
SENATE BILL 6598

State of Washington

62nd Legislature

2012 Regular Session

By Senators Ericksen, Haugen, Holmquist Newbry, Harper, Rolfes, King, Becker, Hatfield, Morton, Litzow, Schoesler, and Hewitt

Read first time 02/16/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for nonprofit fair
2 associations in rural counties; amending RCW 84.36.480; reenacting and
3 amending RCW 84.36.805; and providing an expiration date.

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

5 **Sec. 1.** RCW 84.36.480 and 1984 c 220 s 6 are each amended to read
6 as follows:

7 (1) The following property shall be exempt from taxation: The real
8 and personal property of a nonprofit fair association that sponsors or
9 conducts a fair or fairs which receive support from revenues collected
10 pursuant to RCW 67.16.100 and allocated by the director of the
11 department of agriculture. To be exempt under this section, the
12 property must be used exclusively for fair purposes, except as provided
13 in subsection (2) of this section and in RCW 84.36.805. However, the
14 loan or rental of property otherwise exempt under this section to a
15 private concessionaire or to any person for use as a concession in
16 conjunction with activities permitted under this section shall not
17 nullify the exemption if the concession charges are subject to
18 agreement and the rental income, if any, is reasonable and is devoted
19 solely to the operation and maintenance of the property.

1 (2) The exemption in subsection (1) of this section is not
2 nullified if property of a nonprofit fair association located in a
3 rural county as defined in RCW 82.14.370 is used by entities not
4 eligible for a property tax exemption under this chapter for periods of
5 not more than fifty days in the calendar year. This subsection expires
6 July 1, 2014.

7 **Sec. 2.** RCW 84.36.805 and 2006 c 319 s 1 and 2006 c 226 s 3 are
8 each reenacted and amended to read as follows:

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

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

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

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

22 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
23 84.36.050, and 84.36.060(1) (a) and (b), and except as otherwise
24 provided in RCW 84.36.480(2), the property would be exempt from tax if
25 owned by the organization to which it is loaned or rented;

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

29 (3) The facilities and services must be available to all regardless
30 of race, color, national origin or ancestry.

31 (4) The organization, association, or corporation must be duly
32 licensed or certified where such licensing or certification is required
33 by law or regulation.

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

1 (a) A nonprofit as defined in RCW 84.36.800 that is exempt from
2 income tax under section 501(c) of the federal internal revenue code;
3 (b) A governmental entity established under RCW 35.21.660,
4 35.21.670, or 35.21.730;
5 (c) A housing authority created under RCW 35.82.030;
6 (d) A housing authority meeting the definition in RCW
7 35.82.210(2)(a); or
8 (e) A housing authority established under RCW 35.82.300.
9 (6) The department shall have access to its books in order to
10 determine whether the nonprofit organization, association, or
11 corporation is exempt from taxes under this chapter.
12 (7) This section does not apply to exemptions granted under RCW
13 84.36.020, 84.36.032, 84.36.250, and 84.36.260.

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