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**SUBSTITUTE SENATE BILL 5832**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Kohl-Welles, Clements, Keiser and  
Kline)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to the installation of automatic sprinkler systems  
2 in nightclubs; amending RCW 19.27.500, 19.27.510, and 84.36.660; adding  
3 a new section to chapter 82.04 RCW; providing an effective date; and  
4 declaring an emergency.

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

6 **Sec. 1.** RCW 19.27.500 and 2005 c 148 s 1 are each amended to read  
7 as follows:

8 (1) The building code council shall adopt rules (~~by December 1,~~  
9 ~~2005,~~) requiring that all nightclubs be provided with an automatic  
10 sprinkler system. Rules adopted by the council shall consider  
11 applicable nationally recognized fire and building code standards and  
12 local conditions and require that the automatic sprinkler systems be  
13 installed by December 1, 2009.

14 (~~By December 15, 2005,~~) (2) The council shall transmit to the  
15 fire protection policy board copies of the rules as adopted. The fire  
16 protection policy board shall respond to the council (~~by February 15,~~  
17 ~~2006~~) within sixty days after receipt of the rules. If changes are  
18 recommended by the fire protection policy board the council shall

1 immediately consider those changes to the rules through its rule-making  
2 procedures. ((The rules shall be effective December 1, 2007.))

3 **Sec. 2.** RCW 19.27.510 and 2005 c 148 s 2 are each amended to read  
4 as follows:

5 As used in this chapter:

6 "Nightclub" means an ~~((establishment, other than a theater with~~  
7 ~~fixed seating, which is characterized by all of the following:~~

8 ~~(1) Provides live entertainment by paid performing artists or by~~  
9 ~~way of recorded music conducted by a person employed or engaged to do~~  
10 ~~so;~~

11 ~~(2) Has as its primary source of revenue (a) the sale of beverages~~  
12 ~~of any kind for consumption on the premises, (b) cover charges, or (c)~~  
13 ~~both; and~~

14 ~~(3) Has an occupant load of one hundred or more where the occupant~~  
15 ~~load for any portion of the occupancy is calculated at one person per~~  
16 ~~ten square feet or less, excluding the entry foyer)) A-2 occupancy use~~

17 under the 2006 international building code in which the aggregate area  
18 of concentrated use of unfixed chairs and standing space that is  
19 specifically designated and primarily used for dancing or viewing  
20 performers exceeds three hundred fifty square feet, excluding adjacent  
21 lobby areas. "Nightclub" does not include theaters with fixed seating,  
22 banquet halls, or lodge halls.

23 **Sec. 3.** RCW 84.36.660 and 2005 c 148 s 4 are each amended to read  
24 as follows:

25 (1) Prior to installation of an automatic sprinkler system under  
26 RCW 19.27.500 through 19.27.520, an owner or lessee of property who  
27 meets the requirements of this section may apply to the assessor of the  
28 county in which the property is located for a special property tax  
29 exemption. This application shall be made upon forms prescribed by the  
30 department of revenue and supplied by the county assessor.

31 (a)(i) If a lessee of the property has paid for all expenses  
32 associated with the installation and purchase of the automatic  
33 sprinkler system, then the benefit of the exemption must inure to the  
34 lessee.

35 (ii) A lessee, otherwise eligible to receive the benefit of the  
36 exemption under this section, is entitled to receive such benefit only

1 to the extent that the lessee maintains a valid lease agreement with  
2 the property owner for the property in which the automatic sprinkler  
3 system was installed pursuant to RCW 19.27.500.

4 (b)(i) No person is entitled to receive an exemption under this  
5 section if credit has been earned under section 4 of this act.

6 (ii) An exemption may be granted under this section only to the  
7 property owner or lessee that pays for all expenses associated with the  
8 installation and purchase of the automatic sprinkler system. In no  
9 event may both the property owner and the lessee receive an exemption  
10 under this section in the same calendar year for the installation and  
11 purchase of the same automatic sprinkler system.

12 (c) After December 31, 2009, no new application for a special tax  
13 exemption under this section may be: Made by a property owner or  
14 lessee; or accepted by the county assessor.

15 (2) As used in this chapter, "special property tax exemption" means  
16 the determination of the assessed value of the property subtracting,  
17 for ten years, the increase in value attributable to the installation  
18 of an automatic sprinkler system under RCW 19.27.500 through 19.27.520.

19 (3) The county assessor shall, for ten consecutive assessment years  
20 following the calendar year in which application is made, place a  
21 special property tax exemption on property classified as eligible.

22 NEW SECTION. Sec. 4. A new section is added to chapter 82.04 RCW  
23 to read as follows:

24 (1) In computing the tax imposed under this chapter, a credit is  
25 allowed for the costs of purchasing and installing an automatic  
26 sprinkler system required under RCW 19.27.500, as provided in this  
27 section.

28 (2) A person taking the credit under this section is subject to all  
29 the requirements of chapter 82.32 RCW. A credit may be carried over  
30 until used. No refunds may be granted for credits under this section.

31 (3) No credit may be earned under this section if, with respect to  
32 the sprinkler system, an application for a special property tax  
33 exemption under RCW 84.36.660 has been made to the local assessor, and  
34 the assessor has not yet ruled on the application. No credit may be  
35 earned under this section if the assessor has exempted the sprinkler  
36 system property under RCW 84.36.660.

1 (4) No credit may be earned under this section after December 31,  
2 2009.

3 NEW SECTION. **Sec. 5.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and takes effect  
6 July 1, 2007.

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