

RCW 84.36.480 Nonprofit fair associations. (1) Except as provided otherwise in subsections (2) and (3) of this section, the real and personal property of a nonprofit fair association that sponsors or conducts a fair or fairs that is eligible to receive support from the fair fund, as created in RCW 15.76.115 and allocated by the director of the department of agriculture, is exempt from taxation. To be exempt under this subsection (1), the property must be used exclusively for fair purposes, except as provided in RCW 84.36.805. However, the loan or rental of property otherwise exempt under this section to a private concessionaire or to any person for use as a concession in conjunction with activities permitted under this section do not nullify the exemption if the concession charges are subject to agreement and the rental income, if any, is reasonable and is devoted solely to the operation and maintenance of the property.

(2) (a) Except as provided otherwise in this subsection and subsection (3) of this section, the real and personal property owned by a nonprofit fair association organized under chapter 24.06 RCW and used for fair purposes is exempt from taxation if the majority of such property, as determined by assessed value, was purchased or acquired by the same nonprofit fair association from a county or a city between 1995 and 1998.

(b) The use of exempt property for rental purposes does not negate the exemption under this subsection. However, any rental exceeding fifty consecutive days during any calendar year is subject to leasehold excise tax under chapter 82.29A RCW. For purposes of this subsection, "rental" means a lease, permit, license, or any other agreement granting possession and use, to a degree less than fee simple ownership, between the nonprofit fair association and a person who would not be exempt from property taxes if that person owned the property in fee.

(3) A nonprofit fair association with real and personal property having an assessed value of more than fifteen million dollars is not eligible for the exemptions under this section. [2015 3rd sp.s. c 6 s 2002; 2013 c 212 s 2; 1984 c 220 s 6; 1975 1st ex.s. c 291 s 22.]

Tax preference performance statement—2015 3rd sp.s. c 6 s 2002:

"(1) This section is the tax preference performance statement for the tax preference contained in section 2002 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as intended to accomplish a general purpose not identified in RCW 82.32.808(2) (a) through (e).

(3) It is the legislature's specific public policy objective to support nonprofit fairs that obtained a majority of their property from a city or county between 1995 and 1998. The legislature intends to make their property tax exemption permanent, while requiring the collection of leasehold excise tax on any rentals of their exempt property that exceed fifty consecutive days. Because the legislature intends for the changes in this Part XX to be permanent, they are exempt from the ten-year expiration provision in RCW 82.32.805(1) (a)." [2015 3rd sp.s. c 6 s 2001.]

Application—2015 3rd sp.s. c 6 s 2002: "Section 2002 of this act applies to taxes levied for collection in 2019 and thereafter." [2015 3rd sp.s. c 6 s 2008.]

Effective dates—2015 3rd sp.s. c 6: See note following RCW 82.04.4266.

Findings—Intent—2013 c 212: "(1) The legislature finds that nonprofit fairs provide educational opportunities for youth and promote agriculture and the welfare of rural Washington. The legislature further finds that publicly owned fairgrounds can be rented or loaned out on a temporary basis without jeopardizing the property's exempt status for property tax purposes. The legislature further finds that many cities and counties have transferred ownership in fairground properties to nonprofit fair associations to achieve operational efficiencies. The legislature further finds that properties previously owned by cities or counties, and now owned and operated by nonprofit fair associations, may be subject to property tax even though the use of the property has not changed.

(2) It is the intent of the legislature to mitigate an unintended consequence of the property tax code that would otherwise interfere with a city's or county's ability to achieve operational efficiencies and follows best practices by transferring fairgrounds to nonprofit fair associations for an identical use of the property. It is the further intent of the legislature to expire the property tax exemption in five years to evaluate if the exemption has created any unintended consequences, including any unfair competitive advantage that may be conferred by the property tax exemption over private businesses, and identify other similar tax situations where ownership of property may be transferred from a public entity to a nonprofit association." [2013 c 212 s 1.]

Effective dates—Severability—1975 1st ex.s. c 291: See notes following RCW 82.04.050.