
HOUSE BILL 2402

State of Washington

61st Legislature

2010 Regular Session

By Representatives White, Rolfes, Armstrong, Haler, Nelson, Roberts, Maxwell, Dickerson, Crouse, Jacks, Walsh, Wallace, Sells, Ormsby, Kenney, Williams, Blake, Chase, Morris, Campbell, Appleton, Carlyle, Conway, Bailey, Hope, and Haigh

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1 AN ACT Relating to a property tax exemption for property owned by
2 a nonprofit organization and used for the purpose of a farmers market;
3 amending RCW 84.36.037; and creating a new section.

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

5 **Sec. 1.** RCW 84.36.037 and 2006 c 305 s 3 are each amended to read
6 as follows:

7 (1) Real or personal property owned by a nonprofit organization,
8 association, or corporation in connection with the operation of a
9 public assembly hall (~~(or)~~), meeting place, or farmers market is exempt
10 from taxation. The area exempt under this section includes the
11 building or buildings, the land under the buildings, and an additional
12 area necessary for parking, not exceeding a total of one acre. When
13 property for which exemption is sought is essentially unimproved except
14 for restroom facilities and structures and this property has been used
15 primarily for annual community celebration events for at least ten
16 years, the exempt property shall not exceed twenty-nine acres.

17 (2) To qualify for this exemption the property must be used
18 exclusively for public gatherings or activities consistent with a
19 farmers market and must be available to all organizations or persons

1 desiring to use the property, but the owner may impose conditions and
2 restrictions which are necessary for the safekeeping of the property
3 and promote the purposes of this exemption. Membership shall not be a
4 prerequisite for the use of the property.

5 (3) The use of the property for pecuniary gain or for business
6 activities, except as provided in this section, nullifies the exemption
7 otherwise available for the property for the assessment year. The
8 exemption is not nullified by:

9 (a) The collection of rent or donations if all funds collected are
10 used for capital improvements to the exempt property, maintenance and
11 operation of the exempt property, or for exempt purposes.

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

13 (c)(i) Except as provided in (c)(ii) of this subsection, the use of
14 the property for pecuniary gain, for business activities for periods of
15 not more than fifteen days each assessment year so long as all income
16 received from rental or use of the exempt property is used for capital
17 improvements to the exempt property, maintenance and operation of the
18 exempt property, or for exempt purposes.

19 (ii) The use of the property for pecuniary gain or for business
20 activities, where the property is used for activities related to a
21 qualifying farmers market, as defined in RCW 66.24.170, as long as all
22 income received from rental or use of the exempt property is used for
23 capital improvements to the exempt property, maintenance and operation
24 of the exempt property, or exempt purposes.

25 (d) In a county with a population of less than twenty thousand, the
26 use of the property to promote the following business activities:
27 Dance lessons, art classes, or music lessons.

28 (e) An inadvertent use of the property in a manner inconsistent
29 with the purpose for which exemption is granted, if the inadvertent use
30 is not part of a pattern of use. A pattern of use is presumed when an
31 inadvertent use is repeated in the same assessment year or in two or
32 more successive assessment years.

33 (4) The department of revenue (~~shall~~) must narrowly construe this
34 exemption.

35 NEW SECTION. **Sec. 2.** This act applies to taxes levied for

1 collection in 2011 and thereafter.

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