

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2402

61st Legislature
2010 Regular Session

Passed by the House March 6, 2010
Yeas 94 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 3, 2010
Yeas 46 Nays 1

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2402** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

1 organizations or persons desiring to use the property, but the owner
2 may impose conditions and restrictions which are necessary for the
3 safekeeping of the property and promote the purposes of this exemption.
4 Membership shall not be a prerequisite for the use of the property.

5 (3) The use of the property for pecuniary gain or for business
6 activities, except as provided in this section, nullifies the exemption
7 otherwise available for the property for the assessment year. The
8 exemption is not nullified by:

9 (a) The collection of rent or donations if all funds collected are
10 used for capital improvements to the exempt property, maintenance and
11 operation of the exempt property, or for exempt purposes.

12 (b) Fund-raising activities conducted by a nonprofit organization.

13 (c)(i) Except as provided in (c)(ii) of this subsection, the use of
14 the property for pecuniary gain, for business activities for periods of
15 not more than fifteen days each assessment year so long as all income
16 received from rental or use of the exempt property is used for capital
17 improvements to the exempt property, maintenance and operation of the
18 exempt property, or for exempt purposes.

19 (ii) The use of the property for pecuniary gain or for business
20 activities if the property is used for activities related to a
21 qualifying farmers market, as defined in RCW 66.24.170, for not more
22 than fifty-three days each assessment year, and all income received
23 from rental or use of the exempt property is used for capital
24 improvements to the exempt property, maintenance and operation of the
25 exempt property, or exempt purposes.

26 (d) In a county with a population of less than twenty thousand, the
27 use of the property to promote the following business activities:
28 Dance lessons, art classes, or music lessons.

29 (e) An inadvertent use of the property in a manner inconsistent
30 with the purpose for which exemption is granted, if the inadvertent use
31 is not part of a pattern of use. A pattern of use is presumed when an
32 inadvertent use is repeated in the same assessment year or in two or
33 more successive assessment years.

34 (4) The department of revenue (~~shall~~) must narrowly construe this
35 exemption.

36 **Sec. 2.** RCW 84.36.020 and 1994 c 124 s 16 are each amended to read
37 as follows:

1 The following real and personal property (~~shall be~~) is exempt
2 from taxation:

3 (1) All lands, buildings, and personal property required for
4 necessary administration and maintenance, used, or to the extent used,
5 exclusively for public burying grounds or cemeteries without
6 discrimination as to race, color, national origin or ancestry;

7 (2) All churches, personal property, and the ground, not exceeding
8 five acres in area, upon which a church of any nonprofit recognized
9 religious denomination is or (~~shall~~) will be built, together with a
10 parsonage, convent, and buildings and improvements required for the
11 maintenance and safeguarding of such property. The area exempted
12 (~~shall~~) in any case includes all ground covered by the church,
13 parsonage, convent, and buildings and improvements required for the
14 maintenance and safeguarding of such property and the structures and
15 ground necessary for street access, parking, light, and ventilation,
16 but the area of unoccupied ground exempted in such cases, in connection
17 with church, parsonage, convent, and buildings and improvements
18 required for the maintenance and safeguarding of such property,
19 (~~shall~~) does not exceed the equivalent of one hundred twenty by one
20 hundred twenty feet except where additional unoccupied land may be
21 required to conform with state or local codes, zoning, or licensing
22 requirements. The parsonage and convent need not be on land contiguous
23 to the church property. Except as otherwise provided in this
24 subsection, to be exempt the property must be wholly used for church
25 purposes(~~(:—PROVIDED, That)~~). The loan or rental of property
26 otherwise exempt under this (~~paragraph~~) subsection to a nonprofit
27 organization, association, or corporation, or school for use for an
28 eleemosynary activity (~~shall~~) or for use for activities related to a
29 farmers market, does not nullify the exemption provided in this
30 (~~paragraph~~) subsection if the rental income, if any, is reasonable
31 and is devoted solely to the operation and maintenance of the property.
32 However, activities related to a farmers market may not occur on the
33 property more than fifty-three days each assessment year. For the
34 purposes of this section, "farmers market" has the same meaning as
35 "qualifying farmers market" as defined in RCW 66.24.170.

36 NEW SECTION. Sec. 3. This act applies to taxes levied for

1 collection in 2011 through 2020.

2 NEW SECTION. **Sec. 4.** This act expires December 31, 2020.

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