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SENATE BILL 5740

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Cleveland, Harper, Bailey, Chase, Ericksen, Sheldon, and Rivers

Read first time 02/13/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to the exemption for property owned by nonprofit  
2 religious organizations; amending RCW 84.36.020 and 84.36.020;  
3 providing an effective date; and providing an expiration date.

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

5 **Sec. 1.** RCW 84.36.020 and 2010 c 186 s 2 are each amended to read  
6 as follows:

7 The following real and personal property is exempt from taxation:

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

12 (2)(a) All churches, personal property, and the ground, not  
13 exceeding five acres in area, upon which a church of any nonprofit  
14 recognized religious denomination is or will be built, together with a  
15 parsonage, convent, and buildings and improvements required for the  
16 maintenance and safeguarding of such property. The area exempted in  
17 any case includes all ground covered by the church, parsonage, convent,  
18 and buildings and improvements required for the maintenance and  
19 safeguarding of such property and the structures and ground necessary

1 for street access, parking, light, and ventilation, but the area of  
2 unoccupied ground exempted in such cases, in connection with church,  
3 parsonage, convent, and buildings and improvements required for the  
4 maintenance and safeguarding of such property, does not exceed the  
5 equivalent of one hundred twenty by one hundred twenty feet except  
6 where additional unoccupied land may be required to conform with state  
7 or local codes, zoning, or licensing requirements. The parsonage and  
8 convent need not be on land contiguous to the church property. Except  
9 as otherwise provided in this subsection, to be exempt the property  
10 must be wholly used for church purposes.

11 (b)(i) The exemption provided in this subsection (2) is not  
12 nullified by:

13 (A) The loan or rental of property otherwise exempt under this  
14 subsection (2) to a nonprofit organization, association, or  
15 corporation, or school for use for:

16 (I) An eleemosynary activity ((or for use for)); or

17 (II) Activities related to a farmers market, ((does not nullify the  
18 exemption provided in this subsection if the rental income, if any, is  
19 reasonable and is devoted solely to the operation and maintenance of  
20 the property. However,)) if such activities ((related to a farmers  
21 market may)) do not occur on the property more than fifty-three days

22 each assessment year. For the purposes of this section, "farmers

23 market" has the same meaning as "qualifying farmers market" as defined

24 in RCW 66.24.170; or

25 (B) The use of the property for pecuniary gain or business  
26 activities, if such use does not exceed fifteen days each assessment  
27 year.

28 (ii) Rental income, if any, for uses specified under (b)(i) of this  
29 subsection (2) must be reasonable and devoted to the operation and  
30 maintenance of the property or capital improvements for the property.

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

33 The following real and personal property ((shall be)) is exempt  
34 from taxation:

35 (1) All lands, buildings, and personal property required for  
36 necessary administration and maintenance, used, or to the extent used,

1 exclusively for public burying grounds or cemeteries without  
2 discrimination as to race, color, national origin or ancestry;

3 (2)(a) All churches, personal property, and the ground, not  
4 exceeding five acres in area, upon which a church of any nonprofit  
5 recognized religious denomination is or ~~((shall))~~ will be built,  
6 together with a parsonage, convent, and buildings and improvements  
7 required for the maintenance and safeguarding of such property. The  
8 area exempted ~~((shall))~~ in any case includes all ground covered by the  
9 church, parsonage, convent, and buildings and improvements required for  
10 the maintenance and safeguarding of such property and the structures  
11 and ground necessary for street access, parking, light, and  
12 ventilation, but the area of unoccupied ground exempted in such cases,  
13 in connection with church, parsonage, convent, and buildings and  
14 improvements required for the maintenance and safeguarding of such  
15 property, ~~((shall))~~ does not exceed the equivalent of one hundred  
16 twenty by one hundred twenty feet except where additional unoccupied  
17 land may be required to conform with state or local codes, zoning, or  
18 licensing requirements. The parsonage and convent need not be on land  
19 contiguous to the church property. To be exempt the property must be  
20 wholly used for church purposes(~~(:—PROVIDED, That))~~)

21 (b)(i) The exemption provided in this subsection (2) is not  
22 nullified by:

23 (A) The loan or rental of property otherwise exempt under this  
24 ((paragraph)) subsection (2) to a nonprofit organization, association,  
25 or corporation, or school for use for an eleemosynary activity ((shall  
26 not nullify the exemption provided in this paragraph if the rental  
27 income, if any, is reasonable and is devoted solely to the operation  
28 and maintenance of the property)); or

29 (B) The use of the property for pecuniary gain or business  
30 activities, if such use does not exceed fifteen days each assessment  
31 year.

32 (ii) Rental income, if any, for uses specified under (b)(i) of this  
33 subsection (2) must be reasonable and devoted to the operation and  
34 maintenance of the property or capital improvements for the property.

35 NEW SECTION. Sec. 3. Section 1 of this act expires December 31,  
36 2020.

1        NEW SECTION.   **Sec. 4.**   Section 2 of this act takes effect December  
2   31, 2020.

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