
HOUSE BILL 1471

State of Washington 58th Legislature 2003 Regular Session

By Representatives O'Brien, Schindler, Mielke, Miloscia, Lovick,
Nixon, Ahern, Holmquist, Hinkle, McMahan, Pearson and Anderson

Read first time 01/28/2003. Referred to Committee on Finance.

1 AN ACT Relating to tax exemptions for church and church camp
2 property; amending RCW 84.36.020, 84.36.030, and 84.36.800; and
3 creating a new section.

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

5 **Sec. 1.** RCW 84.36.020 and 1994 c 124 s 16 are each amended to read
6 as follows:

7 The following real and personal property shall be exempt from
8 taxation:

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

13 All churches, cathedrals, synagogues, temples, mosques, and other
14 places of assembly for religious exercise purposes, personal property,
15 and the ground, not exceeding ((five)) twenty acres in area, upon which
16 a church ((of any nonprofit recognized religious denomination)),
17 cathedral, synagogue, temple, mosque, or other place of assembly for
18 religious exercise purposes is or shall be built, together with a
19 parsonage, or other clergy residence, convent, or other religious

1 community residence, and buildings and improvements required for the
2 maintenance and safeguarding of such property. The area exempted shall
3 in any case include all ground covered by the church, cathedrals,
4 synagogues, temples, mosques, and other place of assembly for religious
5 exercise purposes, parsonage, or other clergy residence, convent, or
6 other religious community residence, and buildings and improvements
7 required for the maintenance and safeguarding of such property and the
8 structures and ground necessary for street access, parking, light, and
9 ventilation, but the area of unoccupied ground exempted in such cases,
10 in connection with the church, cathedral, synagogue, temple, mosque, or
11 other place of assembly for religious exercise purposes, parsonage, or
12 other clergy residence, convent, or other religious community
13 residence, and buildings and improvements required for the maintenance
14 and safeguarding of such property, shall not exceed the equivalent of
15 one (~~hundred twenty by one hundred twenty feet~~) and one-third acres
16 except where additional unoccupied land may be required to conform with
17 state or local codes, zoning, or licensing requirements. The
18 parsonage, or other clergy residence, and convent, or other religious
19 community residence, need not be on land contiguous to the church
20 (~~property~~), cathedral, synagogue, temple, mosque, or other place of
21 assembly for religious exercise purposes. To be exempt the property
22 must be wholly used for (~~church~~) religious exercise purposes:
23 PROVIDED, That the loan or rental of property otherwise exempt under
24 this paragraph to a nonprofit organization, association, or
25 corporation, or school for use for an eleemosynary activity shall not
26 nullify the exemption provided in this paragraph if the rental income,
27 if any, is reasonable and is devoted solely to the operation and
28 maintenance of the property.

29 **Sec. 2.** RCW 84.36.030 and 1993 c 327 s 2 are each amended to read
30 as follows:

31 The following real and personal property shall be exempt from
32 taxation:

33 (1) Property owned by nonprofit organizations or associations,
34 organized and conducted for nonsectarian purposes, which shall be used
35 for character-building, benevolent, protective or rehabilitative social
36 services directed at persons of all ages. The sale of donated
37 merchandise shall not be considered a commercial use of the property

1 under this section if the proceeds are devoted to the furtherance of
2 the purposes of the selling organization or association as specified in
3 this paragraph.

4 (2) Property owned by any nonprofit (~~church~~) religious
5 organization, denomination, or group of (~~churches~~) religious
6 organizations, or (~~an~~) any organization or association, the
7 membership of which is comprised solely of (~~churches~~) nonprofit
8 religious organizations or their qualified representatives, which is
9 utilized as a camp facility if used for organized and supervised
10 recreational activities and (~~church~~) religious exercise purposes as
11 related to such camp facilities. The exemption provided by this
12 paragraph shall apply to a maximum of (~~two~~) four hundred acres of any
13 such camp as selected by the (~~church~~) religious organization,
14 including buildings and other improvements thereon.

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

25 (4) Property owned by all organizations and societies of veterans
26 of any war of the United States, recognized as such by the department
27 of defense, which shall have national charters, and which shall have
28 for their general purposes and objects the preservation of the memories
29 and associations incident to their war service and the consecration of
30 the efforts of their members to mutual helpfulness and to patriotic and
31 community service to state and nation. To be exempt such property must
32 be used in such manner as may be reasonably necessary to carry out the
33 purposes and objects of such societies.

34 The use of the property for pecuniary gain or to promote business
35 activities, except as provided in this subsection (4), nullifies the
36 exemption otherwise available for the property for the assessment year.
37 The exemption is not nullified by:

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

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

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

6 (d) An inadvertent use of the property in a manner inconsistent
7 with the purpose for which exemption is granted, if the inadvertent use
8 is not part of a pattern of use. A pattern of use is presumed when an
9 inadvertent use is repeated in the same assessment year or in two or
10 more successive assessment years.

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

18 (6) Property owned by nonprofit organizations exempt from federal
19 income tax under section 501(c)(3) of the internal revenue code of
20 1954, as amended, that are guarantee agencies under the federal
21 guaranteed student loan program or that issue debt to provide or
22 acquire student loans.

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

26 **Sec. 3.** RCW 84.36.800 and 1998 c 311 s 24 are each amended to read
27 as follows:

28 As used in this chapter:

29 (1) "~~(Church)~~ Religious exercise purposes" means the use of real
30 and personal property owned by a nonprofit religious organization for
31 religious worship or related administrative, educational, eleemosynary,
32 and social activities. This definition is to be broadly construed;

33 (2) "Convent or other religious community residence" means a house
34 or set of buildings occupied by a community of clergy or nuns devoted
35 to religious life under a superior;

36 (3) "Hospital" means any portion of a hospital building, or other

1 buildings in connection therewith, used as a residence for persons
2 engaged or employed in the operation of a hospital, or operated as a
3 portion of the hospital unit;

4 (4) "Nonprofit" means an organization, association or corporation
5 no part of the income of which is paid directly or indirectly to its
6 members, stockholders, officers, directors or trustees except in the
7 form of services rendered by the organization, association, or
8 corporation in accordance with its purposes and bylaws and the salary
9 or compensation paid to officers of such organization, association or
10 corporation is for actual services rendered and compares to the salary
11 or compensation of like positions within the public services of the
12 state;

13 (5) "Parsonage or other clergy residence" means a residence
14 occupied by a member of the clergy who has been designated for a
15 particular congregation and who holds regular services (~~therefor~~);

16 (6) "Place of assembly for religious exercise purposes" means real
17 and personal property owned by a nonprofit religious organization and
18 used for religious exercise purposes.

19 NEW SECTION. Sec. 4. This act applies to taxes levied for
20 collection in 2004 and thereafter.

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