

2SSB 5078 - S AMD 36

By Senator Ericksen

ADOPTED 02/26/2013

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.36.480 and 1984 c 220 s 6 are each amended to read
4 as follows:

5 ~~((The following property shall be exempt from taxation*))~~ (1)
6 Except as provided otherwise in subsection (3) of this section, the
7 real and personal property of a nonprofit fair association that
8 sponsors or conducts a fair or fairs (~~(which)~~) that is eligible to
9 receive support from (~~(revenues collected pursuant to RCW 67.16.100)~~)
10 the fair fund, as created in RCW 15.76.115 and allocated by the
11 director of the department of agriculture, is exempt from taxation. To
12 be exempt under this (~~(section)~~) subsection (1), the property must be
13 used exclusively for fair purposes, except as provided in RCW
14 84.36.805. However, the loan or rental of property otherwise exempt
15 under this section to a private concessionaire or to any person for use
16 as a concession in conjunction with activities permitted under this
17 section shall not nullify the exemption if the concession charges are
18 subject to agreement and the rental income, if any, is reasonable and
19 is devoted solely to the operation and maintenance of the property.

20 (2) Except as provided otherwise in subsection (3) of this section,
21 the real and personal property purchased or acquired from a county by
22 a nonprofit fair association and used for fair purposes is exempt from
23 taxation. Such property must have been used previously by the county
24 for fair purposes.

25 (3) A nonprofit fair association with real and personal property
26 having an assessed value of more than fifteen million dollars is not
27 eligible for the exemption under this section.

28 **Sec. 2.** RCW 84.36.805 and 2006 c 319 s 1 and 2006 c 226 s 3 are
29 each reenacted and amended to read as follows:

1 (1) In order to qualify for an exemption under this chapter, the
2 nonprofit organizations, associations, or corporations must satisfy the
3 conditions in this section.

4 (2) The property must be used exclusively for the actual operation
5 of the activity for which exemption is granted, unless otherwise
6 provided, and does not exceed an amount reasonably necessary for that
7 purpose, except:

8 (a) The loan or rental of the property does not subject the
9 property to tax if:

10 (i) The rents and donations received for the use of the portion of
11 the property are reasonable and do not exceed the maintenance and
12 operation expenses attributable to the portion of the property loaned
13 or rented; and

14 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
15 84.36.050, and 84.36.060(1) (a) and (b), the property would be exempt
16 from tax if owned by the organization to which it is loaned or rented;

17 (b) The use of the property for fund-raising activities does not
18 subject the property to tax if the fund-raising activities are
19 consistent with the purposes for which the exemption is granted.

20 (3) The facilities and services must be available to all regardless
21 of race, color, national origin or ancestry.

22 (4) The organization, association, or corporation must be duly
23 licensed or certified where such licensing or certification is required
24 by law or regulation.

25 (5) Property sold to organizations, associations, or corporations
26 with an option to be repurchased by the seller (~~shall~~) does not
27 qualify for exempt status. This subsection does not apply to property
28 sold to a nonprofit entity, as defined in RCW 84.36.560(7), by:

29 (a) A nonprofit as defined in RCW 84.36.800 that is exempt from
30 income tax under (~~section~~) 26 U.S.C. Sec. 501(c) of the federal
31 internal revenue code;

32 (b) A governmental entity established under RCW 35.21.660,
33 35.21.670, or 35.21.730;

34 (c) A housing authority created under RCW 35.82.030;

35 (d) A housing authority meeting the definition in RCW
36 35.82.210(2)(a); or

37 (e) A housing authority established under RCW 35.82.300.

1 (6) The department (~~shall~~) must have access to its books in order
2 to determine whether the nonprofit organization, association, or
3 corporation is exempt from taxes under this chapter.

4 (7) This section does not apply to exemptions granted under RCW
5 84.36.020, 84.36.032, 84.36.250, (~~and~~) 84.36.260, and 84.36.480(2)."

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6 On page 1, line 2 of the title, after "fairs;" strike the remainder
7 of the title and insert "amending RCW 84.36.480; and reenacting and
8 amending RCW 84.36.805."

EFFECT: The current restricted uses are added back to the bill
for a nonprofit fair. An exemption without restricted uses is provided
only for a county fair that becomes a nonprofit fair. These are
limited to those with a property value of \$15 million or less.

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