~~) four hundred acres of any  
2 such camp as selected by the (~~church~~) religious organization,  
3 including buildings and other improvements thereon.

4 (3) Property, including buildings and improvements required for the  
5 maintenance and safeguarding of such property, owned by nonprofit  
6 organizations or associations engaged in character building of boys and  
7 girls under eighteen years of age, and used for such purposes and uses,  
8 provided such purposes and uses are for the general public good:  
9 PROVIDED, That if existing charters provide that organizations or  
10 associations, which would otherwise qualify under the provisions of  
11 this paragraph, serve boys and girls up to the age of twenty-one years,  
12 then such organizations or associations shall be deemed qualified  
13 pursuant to this section.

14 (4) Property owned by all organizations and societies of veterans  
15 of any war of the United States, recognized as such by the department  
16 of defense, which shall have national charters, and which shall have  
17 for their general purposes and objects the preservation of the memories  
18 and associations incident to their war service and the consecration of  
19 the efforts of their members to mutual helpfulness and to patriotic and  
20 community service to state and nation. To be exempt such property must  
21 be used in such manner as may be reasonably necessary to carry out the  
22 purposes and objects of such societies.

23 The use of the property for pecuniary gain or to promote business  
24 activities, except as provided in this subsection (4), nullifies the  
25 exemption otherwise available for the property for the assessment year.  
26 The exemption is not nullified by:

27 (a) The collection of rent or donations if the amount is reasonable  
28 and does not exceed maintenance and operation expenses.

29 (b) Fund-raising activities conducted by a nonprofit organization.

30 (c) The use of the property for pecuniary gain for periods of not  
31 more than three days in a year.

32 (d) An inadvertent use of the property in a manner inconsistent  
33 with the purpose for which exemption is granted, if the inadvertent use  
34 is not part of a pattern of use. A pattern of use is presumed when an  
35 inadvertent use is repeated in the same assessment year or in two or  
36 more successive assessment years.

37 (5) Property owned by all corporations, incorporated under any act  
38 of congress, whose principal purposes are to furnish volunteer aid to

1 members of the armed forces of the United States and also to carry on  
2 a system of national and international relief and to apply the same in  
3 mitigating the sufferings caused by pestilence, famine, fire, floods,  
4 and other national calamities and to devise and carry on measures for  
5 preventing the same.

6 (6) Property owned by nonprofit organizations exempt from federal  
7 income tax under section 501(c)(3) of the internal revenue code of  
8 1954, as amended, that are guarantee agencies under the federal  
9 guaranteed student loan program or that issue debt to provide or  
10 acquire student loans.

11 (7) To be exempt under this section, the property must be used  
12 exclusively for the purposes for which exemption is granted, except as  
13 provided in RCW 84.36.805.

14 NEW SECTION. **Sec. 3.** This act applies to taxes levied for  
15 collection in 2006 and thereafter.

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