

CERTIFICATION OF ENROLLMENT

SENATE BILL 6113

Chapter 184, Laws of 1998

55th Legislature
1998 Regular Session

NONPROFIT ORGANIZATIONS PROVIDING MEDICAL RESEARCH OR TRAINING OF
MEDICAL PERSONNEL--PROPERTY TAX EXEMPTION REVISIONS

EFFECTIVE DATE: 6/11/98

Passed by the Senate March 9, 1998
YEAS 45 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 6, 1998
YEAS 96 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved March 27, 1998

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6113** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

March 27, 1998 - 3:26 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SENATE BILL 6113

AS AMENDED BY THE HOUSE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By Senators Wood, West, Thibaudeau, Kohl, Long and Rasmussen

Read first time 01/12/98. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to the property tax exemption for nonprofit
2 organizations providing medical research or training of medical
3 personnel; amending RCW 84.36.045; reenacting and amending RCW
4 84.36.805; and creating a new section.

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

6 **Sec. 1.** RCW 84.36.045 and 1984 c 220 s 3 are each amended to read
7 as follows:

8 All real and personal property owned (~~((in fee or by contract~~
9 ~~purchase))~~ or used by any nonprofit corporation or association which is
10 available without charge for research by, or for the training of,
11 doctors, nurses, laboratory technicians, hospital administrators and
12 staff or other hospital personnel, and which otherwise is used for
13 medical research, the results of which will be available without cost
14 to the public, shall be exempt from ad valorem taxation. If the real
15 or personal property is leased, the benefit of the exemption shall
16 inure to the nonprofit corporation or association.

17 To be exempt under this section, the property must be used
18 exclusively for the purposes for which exemption is granted, except as
19 provided in RCW 84.36.805.

1 **Sec. 2.** RCW 84.36.805 and 1997 c 156 s 8 and 1997 c 143 s 3 are
2 each reenacted and amended to read as follows:

3 In order to be exempt pursuant to RCW 84.36.030, 84.36.035,
4 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045, 84.36.047,
5 84.36.050, 84.36.060, 84.36.350, 84.36.480, 84.36.550, and 84.36.046,
6 the nonprofit organizations, associations or corporations shall satisfy
7 the following conditions:

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

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

14 (i) The rents and donations received for the use of the portion of
15 the property are reasonable and do not exceed the maintenance and
16 operation expenses attributable to the portion of the property loaned
17 or rented; and

18 (ii) Except for the exemptions under RCW 84.36.030(4) and
19 84.36.037, the property would be exempt from tax if owned by the
20 organization to which it is loaned or rented;

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

24 (2) The property is irrevocably dedicated to the purpose for which
25 exemption has been granted, and on the liquidation, dissolution, or
26 abandonment by said organization, association, or corporation, said
27 property will not inure directly or indirectly to the benefit of any
28 shareholder or individual, except a nonprofit organization,
29 association, or corporation which too would be entitled to property tax
30 exemption. This property need not be irrevocably dedicated if it is
31 leased or rented to those qualified for exemption pursuant to RCW
32 84.36.035, 84.36.040, 84.36.041, 84.36.043, 84.36.045, or 84.36.046 or
33 those qualified for exemption as an association engaged in the
34 production or performance of musical, dance, artistic, dramatic, or
35 literary works pursuant to RCW 84.36.060, but only if under the terms
36 of the lease or rental agreement the nonprofit organization,
37 association, or corporation receives the benefit of the exemption;

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

1 (4) The organization, association, or corporation is duly licensed
2 or certified where such licensing or certification is required by law
3 or regulation;

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

7 (6) The director of the department of revenue shall have access to
8 its books in order to determine whether such organization, association,
9 or corporation is exempt from taxes within the intent of RCW 84.36.030,
10 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.043, 84.36.045,
11 84.36.047, 84.36.050, 84.36.060, 84.36.350, 84.36.480, and 84.36.046.

12 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
13 collection in 1999 and thereafter.

Passed the Senate March 9, 1998.

Passed the House March 6, 1998.

Approved by the Governor March 27, 1998.

Filed in Office of Secretary of State March 27, 1998.