

RCW 84.36.805 Conditions for obtaining exemptions by nonprofit organizations, associations, or corporations. (Effective until January 1, 2033.) (1) In order to qualify for an exemption under this chapter, the nonprofit organizations, associations, or corporations must satisfy the conditions in this section.

(2) The property must be used exclusively for the actual operation of the activity for which exemption is granted, unless otherwise provided, and does not exceed an amount reasonably necessary for that purpose. Notwithstanding anything to the contrary in this section:

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

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

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

(iii) This subsection (2)(a) does not apply to exemptions granted under RCW 84.36.042;

(b) The use of the property for fund-raising events does not subject the property to tax if the fund-raising events are consistent with the purposes for which the exemption is granted or are conducted by a nonprofit organization. If the property is loaned or rented to conduct a fund-raising event, the requirements of (a) of this subsection (2) apply;

(c) An inadvertent use of the property in a manner inconsistent with the purpose for which exemption is granted does not subject the property to tax, if the inadvertent use is not part of a pattern of use. A pattern of use is presumed when an inadvertent use is repeated in the same assessment year or in two or more successive assessment years.

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

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

(5) Property sold to organizations, associations, or corporations with an option to be repurchased by the seller does not qualify for exempt status. This subsection does not apply to:

(a) Limited equity cooperatives as defined in RCW 84.36.675; or

(b) Property sold to a nonprofit entity, as defined in RCW 84.36.560, by:

(i) A nonprofit as defined in RCW 84.36.800 that is exempt from income tax under 26 U.S.C. Sec. 501(c) of the federal internal revenue code;

(ii) A governmental entity established under RCW 35.21.660, 35.21.670, or 35.21.730;

(iii) A housing authority created under RCW 35.82.030;

(iv) A housing authority meeting the definition in RCW 35.82.210(2)(a); or

(v) A housing authority established under RCW 35.82.300.

(6) The department must have access to its books in order to determine whether the nonprofit organization, association, or corporation is exempt from taxes under this chapter.

(7) This section does not apply to exemptions granted under RCW 84.36.020, 84.36.032, 84.36.250, 84.36.049, and 84.36.480(2).

(8)(a) The use of property exempt under this chapter, other than as specifically authorized by this chapter, nullifies the exemption otherwise available for the property for the assessment year. However, the exemption is not nullified by the use of the property by any individual, group, or entity, where such use is not otherwise authorized by this chapter, for not more than 50 days in each calendar year, and the property is not used for pecuniary gain or to promote business activities for more than 15 of the 50 days in each calendar year. The 50 and 15-day limitations provided in this subsection (8)(a) do not include days during which setup and takedown activities take place immediately preceding or following a meeting or other event by an individual, group, or entity using the property as provided in this subsection (8)(a).

(b) If uses of the exempt property exceed the 50 and 15-day limitations provided in (a) of this subsection (8) during an assessment year, the exemption is removed for the affected portion of the property for that assessment year.

(c) The 15-day and 50-day limitations provided in (a) of this subsection (8) do not apply to property exempt under RCW 84.36.037 if the property is used for activities related to a qualifying farmers market, as defined in RCW 66.24.170, and all income received from rental or use of the exempt property is used for capital improvements to the exempt property, maintenance and operation of the exempt property, or exempt purposes. Exempt property under RCW 84.36.037 may be used for up to 53 days for the purposes of a qualifying farmers market. [2023 c 69 § 2. Prior: 2022 c 93 § 4; 2022 c 84 § 2; 2016 c 217 § 3; 2014 c 99 § 13; 2013 c 212 § 3; prior: 2006 c 319 § 1; 2006 c 226 § 3; 2003 c 121 § 2; 2001 1st sp.s. c 7 § 2; prior: 1999 c 203 § 2; 1999 c 139 § 3; prior: 1998 c 311 § 25; 1998 c 202 § 3; 1998 c 184 § 2; prior: 1997 c 156 § 8; 1997 c 143 § 3; 1995 2nd sp.s. c 9 § 2; 1993 c 79 § 3; prior: 1990 c 283 §§ 3 and 7; 1989 c 379 § 4; 1987 c 468 § 1; 1984 c 220 § 7; 1981 c 141 § 4; 1973 2nd ex.s. c 40 § 7.]

Expiration date—2023 c 69 § 2: "Section 2 of this act expires January 1, 2033." [2023 c 69 § 6.]

Application—Tax preference performance statement exemption—Automatic expiration date exemption—2023 c 69: See notes following RCW 84.36.042.

Expiration date—2022 c 93 §§ 2-6: See note following RCW 84.36.675.

Application—2022 c 93: See note following RCW 84.36.675.

Retroactive application—Tax preference performance statement exemption—Automatic expiration date exemption—2022 c 84: See notes following RCW 84.36.020.

Tax preference performance statement—Application—2016 c 217: See notes following RCW 84.36.049.

Findings—Intent—Tax preference performance statement—Does not apply—2014 c 99: See notes following RCW 84.36.020.

Findings—Intent—2013 c 212: See note following RCW 84.36.480.

Findings—Intent—2006 c 226: See note following RCW 84.36.050.

Application—1999 c 203: See note following RCW 84.36.560.

Application—1998 c 184: See note following RCW 84.36.045.

Applicability—1997 c 143: See note following RCW 84.36.046.

Applicability—1995 2nd sp.s. c 9 §§ 1 and 2: See note following RCW 84.36.035.

Effective date—1995 2nd sp.s. c 9: See note following RCW 84.36.035.

Applicability—1993 c 79: See note following RCW 84.36.550.

Construction—1990 c 283 §§ 6 and 7: See note following RCW 84.36.030.

Severability—Effective date—1989 c 379: See notes following RCW 84.36.040.

Applicability—1987 c 468: "This act shall be effective for taxes levied for collection in 1988 and thereafter." [1987 c 468 § 3.]

Applicability, construction—1981 c 141: See note following RCW 84.36.060.

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

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by a nonprofit organization. If the property is loaned or rented to conduct a fund-raising event, the requirements of (a) of this subsection (2) apply;

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

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

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

(a) A nonprofit as defined in RCW 84.36.800 that is exempt from income tax under 26 U.S.C. Sec. 501(c) of the federal internal revenue code;

(b) A governmental entity established under RCW 35.21.660, 35.21.670, or 35.21.730;

(c) A housing authority created under RCW 35.82.030;

(d) A housing authority meeting the definition in RCW 35.82.210(2)(a); or

(e) A housing authority established under RCW 35.82.300.

(6) The department must have access to its books in order to determine whether the nonprofit organization, association, or corporation is exempt from taxes under this chapter.

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(8)(a) The use of property exempt under this chapter, other than as specifically authorized by this chapter, nullifies the exemption otherwise available for the property for the assessment year. However, the exemption is not nullified by the use of the property by any individual, group, or entity, where such use is not otherwise authorized by this chapter, for not more than fifty days in each calendar year, and the property is not used for pecuniary gain or to promote business activities for more than fifteen of the fifty days in each calendar year. The fifty and fifteen-day limitations provided in this subsection (8)(a) do not include days during which setup and takedown activities take place immediately preceding or following a meeting or other event by an individual, group, or entity using the property as provided in this subsection (8)(a).

(b) If uses of the exempt property exceed the fifty and fifteen-day limitations provided in (a) of this subsection (8) during an assessment year, the exemption is removed for the affected portion of the property for that assessment year.

(c) The 15-day and 50-day limitations provided in (a) of this subsection (8) do not apply to property exempt under RCW 84.36.037 if the property is used for activities related to a qualifying farmers market, as defined in RCW 66.24.170, and all income received from rental or use of the exempt property is used for capital improvements to the exempt property, maintenance and operation of the exempt property, or exempt purposes. Exempt property under RCW 84.36.037 may be used for up to 53 days for the purposes of a qualifying farmers

market. [2023 c 69 § 3; 2022 c 84 § 2; 2016 c 217 § 3; 2014 c 99 § 13; 2013 c 212 § 3. Prior: 2006 c 319 § 1; 2006 c 226 § 3; 2003 c 121 § 2; 2001 1st sp.s. c 7 § 2; prior: 1999 c 203 § 2; 1999 c 139 § 3; prior: 1998 c 311 § 25; 1998 c 202 § 3; 1998 c 184 § 2; prior: 1997 c 156 § 8; 1997 c 143 § 3; 1995 2nd sp.s. c 9 § 2; 1993 c 79 § 3; prior: 1990 c 283 §§ 3 and 7; 1989 c 379 § 4; 1987 c 468 § 1; 1984 c 220 § 7; 1981 c 141 § 4; 1973 2nd ex.s. c 40 § 7.]

Effective date—2023 c 69 § 3: "Section 3 of this act takes effect January 1, 2033." [2023 c 69 § 7.]

Application—Tax preference performance statement exemption—Automatic expiration date exemption—2023 c 69: See notes following RCW 84.36.042.

Retroactive application—Tax preference performance statement exemption—Automatic expiration date exemption—2022 c 84: See notes following RCW 84.36.020.

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