
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5078

State of Washington

63rd Legislature

2013 Regular Session

By Senate Ways & Means (originally sponsored by Senators Ericksen, Smith, Hatfield, Baumgartner, Chase, and Shin)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to modifying the property tax exemption for
2 nonprofit fairs; amending RCW 84.36.480; and reenacting and amending
3 RCW 84.36.805.

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 ~~((The following property shall be exempt from taxation*))~~ (1)
8 Except as provided otherwise in subsection (3) of this section, the
9 real and personal property of a nonprofit fair association that
10 sponsors or conducts a fair or fairs ~~((which))~~ that is eligible to
11 receive support from ~~((revenues collected pursuant to RCW 67.16.100))~~
12 the fair fund, as created in RCW 15.76.115 and allocated by the
13 director of the department of agriculture, is exempt from taxation. To
14 be exempt under this ~~((section))~~ subsection (1), the property must be
15 used exclusively for fair purposes, except as provided in RCW
16 84.36.805. However, the loan or rental of property otherwise exempt
17 under this section to a private concessionaire or to any person for use
18 as a concession in conjunction with activities permitted under this

1 section shall not nullify the exemption if the concession charges are
2 subject to agreement and the rental income, if any, is reasonable and
3 is devoted solely to the operation and maintenance of the property.

4 (2) Except as provided otherwise in subsection (3) of this section,
5 the real and personal property purchased or acquired from a county by
6 a nonprofit fair association and used for fair purposes is exempt from
7 taxation. Such property must have been used previously by the county
8 for fair purposes.

9 (3) A nonprofit fair association with real and personal property
10 having an assessed value of more than fifteen million dollars is not
11 eligible for the exemption under this section.

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

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

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

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

23 (i) The rents and donations received for the use of the portion of
24 the property are reasonable and do not exceed the maintenance and
25 operation expenses attributable to the portion of the property loaned
26 or rented; and

27 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
28 84.36.050, and 84.36.060(1) (a) and (b), the property would be exempt
29 from tax if owned by the organization to which it is loaned or rented;

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

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

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

1 (5) Property sold to organizations, associations, or corporations
2 with an option to be repurchased by the seller (~~shall~~) does not
3 qualify for exempt status. This subsection does not apply to property
4 sold to a nonprofit entity, as defined in RCW 84.36.560(7), by:
5 (a) A nonprofit as defined in RCW 84.36.800 that is exempt from
6 income tax under (~~section~~) 26 U.S.C. Sec. 501(c) of the federal
7 internal revenue code;
8 (b) A governmental entity established under RCW 35.21.660,
9 35.21.670, or 35.21.730;
10 (c) A housing authority created under RCW 35.82.030;
11 (d) A housing authority meeting the definition in RCW
12 35.82.210(2)(a); or
13 (e) A housing authority established under RCW 35.82.300.
14 (6) The department (~~shall~~) must have access to its books in order
15 to determine whether the nonprofit organization, association, or
16 corporation is exempt from taxes under this chapter.
17 (7) This section does not apply to exemptions granted under RCW
18 84.36.020, 84.36.032, 84.36.250, (~~and~~) 84.36.260, and 84.36.480(2).

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