
SENATE BILL 6280

State of Washington

59th Legislature

2006 Regular Session

By Senator Regala

Read first time 01/10/2006. Referred to Committee on Ways & Means.

1 AN ACT Relating to removing the irrevocable dedication requirement
2 for exemption from property tax for property owned by nonprofit
3 entities; and amending RCW 84.36.805.

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

5 **Sec. 1.** RCW 84.36.805 and 2003 c 121 s 2 are each amended to read
6 as follows:

7 (1) In order to qualify for an exemption under this chapter, the
8 nonprofit organizations, associations, or corporations must satisfy the
9 conditions in this section.

10 (2) The property must be used exclusively for the actual operation
11 of the activity for which exemption is granted, unless otherwise
12 provided, and does not exceed an amount reasonably necessary for that
13 purpose, except:

14 (a) The loan or rental of the property does not subject the
15 property to tax if:

16 (i) The rents and donations received for the use of the portion of
17 the property are reasonable and do not exceed the maintenance and
18 operation expenses attributable to the portion of the property loaned
19 or rented; and

1 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
2 and 84.36.060(1) (a) and (b), the property would be exempt from tax if
3 owned by the organization to which it is loaned or rented;

4 (b) The use of the property for fund-raising activities does not
5 subject the property to tax if the fund-raising activities are
6 consistent with the purposes for which the exemption is granted.

7 ~~(3) ((The property must be irrevocably dedicated to the purpose for
8 which exemption has been granted, and on the liquidation, dissolution,
9 or abandonment by said organization, association, or corporation, said
10 property will not inure directly or indirectly to the benefit of any
11 shareholder or individual, except a nonprofit organization,
12 association, or corporation which too would be entitled to property tax
13 exemption. This property need not be irrevocably dedicated if it is
14 leased or rented to those qualified for exemption under this chapter or
15 RCW 84.36.560 for leased property, but only if under the terms of the
16 lease or rental agreement the nonprofit organization, association, or
17 corporation receives the benefit of the exemption.~~

18 ~~(4))~~ The facilities and services must be available to all
19 regardless of race, color, national origin or ancestry.

20 ~~((5))~~ (4) The organization, association, or corporation must be
21 duly licensed or certified where such licensing or certification is
22 required by law or regulation.

23 ~~((6))~~ (5) Property sold to organizations, associations, or
24 corporations with an option to be repurchased by the seller shall not
25 qualify for exempt status. This subsection does not apply to property
26 sold to a nonprofit entity, as defined in RCW 84.36.560(7), by:

27 (a) A nonprofit as defined in RCW 84.36.800 that is exempt from
28 income tax under section 501(c) of the federal internal revenue code;

29 (b) A governmental entity established under RCW 35.21.660,
30 35.21.670, or 35.21.730;

31 (c) A housing authority created under RCW 35.82.030;

32 (d) A housing authority meeting the definition in RCW
33 35.82.210(2)(a); or

34 (e) A housing authority established under RCW 35.82.300.

35 ~~((7))~~ (6) The department shall have access to its books in order
36 to determine whether the nonprofit organization, association, or
37 corporation is exempt from taxes under this chapter.

1 (~~(8)~~) (7) This section does not apply to exemptions granted under
2 RCW 84.36.020, 84.36.032, 84.36.250, and 84.36.260.

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