
HOUSE BILL 2187

State of Washington 52nd Legislature 1991 Regular Session

By Representatives O'Brien, Dellwo, Brough, Anderson, May, Kremen, Beck, Zellinsky, Miller, Day, Basich, Riley, R. King, Rasmussen, Prentice, Ferguson, Padden, Broback, Ballard, Edmondson, Brumsickle, P. Johnson, Bowman, Wynne, Mielke, Casada, Nealey, Van Luven, Fuhrman, Holland, Wilson, Schmidt, Neher, Lisk, Rayburn, Scott, Roland, Ogden, Orr, Haugen, Jacobsen, Cole, Pruitt, McLean, Tate, Morton, Valle, Dorn, Heavey, Franklin, Cantwell and Leonard.

Read first time March 22, 1991. Referred to Committee on Revenue.

1 AN ACT Relating to auctions conducted by nonprofit organizations;
2 adding a new section to chapter 82.04 RCW; adding a new section to
3 chapter 82.08 RCW; and adding a new section to chapter 82.12 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
6 to read as follows:

7 (1) This chapter does not apply to amounts derived by a nonprofit
8 organization as a result of conducting or participating in a
9 fundraising auction.

10 (2) For purposes of this section, "nonprofit organization" means an
11 organization that meets all of the following criteria:

12 (a) The members, stockholders, officers, directors, or trustees of
13 the organization do not receive any part of the organization's gross
14 income, except as payment for services rendered;

1 (b) The compensation received by any person for services rendered
2 to the organization does not exceed an amount reasonable under the
3 circumstances; and

4 (c) The activities of the organization do not include a substantial
5 amount of political activity, including but not limited to influencing
6 legislation and participation in any campaign on behalf of any
7 candidate for political office.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
9 to read as follows:

10 (1) The tax levied by RCW 82.08.020 shall not apply to fundraising
11 auction sales conducted or participated in by nonprofit organizations.

12 (2) For purposes of this section, "nonprofit organization" means an
13 organization that meets all of the following criteria:

14 (a) The members, stockholders, officers, directors, or trustees of
15 the organization do not receive any part of the organization's gross
16 income, except as payment for services rendered;

17 (b) The compensation received by any person for services rendered
18 to the organization does not exceed an amount reasonable under the
19 circumstances; and

20 (c) The activities of the organization do not include a substantial
21 amount of political activity, including but not limited to influencing
22 legislation and participation in any campaign on behalf of any
23 candidate for political office.

24 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
25 to read as follows:

26 (1) The provisions of this chapter shall not apply in respect to
27 the use of tangible personal property that has been purchased from a
28 nonprofit organization at a fundraising auction sale that was conducted

1 by the nonprofit organization or in which the nonprofit organization
2 participated.

3 (2) For purposes of this section, "nonprofit organization" means an
4 organization that meets all of the following criteria:

5 (a) The members, stockholders, officers, directors, or trustees of
6 the organization do not receive any part of the organization's gross
7 income, except as payment for services rendered;

8 (b) The compensation received by any person for services rendered
9 to the organization does not exceed an amount reasonable under the
10 circumstances; and

11 (c) The activities of the organization do not include a substantial
12 amount of political activity, including but not limited to influencing
13 legislation and participation in any campaign on behalf of any
14 candidate for political office.