
HOUSE BILL 2590

State of Washington 59th Legislature 2006 Regular Session

By Representatives Dickerson and McIntire

Read first time 01/11/2006. Referred to Committee on Finance.

1 AN ACT Relating to the excise taxation of nonprofit organizations
2 organized and operated for zoological purposes; amending RCW
3 82.04.4328; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that publicly owned
6 zoological facilities in Washington serve a public purpose by providing
7 educational and recreational opportunities for Washington citizens and
8 spurring economic development in the state. The legislature also finds
9 that private funds are critical to the survival of publicly owned
10 zoological facilities. When a public owner of a zoological facility
11 contracts with a nonprofit corporation to raise private funds through
12 the management and operations of the facility, additional excise taxes
13 apply. The legislature intends these nonprofit organizations to pay
14 the same taxes as other nonprofit artistic and cultural organizations
15 within the state.

16 **Sec. 2.** RCW 82.04.4328 and 1985 c 471 s 7 are each amended to read
17 as follows:

18 (1) For the purposes of RCW 82.04.4322, 82.04.4324, 82.04.4326,

1 82.04.4327, 82.08.031, and 82.12.031, the term "artistic or cultural
2 organization" means an organization which is organized and operated
3 exclusively for the purpose of providing artistic ~~((~~or~~))~~, cultural, or
4 zoological exhibitions, presentations, or performances or cultural
5 ~~((~~or~~))~~, art, or zoological education programs, as defined in subsection
6 (2) of this section, for viewing or attendance by the general public.
7 The organization must be a not-for-profit corporation under chapter
8 24.03 RCW and managed by a governing board of not less than eight
9 individuals none of whom is a paid employee of the organization or by
10 a corporation sole under chapter 24.12 RCW. In addition, to qualify
11 for deduction or exemption from taxation under RCW 82.04.4322,
12 82.04.4324, 82.04.4326, 82.04.4327, 82.08.031, and 82.12.031, the
13 corporation shall satisfy the following conditions:

14 (a) No part of its income may be paid directly or indirectly to its
15 members, stockholders, officers, directors, or trustees except in the
16 form of services rendered by the corporation in accordance with its
17 purposes and bylaws;

18 (b) Salary or compensation paid to its officers and executives must
19 be only for actual services rendered, and at levels comparable to the
20 salary or compensation of like positions within the state;

21 (c) Assets of the corporation must be irrevocably dedicated to the
22 activities for which the exemption is granted and, on the liquidation,
23 dissolution, or abandonment by the corporation, may not inure directly
24 or indirectly to the benefit of any member or individual except a
25 nonprofit organization, association, or corporation which also would be
26 entitled to the exemption;

27 (d) The corporation must be duly licensed or certified when
28 licensing or certification is required by law or regulation;

29 (e) The amounts received that qualify for exemption must be used
30 for the activities for which the exemption is granted;

31 (f) Services must be available regardless of race, color, national
32 origin, or ancestry; and

33 (g) The director of revenue shall have access to its books in order
34 to determine whether the corporation is exempt from taxes.

35 (2) The term "artistic ~~((~~or~~))~~, cultural, or zoological exhibitions,
36 presentations, or performances or cultural ~~((~~or~~))~~, art, or zoological
37 education programs" includes and is limited to:

1 (a) An exhibition or presentation of works of art or objects of
2 cultural or historical significance, such as those commonly displayed
3 in art or history museums;

4 (b) A musical or dramatic performance or series of performances;
5 (~~or~~)

6 (c) An educational seminar or program, or series of such programs,
7 offered by the organization to the general public on an artistic,
8 cultural, or historical subject; or

9 (d) Exhibits, presentations, performances, or educational programs
10 provided at a publicly owned zoological facility operated by a
11 nonprofit organization.

12 NEW SECTION. Sec. 3. If any provision of this act or its
13 application to any person or circumstance is held invalid, the
14 remainder of the act or the application of the provision to other
15 persons or circumstances is not affected.

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