
SECOND SUBSTITUTE SENATE BILL 5154

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Pridemore and Zarelli)

READ FIRST TIME 02/23/05.

1 AN ACT Relating to a leasehold excise tax exemption for certain
2 historical property; and amending RCW 82.29A.130.

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

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

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

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

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

15 (3) All leasehold interests of subsidized housing where the fee
16 ownership of such property is vested in the government of the United
17 States, or the state of Washington or any political subdivision thereof
18 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

1 to give use or possession for a period of less than thirty days solely
2 by virtue of the reservation by the public lessor of the right to use
3 the property or to allow third parties to use the property on an
4 occasional, temporary basis.

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

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

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

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

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

1 other public usage, and any other personal property used for these
2 purposes. "Public or entertainment areas" does not include locker
3 rooms or private offices exclusively used by the lessee.

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

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

11 (17) All leasehold interests in property that is: (a) Owned by a
12 municipal corporation; (b) listed on any federal or state register of
13 historical sites; and (c) wholly contained within a designated national
14 historic reserve under 16 U.S.C. Sec. 461.

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