
SENATE BILL 5706

State of Washington

64th Legislature

2015 Regular Session

By Senators Ericksen, Becker, Sheldon, Bailey, Baumgartner, Brown, Pearson, Warnick, and Padden

Read first time 01/29/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to extending the property tax exemption for
2 certain nonprofit fair associations; amending RCW 84.36.480; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** This section is the tax preference
6 performance statement for the tax preference contained in section 2
7 of this act. This performance statement is only intended to be used
8 for subsequent evaluation of the tax preference. It is not intended
9 to create a private right of action by any party or be used to
10 determine eligibility for preferential tax treatment.

11 (1) The legislature categorizes this tax preference as one
12 intended to correct the unintended consequence resulting from a city
13 or county transferring ownership of a previously tax exempt
14 fairground to a nonprofit fair association, which causes the
15 fairground property to be subject to property tax.

16 (2) It is the legislature's specific public policy objective to
17 provide a property tax exemption to fairground properties that were
18 previously exempt from the property tax when a city or county
19 transfers ownership of the property to a nonprofit fair association.

20 (3) If a review finds that the property tax exemption that is
21 extended is being used and does not provide a competitive advantage

1 for a nonprofit fair association over private business, then the
2 legislature intends to extend the expiration date of the tax
3 preference.

4 (4) In order to obtain the data necessary to perform the review
5 in subsection (3) of this section, the joint legislative audit and
6 review committee may refer to department of revenue and local county
7 assessor data sources.

8 **Sec. 2.** RCW 84.36.480 and 2013 c 212 s 2 are each amended to
9 read as follows:

10 (1) Except as provided otherwise in subsections (2) and (3) of
11 this section, the real and personal property of a nonprofit fair
12 association that sponsors or conducts a fair or fairs that is
13 eligible to receive support from the fair fund, as created in RCW
14 15.76.115 and allocated by the director of the department of
15 agriculture, is exempt from taxation. To be exempt under this
16 subsection (1), the property must be used exclusively for fair
17 purposes, except as provided in RCW 84.36.805. However, the loan or
18 rental of property otherwise exempt under this section to a private
19 concessionaire or to any person for use as a concession in
20 conjunction with activities permitted under this section shall not
21 nullify the exemption if the concession charges are subject to
22 agreement and the rental income, if any, is reasonable and is devoted
23 solely to the operation and maintenance of the property.

24 (2)(a) Except as provided otherwise in subsection (3) of this
25 section, the real and personal property owned by a nonprofit fair
26 association organized under chapter 24.06 RCW and used for fair
27 purposes is exempt from taxation if the majority of such property, as
28 determined by assessed value, was purchased or acquired by the same
29 nonprofit fair association from a county or a city between 1995 and
30 1998.

31 (b) The exemption under this subsection (2) may not be claimed
32 for taxes levied for collection in ((2019)) 2024 and thereafter.

33 (3) A nonprofit fair association with real and personal property
34 having an assessed value of more than fifteen million dollars is not
35 eligible for the exemptions under this section.

--- END ---