
SUBSTITUTE SENATE BILL 5134

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Haugen, Barr, Snyder, Oke, Winsley, Roach and Erwin)

Read first time 03/08/93.

1 AN ACT Relating to property taxation of real or personal property
2 owned by nonprofit organizations, associations, and corporations in
3 connection with a public assembly hall or meeting place or in
4 connection with property owned by veterans and societies of veterans;
5 and amending RCW 84.36.037 and 84.36.030.

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

7 **Sec. 1.** RCW 84.36.037 and 1987 c 505 s 80 are each amended to read
8 as follows:

9 (1) Real or personal property owned by a nonprofit organization,
10 association, or corporation in connection with the operation of a
11 public assembly hall or meeting place is exempt from taxation. The
12 area exempt under this section includes the building or buildings, the
13 land under the buildings, and an additional area necessary for parking,
14 not exceeding a total of one acre: PROVIDED, That for property
15 essentially unimproved except for restroom facilities and structures on
16 such property which has been used primarily for annual community
17 celebration events for at least ten years, such exempt property shall
18 not exceed twenty-nine acres.

1 (2) To qualify for this exemption the property must be used
2 exclusively for public gatherings and be available to all organizations
3 or persons desiring to use the property, but the owner may impose
4 conditions and restrictions which are necessary for the safekeeping of
5 the property and promote the purposes of this exemption. Membership
6 shall not be a prerequisite for the use of the property.

7 (3) The use of the property for pecuniary gain or to promote
8 business activities, except (~~fund raising activities conducted by a~~
9 ~~nonprofit organization~~)) as provided in this section, nullifies the
10 exemption otherwise available for the property for the assessment year.
11 The exemption is not nullified by:

12 (a) The collection of rent or donations if the amount is reasonable
13 and does not exceed maintenance and operation expenses created by the
14 user.

15 (b) Fund-raising activities conducted by a nonprofit organization.

16 (c) The use of the property for pecuniary gain for periods of not
17 more than three days in a year.

18 (d) An inadvertent use of the property in a manner inconsistent
19 with the purpose for which exemption is granted, if the inadvertent use
20 is not part of a pattern of use. A pattern of use is presumed when an
21 inadvertent use is repeated in the same assessment year or in two or
22 more successive assessment years.

23 (4) The department of revenue shall narrowly construe this
24 exemption.

25 **Sec. 2.** RCW 84.36.030 and 1990 c 283 s 6 are each amended to read
26 as follows:

27 The following real and personal property shall be exempt from
28 taxation:

29 (1) Property owned by nonprofit organizations or associations,
30 organized and conducted for nonsectarian purposes, which shall be used
31 for character-building, benevolent, protective or rehabilitative social
32 services directed at persons of all ages. The sale of donated
33 merchandise shall not be considered a commercial use of the property
34 under this section if the proceeds are devoted to the furtherance of
35 the purposes of the selling organization or association as specified in
36 this paragraph.

37 (2) Property owned by any nonprofit church, denomination, group of
38 churches, or an organization or association, the membership of which is

1 comprised solely of churches or their qualified representatives, which
2 is utilized as a camp facility if used for organized and supervised
3 recreational activities and church purposes as related to such camp
4 facilities. The exemption provided by this paragraph shall apply to a
5 maximum of two hundred acres of any such camp as selected by the
6 church, including buildings and other improvements thereon.

7 (3) Property, including buildings and improvements required for the
8 maintenance and safeguarding of such property, owned by nonprofit
9 organizations or associations engaged in character building of boys and
10 girls under eighteen years of age, and used for such purposes and uses,
11 provided such purposes and uses are for the general public good:
12 PROVIDED, That if existing charters provide that organizations or
13 associations, which would otherwise qualify under the provisions of
14 this paragraph, serve boys and girls up to the age of twenty-one years,
15 then such organizations or associations shall be deemed qualified
16 pursuant to this section.

17 (4) Property owned by all organizations and societies of veterans
18 of any war of the United States, recognized as such by the department
19 of defense, which shall have national charters, and which shall have
20 for their general purposes and objects the preservation of the memories
21 and associations incident to their war service and the consecration of
22 the efforts of their members to mutual helpfulness and to patriotic and
23 community service to state and nation. To be exempt such property must
24 be used in such manner as may be reasonably necessary to carry out the
25 purposes and objects of such societies.

26 The use of the property for pecuniary gain or to promote business
27 activities, except (~~fund raising activities conducted by a nonprofit~~
28 ~~organization~~)) as provided in this subsection (4), nullifies the
29 exemption otherwise available for the property for the assessment year.
30 The exemption is not nullified by:

31 (a) The collection of rent or donations if the amount is reasonable
32 and does not exceed maintenance and operation expenses.

33 (b) Fund-raising activities conducted by a nonprofit organization.

34 (c) The use of the property for pecuniary gain for periods of not
35 more than three days in a year.

36 (d) An inadvertent use of the property in a manner inconsistent
37 with the purpose for which exemption is granted, if the inadvertent use
38 is not part of a pattern of use. A pattern of use is presumed when an

1 inadvertent use is repeated in the same assessment year or in two or
2 more successive assessment years.

3 (5) Property owned by all corporations, incorporated under any act
4 of congress, whose principal purposes are to furnish volunteer aid to
5 members of the armed forces of the United States and also to carry on
6 a system of national and international relief and to apply the same in
7 mitigating the sufferings caused by pestilence, famine, fire, floods,
8 and other national calamities and to devise and carry on measures for
9 preventing the same.

10 (6) Property owned by nonprofit organizations exempt from federal
11 income tax under section 501(c)(3) of the internal revenue code of
12 1954, as amended, that are guarantee agencies under the federal
13 guaranteed student loan program or that issue debt to provide or
14 acquire student loans.

15 (7) To be exempt under this section, the property must be used
16 exclusively for the purposes for which exemption is granted, except as
17 provided in RCW 84.36.805.

--- END ---