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HOUSE BILL 2474

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State of Washington

61st Legislature

2010 Regular Session

By Representatives White, Dickerson, Nelson, Maxwell, Roberts, Orwall, Carlyle, Jacks, Cody, Chase, and Kenney

Prefiled 12/21/09. Read first time 01/11/10. Referred to Committee on Finance.

1 AN ACT Relating to a property tax exemption for property made  
2 available by nonprofit organizations for neighborhood activities and  
3 programs; 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 community center is  
10 exempt 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 community center 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) For nonprofit organizations, associations, or corporations  
20 owning a community center, the use of the property for pecuniary gain  
21 or for business activities as long as all income received from rental  
22 or use of the exempt property is used for capital improvements to the  
23 exempt property, maintenance and operation of the exempt property, or  
24 for 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 (5) For the purpose of this section, "community center" means a  
36 building previously owned by a school district, and made available to  
37 businesses, individuals, or other parties through the loan or rental of  
38 the building, or portions thereof, for: Public gatherings; office

1 space; qualifying farmers markets as defined in RCW 66.24.170; home and  
2 garden showings; art gallery openings; meetings; classes; and lectures.  
3 Notwithstanding subsection (4) of this section, the definition of  
4 "community center" must be broadly construed.

5 NEW SECTION. **Sec. 2.** This act applies to taxes levied for  
6 collection in 2011 and thereafter.

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