

2 SHB 2346 - S COMM AMD
3 By Committee on Ways & Means

4
5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 84.36.037 and 1987 c 505 s 80 are each amended to
8 read as follows:

9 (1) Real or personal property owned by a nonprofit organization,
10 association, or corporation in connection with the operation of a
11 public assembly hall or meeting place is exempt from taxation. The
12 area exempt under this section includes the building or buildings, the
13 land under the buildings, and an additional area necessary for parking,
14 not exceeding a total of one acre: PROVIDED, That for property
15 essentially unimproved except for restroom facilities and structures on
16 such property which has been used primarily for annual community
17 celebration events for at least ten years, such exempt property shall
18 not exceed twenty-nine acres.

19 (2) To qualify for this exemption the property must be used
20 exclusively for public gatherings and be available to all organizations
21 or persons desiring to use the property, but the owner may impose
22 conditions and restrictions which are necessary for the safekeeping of
23 the property and promote the purposes of this exemption. Membership
24 shall not be a prerequisite for the use of the property.

25 (3) The use of the property for pecuniary gain or to promote
26 business activities, except fund raising activities conducted by a
27 nonprofit organization, nullifies the exemption otherwise available for

1 the property for the assessment year. The exemption is not nullified
2 by:

3 (a) The collection of rent or donations if the amount is reasonable
4 and does not exceed maintenance and operation expenses created by the
5 user.

6 (b) Using the property for casual and isolated sales that are
7 exempt from sales tax under RCW 82.08.0251.

8 (c) An inadvertent use of the property in a manner inconsistent
9 with the purpose for which exemption is granted, if the inadvertent use
10 is not part of a pattern of use. An inadvertent use that is repeated
11 in more than one assessment year is presumed to be part of a pattern of
12 use.

13 (4) The department of revenue shall narrowly construe this
14 exemption."

15 "Sec. 2. RCW 84.36.030 and 1990 c 283 s 6 are each amended to read
16 as follows:

17 The following real and personal property shall be exempt from
18 taxation:

19 (1) Property owned by nonprofit organizations or associations,
20 organized and conducted for nonsectarian purposes, which shall be used
21 for character-building, benevolent, protective or rehabilitative social
22 services directed at persons of all ages. The sale of donated
23 merchandise shall not be considered a commercial use of the property
24 under this section if the proceeds are devoted to the furtherance of
25 the purposes of the selling organization or association as specified in
26 this paragraph.

27 (2) Property owned by any nonprofit church, denomination, group of
28 churches, or an organization or association, the membership of which is
29 comprised solely of churches or their qualified representatives, which

1 is utilized as a camp facility if used for organized and supervised
2 recreational activities and church purposes as related to such camp
3 facilities. The exemption provided by this paragraph shall apply to a
4 maximum of two hundred acres of any such camp as selected by the
5 church, including buildings and other improvements thereon.

6 (3) Property, including buildings and improvements required for the
7 maintenance and safeguarding of such property, owned by nonprofit
8 organizations or associations engaged in character building of boys and
9 girls under eighteen years of age, and used for such purposes and uses,
10 provided such purposes and uses are for the general public good:
11 PROVIDED, That if existing charters provide that organizations or
12 associations, which would otherwise qualify under the provisions of
13 this paragraph, serve boys and girls up to the age of twenty-one years,
14 then such organizations or associations shall be deemed qualified
15 pursuant to this section.

16 (4) Property owned by all organizations and societies of veterans
17 of any war of the United States, recognized as such by the department
18 of defense, which shall have national charters, and which shall have
19 for their general purposes and objects the preservation of the memories
20 and associations incident to their war service and the consecration of
21 the efforts of their members to mutual helpfulness and to patriotic and
22 community service to state and nation. To be exempt such property must
23 be used in such manner as may be reasonably necessary to carry out the
24 purposes and objects of such societies.

25 The use of the property for pecuniary gain or to promote business
26 activities, except fund raising activities conducted by a nonprofit
27 organization, nullifies the exemption otherwise available for the
28 property for the assessment year. The exemption is not nullified by:

1 (a) The collection of rent or donations if the amount is reasonable
2 and does not exceed maintenance and operation expenses created by the
3 user.

4 (b) Using the property for casual and isolated sales that are
5 exempt from sales tax under RCW 82.08.0251.

6 (c) An inadvertent use of the property in a manner inconsistent
7 with the purpose for which exemption is granted, if the inadvertent use
8 is not part of a pattern of use. An inadvertent use that is repeated
9 in more than one assessment year is presumed to be part of a pattern of
10 use.

11 (5) Property owned by all corporations, incorporated under any act
12 of congress, whose principal purposes are to furnish volunteer aid to
13 members of the armed forces of the United States and also to carry on
14 a system of national and international relief and to apply the same in
15 mitigating the sufferings caused by pestilence, famine, fire, floods,
16 and other national calamities and to devise and carry on measures for
17 preventing the same.

18 (6) Property owned by nonprofit organizations exempt from federal
19 income tax under section 501(c)(3) of the internal revenue code of
20 1954, as amended, that are guarantee agencies under the federal
21 guaranteed student loan program or that issue debt to provide or
22 acquire student loans.

23 (7) To be exempt under this section, the property must be used
24 exclusively for the purposes for which exemption is granted, except as
25 provided in RCW 84.36.805."

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4 On page 1, line 2 of the title, after "corporations;" strike the
5 remainder of the title and insert "and amending RCW 84.36.037 and
6 84.36.030."