

---

**SUBSTITUTE SENATE BILL 6050**

---

**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senator Oke)

Read first time 04/07/97.

1 AN ACT Relating to tax exemptions for state route number 16  
2 corridor improvements constructed under chapter 47.46 RCW; amending RCW  
3 82.29A.130; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds and declares that tax  
6 exemptions on state route number 16 corridor improvements, constructed  
7 under the public-private initiatives in transportation program, would  
8 decrease both the initial cost of the project and the operating costs  
9 of the facility once it is in operation. Leasehold tax exemptions  
10 would lower initial toll levels charged to users of the facility,  
11 reduce the need for toll increases, and reduce the length of time tolls  
12 are imposed. Lower toll rates increase the likelihood of favorable  
13 voter response to the advisory vote required under chapter 47.46 RCW on  
14 the state route number 16 corridor improvements project.

15 **Sec. 2.** RCW 82.29A.130 and 1995 3rd sp.s. c 1 s 307 are each  
16 amended to read as follows:

17 The following leasehold interests shall be exempt from taxes  
18 imposed pursuant to RCW 82.29A.030 and 82.29A.040:

1 (1) All leasehold interests constituting a part of the operating  
2 properties of any public utility which is assessed and taxed as a  
3 public utility pursuant to chapter 84.12 RCW.

4 (2) All leasehold interests in facilities owned or used by a  
5 school, college or university which leasehold provides housing for  
6 students and which is otherwise exempt from taxation under provisions  
7 of RCW 84.36.010 and 84.36.050.

8 (3) All leasehold interests of subsidized housing where the fee  
9 ownership of such property is vested in the government of the United  
10 States, or the state of Washington or any political subdivision thereof  
11 but only if income qualification exists for such housing.

12 (4) All leasehold interests used for fair purposes of a nonprofit  
13 fair association that sponsors or conducts a fair or fairs which  
14 receive support from revenues collected pursuant to RCW 67.16.100 and  
15 allocated by the director of the department of agriculture where the  
16 fee ownership of such property is vested in the government of the  
17 United States, the state of Washington or any of its political  
18 subdivisions: PROVIDED, That this exemption shall not apply to the  
19 leasehold interest of any sublessee of such nonprofit fair association  
20 if such leasehold interest would be taxable if it were the primary  
21 lease.

22 (5) All leasehold interests in any property of any public entity  
23 used as a residence by an employee of that public entity who is  
24 required as a condition of employment to live in the publicly owned  
25 property.

26 (6) All leasehold interests held by enrolled Indians of lands owned  
27 or held by any Indian or Indian tribe where the fee ownership of such  
28 property is vested in or held in trust by the United States and which  
29 are not subleased to other than to a lessee which would qualify  
30 pursuant to this chapter, RCW 84.36.451 and 84.40.175.

31 (7) All leasehold interests in any real property of any Indian or  
32 Indian tribe, band, or community that is held in trust by the United  
33 States or is subject to a restriction against alienation imposed by the  
34 United States: PROVIDED, That this exemption shall apply only where it  
35 is determined that contract rent paid is greater than or equal to  
36 ninety percent of fair market rental, to be determined by the  
37 department of revenue using the same criteria used to establish taxable  
38 rent in RCW 82.29A.020(2)(b).

1 (8) All leasehold interests for which annual taxable rent is less  
2 than two hundred fifty dollars per year. For purposes of this  
3 subsection leasehold interests held by the same lessee in contiguous  
4 properties owned by the same lessor shall be deemed a single leasehold  
5 interest.

6 (9) All leasehold interests which give use or possession of the  
7 leased property for a continuous period of less than thirty days:  
8 PROVIDED, That for purposes of this subsection, successive leases or  
9 lease renewals giving substantially continuous use of possession of the  
10 same property to the same lessee shall be deemed a single leasehold  
11 interest: PROVIDED FURTHER, That no leasehold interest shall be deemed  
12 to give use or possession for a period of less than thirty days solely  
13 by virtue of the reservation by the public lessor of the right to use  
14 the property or to allow third parties to use the property on an  
15 occasional, temporary basis.

16 (10) All leasehold interests under month-to-month leases in  
17 residential units rented for residential purposes of the lessee pending  
18 destruction or removal for the purpose of constructing a public highway  
19 or building.

20 (11) All leasehold interests in any publicly owned real or personal  
21 property to the extent such leasehold interests arises solely by virtue  
22 of a contract for public improvements or work executed under the public  
23 works statutes of this state or of the United States between the public  
24 owner of the property and a contractor.

25 (12) All leasehold interests that give use or possession of state  
26 adult correctional facilities for the purposes of operating  
27 correctional industries under RCW 72.09.100.

28 (13) All leasehold interests used to provide organized and  
29 supervised recreational activities for disabled persons of all ages in  
30 a camp facility and for public recreational purposes by a nonprofit  
31 organization, association, or corporation that would be exempt from  
32 property tax under RCW 84.36.030(1) if it owned the property. If the  
33 publicly owned property is used for any taxable purpose, the leasehold  
34 excise taxes set forth in RCW 82.29A.030 and 82.29A.040 shall be  
35 imposed and shall be apportioned accordingly.

36 (14) All leasehold interests in the public or entertainment areas  
37 of a baseball stadium with natural turf and a retractable roof or  
38 canopy that is in a county with a population of over one million, that  
39 has a seating capacity of over forty thousand, and that is constructed

1 on or after January 1, 1995. "Public or entertainment areas" include  
2 ticket sales areas, ramps and stairs, lobbies and concourses, parking  
3 areas, concession areas, restaurants, hospitality and stadium club  
4 areas, kitchens or other work areas primarily servicing other public or  
5 entertainment areas, public rest room areas, press and media areas,  
6 control booths, broadcast and production areas, retail sales areas,  
7 museum and exhibit areas, scoreboards or other public displays, storage  
8 areas, loading, staging, and servicing areas, seating areas and suites,  
9 the playing field, and any other areas to which the public has access  
10 or which are used for the production of the entertainment event or  
11 other public usage, and any other personal property used for these  
12 purposes. "Public or entertainment areas" does not include locker  
13 rooms or private offices exclusively used by the lessee.

14 (15) All leasehold interests in the state route number 16 corridor  
15 improvements project constructed and operated under chapter 47.46 RCW.

--- END ---