

**HB 2001** - S COMM AMD

By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW  
4 to read as follows:

5 The real and personal property owned or used by a nonprofit  
6 organization is exempt from taxation if the property is used for  
7 solicitation or collection of gifts, donations, or grants for the  
8 support of individual artists and the organization meets all of the  
9 following conditions:

10 (1) The organization is organized and conducted for nonsectarian  
11 purposes.

12 (2) The organization is qualified for exemption under section  
13 501(c)(3) of the federal internal revenue code.

14 (3) The organization is governed by a volunteer board of directors  
15 of at least eight members.

16 (4) If the property is leased, the benefit of the exemption inures  
17 to the user.

18 (5) The gifts, donations, and grants are used by the organization  
19 for grants, fellowships, information services, and educational  
20 resources in support of individual artists engaged in the production or  
21 performance of musical, dance, artistic, dramatic, or literary works.

22 **Sec. 2.** RCW 84.36.810 and 2001 c 126 s 3 are each amended to read  
23 as follows:

24 (1)(a) Upon cessation of a use under which an exemption has been  
25 granted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.041,  
26 84.36.042, 84.36.043, 84.36.046, 84.36.050, 84.36.060, 84.36.550,  
27 section 1 of this act, 84.36.560, and 84.36.570, except as provided in  
28 (b) of this subsection, the county treasurer shall collect all taxes

1 which would have been paid had the property not been exempt during the  
2 three years preceding, or the life of such exemption, if such be less,  
3 together with the interest at the same rate and computed in the same  
4 way as that upon delinquent property taxes. If the property has been  
5 granted an exemption for more than ten consecutive years, taxes and  
6 interest shall not be assessed under this section.

7 (b) Upon cessation of use by an institution of higher education of  
8 property exempt under RCW 84.36.050(2) the county treasurer shall  
9 collect all taxes which would have been paid had the property not been  
10 exempt during the seven years preceding, or the life of the exemption,  
11 whichever is less.

12 (2) Subsection (1) of this section applies only when ownership of  
13 the property is transferred or when fifty-one percent or more of the  
14 area of the property loses its exempt status. The additional tax under  
15 subsection (1) of this section shall not be imposed if the cessation of  
16 use resulted solely from:

17 (a) Transfer to a nonprofit organization, association, or  
18 corporation for a use which also qualifies and is granted exemption  
19 under this chapter;

20 (b) A taking through the exercise of the power of eminent domain,  
21 or sale or transfer to an entity having the power of eminent domain in  
22 anticipation of the exercise of such power;

23 (c) Official action by an agency of the state of Washington or by  
24 the county or city within which the property is located which disallows  
25 the present use of such property;

26 (d) A natural disaster such as a flood, windstorm, earthquake, or  
27 other such calamity rather than by virtue of the act of the  
28 organization, association, or corporation changing the use of such  
29 property;

30 (e) Relocation of the activity and use of another location or site  
31 except for undeveloped properties of camp facilities exempted under RCW  
32 84.36.030;

33 (f) Cancellation of a lease on leased property that had been exempt  
34 under this chapter (~~or RCW 84.36.560~~); or

35 (g) A change in the exempt portion of a home for the aging under  
36 RCW 84.36.041(3), as long as some portion of the home remains exempt.

37 (3) Subsections (2)(e) and (f) of this section do not apply to

1 property leased to a state institution of higher education and exempt  
2 under RCW 84.36.050(2).

3 NEW SECTION. **Sec. 3.** This act applies to taxes levied for  
4 collection in 2004 and thereafter."

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5 On page 1, line 2 of the title, after "artists;" strike the  
6 remainder of the title and insert "amending RCW 84.36.810; adding a new  
7 section to chapter 84.36 RCW; and creating a new section."

EFFECT: Prohibits an exemption on leased property unless the  
benefit inures to the nonprofit organization and adds the organization  
into the back tax requirement.

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