
HOUSE BILL 3110

State of Washington 60th Legislature 2008 Regular Session

By Representatives Simpson, Green, Williams, and Sullivan

Read first time 01/22/08. Referred to Committee on Finance.

1 AN ACT Relating to the taxation of nonprofit nursing homes;
2 amending RCW 82.04.4289 and 84.36.040; and adding a new section to
3 chapter 82.04 RCW.

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

5 **Sec. 1.** RCW 82.04.4289 and 2003 c 168 s 402 are each amended to
6 read as follows:

7 This chapter does not apply to amounts derived as compensation for
8 services rendered to patients or from sales of drugs for human use
9 pursuant to a prescription furnished as an integral part of services
10 rendered to patients by a kidney dialysis facility operated as a
11 nonprofit corporation, a nonprofit hospice agency licensed under
12 chapter 70.127 RCW(~~(, and nursing homes)~~) and homes for unwed mothers
13 operated as religious or charitable organizations, but only if no part
14 of the net earnings received by such an institution inures directly or
15 indirectly, to any person other than the institution entitled to
16 deduction hereunder. "Prescription" and "drug" have the same meaning
17 as in RCW 82.08.0281.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
2 to read as follows:

3 This chapter does not apply to nursing homes operated as religious
4 or charitable organizations, if both of the following conditions are
5 met:

6 (1) The ratio of medicaid patient days to total patient days at the
7 nursing home was at or above fifty percent according to the most recent
8 annual nursing home cost report data collected by the department of
9 social and health services; and

10 (2) No part of the net earnings received by the religious or
11 charitable organization inures directly or indirectly, to any person
12 other than the organization entitled to the exemption under this
13 section.

14 **Sec. 3.** RCW 84.36.040 and 2001 c 126 s 1 are each amended to read
15 as follows:

16 (1) The real and personal property used by nonprofit (a) (~~day~~)
17 family child care (~~centers~~) licensees as defined pursuant to RCW
18 74.15.020; (b) free public libraries; (c) orphanages and orphan
19 asylums; (d) (~~homes for the sick or infirm; (e)~~) hospitals for the
20 sick; and (~~(f)~~) (e) outpatient dialysis facilities, which are used
21 for the purposes of such organizations shall be exempt from taxation(~~(+~~
22 PROVIDED, That)). The benefit of the exemption inures to the user.

23 (2) The real and personal property used by nonprofit nursing homes,
24 which are used for the purposes of such organizations, are exempt from
25 taxation, but only if:

26 (a) The ratio of medicaid patient days to total patient days at the
27 nursing home was at, or above, fifty percent according to the most
28 recent annual nursing home cost report data collected by the department
29 of social and health services; and

30 (b) The benefit of the exemption inures to the user.

31 (3) The real and personal property leased to and used by a
32 hospital, owned and operated by a public hospital district established
33 under chapter 70.44 RCW, for hospital purposes is exempt from taxation.
34 The benefit of the exemption must inure to the user.

35 (~~(3)~~) (4) To be exempt under this section, the property must be

1 used exclusively for the purposes for which exemption is granted,
2 except as provided in RCW 84.36.805.

--- END ---