

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5289**

Chapter 26, Laws of 2011

62nd Legislature  
2011 1st Special Session

BUSINESS AND OCCUPATION TAX DEDUCTION--PROPERTY MANAGEMENT  
COMPANIES

EFFECTIVE DATE: 08/24/11

Passed by the Senate April 28, 2011  
YEAS 42 NAYS 0

BRAD OWEN

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**President of the Senate**

Passed by the House May 22, 2011  
YEAS 90 NAYS 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved June 7, 2011, 3:19 p.m.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5289** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

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**Secretary**

FILED

June 8, 2011

**Secretary of State  
State of Washington**

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**SENATE BILL 5289**

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Passed Legislature - 2011 1st Special Session

**State of Washington                      62nd Legislature                      2011 Regular Session**

**By Senators Murray and Zarelli**

Read first time 01/20/11. Referred to Committee on Ways & Means.

1            AN ACT Relating to a business and occupation tax deduction for  
2 payments made to certain property management companies for personnel  
3 performing on-site functions; adding a new section to chapter 82.04  
4 RCW; creating a new section; and repealing RCW 82.04.394.

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

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

8            (1) In computing tax due under this chapter, there may be deducted  
9 from the measure of tax all amounts received by:

10            (a) A nonprofit property management company from the owner of  
11 property for gross wages, benefits, and payroll taxes paid to, or for,  
12 personnel performing on-site functions;

13            (b) A property management company from a housing authority for  
14 gross wages, benefits, and payroll taxes paid to, or for, personnel  
15 performing on-site functions; or

16            (c) A property management company from a limited liability company  
17 or limited partnership of which the sole managing member or sole  
18 general partner is a housing authority for gross wages, benefits, and  
19 payroll taxes paid to, or for, personnel performing on-site functions.

1 (2) The definitions in this subsection apply to this section.

2 (a) "Personnel performing on-site functions" means a person who  
3 meets all of the following conditions:

4 (i) The person works at the owner's property or centrally performs  
5 on-site functions for the property;

6 (ii) The person's duties include leasing property units,  
7 maintaining the property, preparing tenant income certification  
8 paperwork or other compliance documents required to lease the unit,  
9 collecting rents, recording rents, or performing similar activities;  
10 and

11 (iii) The property management company, for whom the personnel  
12 performing on-site functions works, operates under a written property  
13 management agreement.

14 (b) "Nonprofit property management company" means a property  
15 management company that:

16 (i) Is exempt from the tax under 26 U.S.C. Sec. 501(c) of the  
17 federal internal revenue code, as it exists on January 1, 2010, but  
18 only when such organization is providing property management services  
19 for low-income housing that has qualified for the property tax  
20 exemption under RCW 84.36.560; or

21 (ii) Is a public corporation established under RCW 35.21.730.

22 (c) "Housing authority" means a housing authority created pursuant  
23 to chapter 35.82 RCW.

24 NEW SECTION. **Sec. 2.** RCW 82.04.394 (Exemptions--Amounts received  
25 by property management company for on-site personnel) and 2010 1st  
26 sp.s. c 23 s 1202, 2010 c 106 s 209, & 1998 c 338 s 2 are each  
27 repealed.

28 NEW SECTION. **Sec. 3.** This act does not affect any existing right  
29 acquired or liability or obligation incurred under the sections amended  
30 or repealed in this act or under any rule or order adopted under those  
31 sections, nor does it affect any proceeding instituted under those  
32 sections.

Passed by the Senate April 28, 2011.

Passed by the House May 22, 2011.

Approved by the Governor June 7, 2011.

Filed in Office of Secretary of State June 8, 2011.