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**SENATE BILL 6587**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Senator Zeiger

AN ACT Relating to exempting statewide fairs from state property taxes; amending RCW 84.36.480; adding a new section to chapter 84.55 RCW; and creating new sections.

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

**Sec.**  RCW 84.36.480 and 2015 3rd sp.s. c 6 s 2002 are each amended to read as follows:

(1) Except as provided otherwise in subsections (2) and ((~~(3)~~)) (4) 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~~)) does 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)~~)) (4) 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) The real and personal property of a nonprofit state fair foundation is exempt from state property taxes under RCW 84.52.065.

(b) To be exempt under this subsection (3), 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 does 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.

(c) For the purpose of this subsection (3), "nonprofit state fair foundation" means an organization recognized as tax exempt for federal income tax purposes under section 501(c)(3) of the federal internal revenue code (26 U.S.C. Sec. 501(c)(3)) that owns real and personal property with an assessed value in excess of fifty million dollars.

(4) 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 subsections (1) and (2) of this section.

NEW SECTION. **Sec.**  The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2021 and thereafter.

NEW SECTION. **Sec.**  A new section is added to chapter 84.55 RCW to read as follows:

State property tax rates under RCW 84.52.065 may not be increased to offset the reduction in state revenues resulting from a nonprofit state fair foundation acquiring property in calendar year 2022, and thereafter, that is exempt from state property taxes under RCW 84.36.480(3).

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