

CERTIFICATION OF ENROLLMENT

SENATE BILL 5680

Chapter 58, Laws of 2009

61st Legislature
2009 Regular Session

PROPERTY TAX EXEMPTION--NONPROFIT ORGANIZATIONS

EFFECTIVE DATE: 07/26/09

Passed by the Senate March 10, 2009
YEAS 48 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 1, 2009
YEAS 97 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved April 10, 2009, 2:57 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5680** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 13, 2009

**Secretary of State
State of Washington**

SENATE BILL 5680

Passed Legislature - 2009 Regular Session

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.

Passed by the Senate March 10, 2009.

Passed by the House April 1, 2009.

Approved by the Governor April 10, 2009.

Filed in Office of Secretary of State April 13, 2009.