
SENATE BILL 6700

State of Washington 60th Legislature 2008 Regular Session

By Senators Tom, Hatfield, Kohl-Welles, Oemig, Fraser, Regala,
Carrell, Haugen, and Rasmussen

Read first time 01/22/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to the property taxation of organizations operated
2 exclusively for art, scientific, or historical purposes or engaged in
3 the production and performance of musical, dance, artistic, dramatic,
4 or literary works; and amending RCW 84.36.060.

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

6 **Sec. 1.** RCW 84.36.060 and 2003 c 121 s 1 are each amended to read
7 as follows:

8 (1) The following property shall be exempt from taxation:

9 (a) All art, scientific, or historical collections of associations
10 maintaining and exhibiting such collections for the benefit of the
11 general public and not for profit, together with all real and personal
12 property of such associations used exclusively for the safekeeping,
13 maintaining and exhibiting of such collections;

14 (b) All the real and personal property owned by or leased to
15 associations engaged in the production and performance of musical,
16 dance, artistic, dramatic, or literary works for the benefit of the
17 general public and not for profit, which real and personal property is
18 used exclusively for this production or performance;

1 (c) All fire engines and other implements used for the
2 extinguishment of fire, and the buildings used exclusively for their
3 safekeeping, and for meetings of fire companies, as long as the
4 property belongs to any city or town or to a fire company; and

5 (d) All property owned by humane societies in this state in actual
6 use by the societies.

7 (2) To receive an exemption under subsection (1)(a) or (b) of this
8 section:

9 (a) An organization must be organized and operated exclusively for
10 artistic, scientific, historical, literary, musical, dance, dramatic,
11 or educational purposes and receive a substantial part of its support
12 (exclusive of income received in the exercise or performance by such
13 organization of its purpose or function) from the United States or any
14 state or any political subdivision thereof or from direct or indirect
15 contributions from the general public.

16 (b) If the property is not currently being used for an exempt
17 purpose but will be used for an exempt purpose within a reasonable
18 period of time, the nonprofit organization, association, or corporation
19 claiming the exemption must submit proof that a reasonably specific and
20 active program is being carried out to construct, remodel, or otherwise
21 enable the property to be used for an exempt purpose. The property
22 does not qualify for an exemption during this interim period if the
23 property is used by, loaned to, or rented to a for-profit organization
24 or business enterprise. Proof of a specific and active program to
25 build or remodel the property so it may be used for an exempt purpose
26 may include, but is not limited to:

27 (i) Affirmative action by the board of directors, trustees, or
28 governing body of the nonprofit organization, association, or
29 corporation toward an active program of construction or remodeling;

30 (ii) Itemized reasons for the proposed construction or remodeling;

31 (iii) Clearly established plans for financing the construction or
32 remodeling; or

33 (iv) Building permits.

34 (3) The use of property exempt under subsection (1)(a) or (b) of
35 this section by entities not eligible for a property tax exemption
36 under this chapter, except as provided in this section, nullifies the
37 exemption otherwise available for the property for the assessment year.
38 The exemption is not nullified if:

- 1 (a) The property is used by entities not eligible for a property
2 tax exemption under this chapter for periods of not more than (~~twenty-~~
3 ~~five~~) fifty days in the calendar year;
- 4 (b) The property is not used for pecuniary gain or to promote
5 business activities for more than (~~seven~~) fifteen of the (~~twenty-~~
6 ~~five~~) fifty days in the calendar year;
- 7 (c) The property is used for artistic, scientific, or historic
8 purposes, for the production and performance of musical, dance,
9 artistic, dramatic, or literary works, or for community gatherings or
10 assembly, or meetings; and
- 11 (d) The amount of any rent or donations is reasonable and does not
12 exceed maintenance and operation expenses created by the user.

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