
SENATE BILL 5634

State of Washington

61st Legislature

2009 Regular Session

By Senators Swecker, Haugen, Schoesler, King, Stevens, Honeyford, and Shin

Read first time 01/28/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions on public assembly
2 halls; amending RCW 84.36.037; and creating a new section.

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

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

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

16 (2) To qualify for this exemption the property must be used
17 exclusively for public gatherings and be available to all organizations
18 or persons desiring to use the property, but the owner may impose

1 conditions and restrictions which are necessary for the safekeeping of
2 the property and promote the purposes of this exemption. Membership
3 shall not be a prerequisite for the use of the property.

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

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

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

12 (c)(i) The use of the property for pecuniary gain, for business
13 activities for periods of not more than fifteen days each assessment
14 year so long as all income received from rental or use of the exempt
15 property is used for capital improvements to the exempt property,
16 maintenance and operation of the exempt property, or for exempt
17 purposes; or (ii) the use of the property for pecuniary gain or for
18 business activities for periods in excess of fifteen days, so long as
19 such rental income does not exceed forty percent of the total revenues
20 received from the use or rental of the property, and the income
21 received from the rental or use of the exempt property for pecuniary
22 gain or business activities is used for capital improvements to the
23 exempt property, maintenance and operation of the exempt property, or
24 for exempt purposes.

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

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

33 (4) The department of revenue shall narrowly construe this
34 exemption.

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

1 collection in 2010 and thereafter.

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