
SENATE BILL 5108

State of Washington 53rd Legislature 1993 Regular Session

By Senators A. Rasmussen, L. Smith, Deccio and Wojahn

Read first time 01/13/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions; amending RCW 84.36.350;
2 and reenacting and amending RCW 84.36.805.

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

4 **Sec. 1.** RCW 84.36.350 and 1975 1st ex.s. c 3 s 1 are each amended
5 to read as follows:

6 The following property shall be exempt from taxation:

7 Real or personal property owned (~~and~~) or used by a nonprofit
8 corporation in connection with the operation of a sheltered workshop
9 for handicapped persons, and used primarily in connection with the
10 manufacturing and the handling, sale or distribution of goods
11 constructed, processed, or repaired in such workshops or centers;
12 inventory owned by a sheltered workshop for sale or lease by the
13 sheltered workshop or to be furnished under a contract of service,
14 including raw materials, work in process, and finished products.

15 **Sec. 2.** RCW 84.36.805 and 1990 c 283 ss 3 and 7 are each reenacted
16 and amended to read as follows:

17 In order to be exempt pursuant to RCW 84.36.030, 84.36.035,
18 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045, 84.36.047,

1 84.36.050, 84.36.060, 84.36.350, and 84.36.480, the nonprofit
2 organizations, associations or corporations shall satisfy the following
3 conditions:

4 (1) The property is used exclusively for the actual operation of
5 the activity for which exemption is granted, unless otherwise provided,
6 and does not exceed an amount reasonably necessary for that purpose,
7 except:

8 (a) The loan or rental of the property does not subject the
9 property to tax if:

10 (i) The rents and donations received for the use of the portion of
11 the property are reasonable and do not exceed the maintenance and
12 operation expenses attributable to the portion of the property loaned
13 or rented; and

14 (ii) Except for the exemptions under RCW 84.36.030(4) and
15 84.36.037, the property would be exempt from tax if owned by the
16 organization to which it is loaned or rented;

17 (b) The use of the property for fund-raising activities does not
18 subject the property to tax if the fund-raising activities are
19 consistent with the purposes for which the exemption is granted;

20 (2) The property is irrevocably dedicated to the purpose for which
21 exemption has been granted, and on the liquidation, dissolution, or
22 abandonment by said organization, association, or corporation, said
23 property will not inure directly or indirectly to the benefit of any
24 shareholder or individual, except a nonprofit organization,
25 association, or corporation which too would be entitled to property tax
26 exemption: PROVIDED, That the property need not be irrevocably
27 dedicated if it is qualified for exemption pursuant to RCW 84.36.350 or
28 if it is leased or rented to those qualified for exemption pursuant to
29 RCW 84.36.040, 84.36.041, or 84.36.043 or those qualified for exemption
30 as an association engaged in the production or performance of musical,
31 dance, artistic, dramatic, or literary works pursuant to RCW 84.36.060,
32 but only if under the terms of the lease or rental agreement the
33 nonprofit organization, association, or corporation receives the
34 benefit of the exemption;

35 (3) The facilities and services are available to all regardless of
36 race, color, national origin or ancestry;

37 (4) The organization, association, or corporation is duly licensed
38 or certified where such licensing or certification is required by law
39 or regulation;

1 (5) Property sold to organizations, associations, or corporations
2 with an option to be repurchased by the seller shall not qualify for
3 exempt status;

4 (6) The director of the department of revenue shall have access to
5 its books in order to determine whether such organization, association,
6 or corporation is exempt from taxes within the intent of RCW 84.36.030,
7 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,
8 84.36.047, 84.36.050, 84.36.060, 84.36.350, and 84.36.480.

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