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SENATE BILL 5680

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State of Washington                      61st Legislature                      2009 Regular Session

By Senators Jarrett, Zarelli, Shin, Kohl-Welles, and Oemig

Read first time 01/28/09. Referred to Committee on Ways & Means.

1            AN ACT Relating to the property tax exemption for nonprofit  
2 artistic, scientific, historical, and performing arts organizations;  
3 and amending RCW 84.36.060.

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

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

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

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

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

18            (c) All fire engines and other implements used for the

1 extinguishment of fire, and the buildings used exclusively for their  
2 safekeeping, and for meetings of fire companies, as long as the  
3 property belongs to any city or town or to a fire company; and

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

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

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

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

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

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

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

32 (iv) Building permits.

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

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)).~~

13 (4) The fifty and fifteen-day limitations in subsection (3) of this  
14 section do not include days used for setup and takedown activities  
15 preceding or following a meeting or other event by an entity using the  
16 property as provided in subsection (3) of this section.

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