
SUBSTITUTE HOUSE BILL 2402

State of Washington

61st Legislature

2010 Regular Session

By House Finance (originally sponsored by Representatives White, Rolfes, Armstrong, Haler, Nelson, Roberts, Maxwell, Dickerson, Crouse, Jacks, Walsh, Wallace, Sells, Ormsby, Kenney, Williams, Blake, Chase, Morris, Campbell, Appleton, Carlyle, Conway, Bailey, Hope, and Haigh)

READ FIRST TIME 02/09/10.

1 AN ACT Relating to a property tax exemption for property owned by
2 a nonprofit organization and used for the purpose of a farmers market;
3 amending RCW 84.36.037; creating a new section; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 84.36.037 and 2006 c 305 s 3 are each amended to read
7 as follows:

8 (1) Real or personal property owned by a nonprofit organization,
9 association, or corporation in connection with the operation of a
10 public assembly hall or meeting place is exempt from taxation. The
11 area exempt under this section includes the building or buildings, the
12 land under the buildings, and an additional area necessary for parking,
13 not exceeding a total of one acre. When property for which exemption
14 is sought is essentially unimproved except for restroom facilities and
15 structures and this property has been used primarily for annual
16 community celebration events for at least ten years, the exempt
17 property shall not exceed twenty-nine acres.

18 (2) To qualify for this exemption the property must be used
19 exclusively for public gatherings and must be available to all

1 organizations or persons desiring to use the property, but the owner
2 may impose conditions and restrictions which are necessary for the
3 safekeeping of the property and promote the purposes of this exemption.
4 Membership shall not be a prerequisite for the use of the property.

5 (3) The use of the property for pecuniary gain or for business
6 activities, except as provided in this section, nullifies the exemption
7 otherwise available for the property for the assessment year. The
8 exemption is not nullified by:

9 (a) The collection of rent or donations if all funds collected are
10 used for capital improvements to the exempt property, maintenance and
11 operation of the exempt property, or for exempt purposes.

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

13 (c)(i) Except as provided in (c)(ii) of this subsection, the use of
14 the property for pecuniary gain, for business activities for periods of
15 not more than fifteen days each assessment year so long as all income
16 received from rental or use of the exempt property is used for capital
17 improvements to the exempt property, maintenance and operation of the
18 exempt property, or for exempt purposes.

19 (ii) The use of the property for pecuniary gain or for business
20 activities if the property is used for activities related to a
21 qualifying farmers market, as defined in RCW 66.24.170, for not more
22 than fifty-three days each assessment year, and all income received
23 from rental or use of the exempt property is used for capital
24 improvements to the exempt property, maintenance and operation of the
25 exempt property, or exempt purposes.

26 (d) In a county with a population of less than twenty thousand, the
27 use of the property to promote the following business activities:
28 Dance lessons, art classes, or music lessons.

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

34 (4) The department of revenue (~~shall~~) must narrowly construe this
35 exemption.

36 NEW SECTION. **Sec. 2.** This act applies to taxes levied for

1 collection in 2011 through 2020.

2 NEW SECTION. **Sec. 3.** This act expires December 31, 2020.

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