
SENATE BILL 6587

State of Washington

66th Legislature

2020 Regular Session

By Senator Zeiger

1 AN ACT Relating to exempting statewide fairs from state property
2 taxes; amending RCW 84.36.480; adding a new section to chapter 84.55
3 RCW; and creating new sections.

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

5 **Sec. 1.** RCW 84.36.480 and 2015 3rd sp.s. c 6 s 2002 are each
6 amended to read as follows:

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

1 (2) (a) Except as provided otherwise in this subsection and
2 subsection ~~((3))~~ (4) of this section, the real and personal
3 property owned by a nonprofit fair association organized under
4 chapter 24.06 RCW and used for fair purposes is exempt from taxation
5 if the majority of such property, as determined by assessed value,
6 was purchased or acquired by the same nonprofit fair association from
7 a county or a city between 1995 and 1998.

8 (b) The use of exempt property for rental purposes does not
9 negate the exemption under this subsection. However, any rental
10 exceeding fifty consecutive days during any calendar year is subject
11 to leasehold excise tax under chapter 82.29A RCW. For purposes of
12 this subsection, "rental" means a lease, permit, license, or any
13 other agreement granting possession and use, to a degree less than
14 fee simple ownership, between the nonprofit fair association and a
15 person who would not be exempt from property taxes if that person
16 owned the property in fee.

17 (3) (a) The real and personal property of a nonprofit state fair
18 foundation is exempt from state property taxes under RCW 84.52.065.

19 (b) To be exempt under this subsection (3), the property must be
20 used exclusively for fair purposes, except as provided in RCW
21 84.36.805. However, the loan or rental of property otherwise exempt
22 under this section to a private concessionaire or to any person for
23 use as a concession in conjunction with activities permitted under
24 this section does not nullify the exemption if the concession charges
25 are subject to agreement and the rental income, if any, is reasonable
26 and is devoted solely to the operation and maintenance of the
27 property.

28 (c) For the purpose of this subsection (3), "nonprofit state fair
29 foundation" means an organization recognized as tax exempt for
30 federal income tax purposes under section 501(c)(3) of the federal
31 internal revenue code (26 U.S.C. Sec. 501(c)(3)) that owns real and
32 personal property with an assessed value in excess of fifty million
33 dollars.

34 (4) A nonprofit fair association with real and personal property
35 having an assessed value of more than fifteen million dollars is not
36 eligible for the exemptions under subsections (1) and (2) of this
37 section.

38 NEW SECTION. Sec. 2. The provisions of RCW 82.32.805 and
39 82.32.808 do not apply to this act.

1 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
2 collection in 2021 and thereafter.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 84.55
4 RCW to read as follows:

5 State property tax rates under RCW 84.52.065 may not be increased
6 to offset the reduction in state revenues resulting from a nonprofit
7 state fair foundation acquiring property in calendar year 2022, and
8 thereafter, that is exempt from state property taxes under RCW
9 84.36.480(3).

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