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SENATE BILL 6282

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State of Washington                      59th Legislature                      2006 Regular Session

By Senators Kohl-Welles, Esser and Jacobsen

Read first time 01/10/2006.                      Referred to Committee on Natural Resources, Ocean & Recreation.

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 ~~(( $\oplus$ ))~~, cultural, or  
4 zoological exhibitions, presentations, or performances or cultural  
5 ~~(( $\oplus$ ))~~, 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 ~~(( $\oplus$ ))~~, cultural, or zoological exhibitions,  
36 presentations, or performances or cultural ~~(( $\oplus$ ))~~, 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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