

SHB 1967 - S COMM AMD

By Committee on Business, Financial Services & Trade

ADOPTED 03/04/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.36.020 and 2014 c 99 s 3 are each amended to
4 read as follows:

5 The following real and personal property shall be exempt from
6 taxation:

7 (1) All lands, buildings, and personal property required for
8 necessary administration and maintenance, used, or to the extent
9 used, exclusively for public burying grounds or cemeteries without
10 discrimination as to race, color, national origin or ancestry;

11 (2)(a) All churches, personal property, and the ground, not
12 exceeding five acres in area, upon which a church of any nonprofit
13 recognized religious denomination is or must be built, together with
14 a parsonage, convent, and buildings and improvements required for the
15 maintenance and safeguarding of such property. The area exempted must
16 in any case include all ground covered by the church, parsonage,
17 convent, and buildings and improvements required for the maintenance
18 and safeguarding of such property and the structures and ground
19 necessary for street access, parking, light, and ventilation, but the
20 area of unoccupied ground exempted in such cases, in connection with
21 church, parsonage, convent, and buildings and improvements required
22 for the maintenance and safeguarding of such property, shall not
23 exceed the equivalent of one hundred twenty by one hundred twenty
24 feet except where additional unoccupied land may be required to
25 conform with state or local codes, zoning, or licensing requirements.
26 The parsonage and convent need not be on land contiguous to the
27 church property. Except as otherwise provided in this subsection, to
28 be exempt the property must be wholly used for church purposes.

29 (b) If the rental income or donations, if applicable, are
30 reasonable and do not exceed the maintenance and operation expenses

1 attributable to the portion of the property loaned or rented, the
2 exemption provided by this subsection (2) is not nullified by:

3 (i) The loan or rental of property otherwise exempt under this
4 subsection (2) to a nonprofit organization, association, or
5 corporation, or school to conduct an eleemosynary activity or
6 activities related to a farmers market. However, activities related
7 to a farmers market may not occur on the property more than 53 days
8 each assessment year. For the purposes of this section, "farmers
9 market" has the same meaning as "qualifying farmers market" as
10 defined in RCW 66.24.170;

11 (ii) The rental or use of the property by any individual, group,
12 or entity, where such rental or use is not otherwise authorized by
13 this subsection (2), for not more than fifty days in each calendar
14 year, and the property is not used for pecuniary gain or to promote
15 business activities for more than fifteen of the fifty days in each
16 calendar year. The fifty and fifteen-day limitations provided in this
17 subsection (2)(b)(ii) do not include days during which setup and
18 takedown activities take place immediately preceding or following a
19 meeting or other event by an individual, group, or entity using the
20 property as provided in this subsection (2)(b)(ii); or

21 (iii) An inadvertent use of the property in a manner inconsistent
22 with the purpose for which exemption is granted, if the inadvertent
23 use is not part of a pattern of use. A pattern of use is presumed
24 when an inadvertent use is repeated in the same assessment year or in
25 two or more successive assessment years.

26 **Sec. 2.** RCW 84.36.037 and 2014 c 99 s 8 are each amended to read
27 as follows:

28 (1) Real or personal property owned by a nonprofit organization,
29 association, or corporation in connection with the operation of a
30 public assembly hall or meeting place is exempt from taxation. The
31 area exempt under this section includes the building or buildings,
32 the land under the buildings, and an additional area necessary for
33 parking, not exceeding a total of one acre. When property for which
34 exemption is sought is essentially unimproved except for restroom
35 facilities and structures and this property has been used primarily
36 for annual community celebration events for at least ten years, the
37 exempt property shall not exceed twenty-nine acres.

38 (2) To qualify for this exemption the property must be used
39 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
4 exemption. Membership shall not be a prerequisite for the use of the
5 property.

6 (3) The use of the property for pecuniary gain or for business
7 activities, except as provided in this section and RCW 84.36.805,
8 nullifies the exemption otherwise available for the property for the
9 assessment year. If all income received from rental or use of the
10 exempt property is used for capital improvements to the exempt
11 property, maintenance and operation of the exempt property, or exempt
12 purposes, the exemption is not nullified as provided by RCW 84.36.805
13 or by ~~((the))~~:

14 (a) The use of the property to conduct a qualifying farmers
15 market, as defined in RCW 66.24.170, for not more than 53 days each
16 assessment year, if the rental income or donations, if any, are
17 reasonable and do not exceed the maintenance and operation expenses
18 attributable to the portion of the property loaned or rented; or

19 (b) The use of the property, in a county with a population of
20 less than twenty thousand, to promote the following business
21 activities, if the rental income or donations, if any, are reasonable
22 and do not exceed the maintenance and operation expenses attributable
23 to the portion of the property loaned or rented: Dance lessons, art
24 classes, or music lessons.

25 (4) The department of revenue must narrowly construe this
26 exemption.

27 NEW SECTION. Sec. 3. This act applies both retroactively and
28 prospectively to taxes levied for collection in 2021 and thereafter.

29 NEW SECTION. Sec. 4. RCW 82.32.805 and 82.32.808 do not apply
30 to this act."

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1 On page 1, line 1 of the title, after "nonprofits;" strike the
2 remainder of the title and insert "amending RCW 84.36.020 and
3 84.36.037; and creating new sections."

EFFECT: (1) Requires this act to apply both retroactively and prospectively to taxes levied for collection in 2021 and thereafter.

(2) Removes the requirement that this act apply to taxes levied for collection in 2023 and thereafter.

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