
SENATE BILL 6855

State of Washington

61st Legislature

2010 Regular Session

By Senators McDermott and Kohl-Welles

Read first time 02/12/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to exempting community centers from property
2 taxation and imposing leasehold excise taxes on such property; amending
3 RCW 84.36.010, 82.29A.010, and 82.29A.030; and creating a new section.

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

5 **Sec. 1.** RCW 84.36.010 and 2004 c 236 s 1 are each amended to read
6 as follows:

7 (1) All property belonging exclusively to the United States, the
8 state, or any county or municipal corporation; all property belonging
9 exclusively to any federally recognized Indian tribe located in the
10 state, if that property is used exclusively for essential government
11 services; all state route number 16 corridor transportation systems and
12 facilities constructed under chapter 47.46 RCW; (~~and~~) all property
13 under a financing contract pursuant to chapter 39.94 RCW or recorded
14 agreement granting immediate possession and use to the public bodies
15 listed in this section or under an order of immediate possession and
16 use pursuant to RCW 8.04.090; and, for a period of forty years from
17 acquisition, all property of a community center; is exempt from
18 taxation. All property belonging exclusively to a foreign national
19 government is exempt from taxation if that property is used exclusively

1 as an office or residence for a consul or other official representative
2 of the foreign national government, and if the consul or other official
3 representative is a citizen of that foreign nation.

4 (2) For the purposes of this section((7)) the following definitions
5 apply unless the context clearly requires otherwise.

6 (a) "Community center" means property, including a building or
7 buildings, determined to be surplus to the needs of a district by a
8 local school board, and purchased or acquired by a nonprofit
9 organization for the purposes of converting them into community
10 facilities for the delivery of nonresidential coordinated services for
11 community members. The community center may make space available to
12 businesses, individuals, or other parties through the loan or rental of
13 space in or on the property.

14 (b) "Essential government services" means services such as tribal
15 administration, public facilities, fire, police, public health,
16 education, sewer, water, environmental and land use, transportation,
17 and utility services.

18 **Sec. 2.** RCW 82.29A.010 and 1999 c 220 s 1 are each amended to read
19 as follows:

20 (1)(a) The legislature hereby recognizes that properties of the
21 state of Washington, counties, school districts, and other municipal
22 corporations are exempted by Article 7, section 1 of the state
23 Constitution from property tax obligations, but that private lessees of
24 such public properties receive substantial benefits from governmental
25 services provided by units of government.

26 (b) The legislature further recognizes that a uniform method of
27 taxation should apply to such leasehold interests in publicly owned
28 property.

29 (c) The legislature finds that lessees of publicly owned property
30 or community centers are entitled to those same governmental services
31 and does hereby provide for a leasehold excise tax to fairly compensate
32 governmental units for services rendered to such lessees of publicly
33 owned property or community centers. For the purposes of this
34 subsection, "community center" has the same meaning as provided in RCW
35 84.36.010.

36 (2) The legislature further finds that experience gained by
37 lessors, lessees, and the department of revenue since enactment of the

1 leasehold excise tax under this chapter has shed light on areas in the
2 leasehold excise statutes that need explanation and clarification. The
3 purpose of chapter 220, Laws of 1999 is to make those changes.

4 **Sec. 3.** RCW 82.29A.030 and 1983 2nd ex.s. c 3 s 18 are each
5 amended to read as follows:

6 (1)(a) There is ~~((hereby))~~ levied and ~~((shall be))~~ collected a
7 leasehold excise tax on the act or privilege of occupying or using
8 publicly owned real or personal property or real or personal property
9 of a community center through a leasehold interest on and after January
10 1, 1976, at a rate of twelve percent of taxable rent(~~(:—PROVIDED,~~
11 ~~That)).~~ However, after the computation of the tax ~~((there shall be))~~
12 a credit is allowed ~~((credit))~~ for any tax collected pursuant to RCW
13 82.29A.040.

14 (b) For the purposes of this subsection, "community center" has the
15 same meaning as provided in RCW 84.36.010.

16 (2) An additional tax is imposed equal to the rate specified in RCW
17 82.02.030 multiplied by the tax payable under subsection (1) of this
18 section.

19 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
20 collection in 2011 and thereafter.

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