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**SENATE BILL 5706**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Ericksen, Becker, Sheldon, Bailey, Baumgartner, Brown, Pearson, Warnick, and Padden

AN ACT Relating to extending the property tax exemption for certain nonprofit fair associations; amending RCW 84.36.480; and creating a new section.

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

NEW SECTION. **Sec.**  This section is the tax preference performance statement for the tax preference contained in section 2 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to correct the unintended consequence resulting from a city or county transferring ownership of a previously tax exempt fairground to a nonprofit fair association, which causes the fairground property to be subject to property tax.

(2) It is the legislature's specific public policy objective to provide a property tax exemption to fairground properties that were previously exempt from the property tax when a city or county transfers ownership of the property to a nonprofit fair association.

(3) If a review finds that the property tax exemption that is extended is being used and does not provide a competitive advantage for a nonprofit fair association over private business, then the legislature intends to extend the expiration date of the tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to department of revenue and local county assessor data sources.

**Sec.**  RCW 84.36.480 and 2013 c 212 s 2 are each amended to read as follows:

(1) Except as provided otherwise in subsections (2) and (3) of this section, the real and personal property of a nonprofit fair association that sponsors or conducts a fair or fairs that is eligible to receive support from the fair fund, as created in RCW 15.76.115 and allocated by the director of the department of agriculture, is exempt from taxation. To be exempt under this subsection (1), the property must be used exclusively for fair purposes, except as provided in RCW 84.36.805. However, the loan or rental of property otherwise exempt under this section to a private concessionaire or to any person for use as a concession in conjunction with activities permitted under this section shall not nullify the exemption if the concession charges are subject to agreement and the rental income, if any, is reasonable and is devoted solely to the operation and maintenance of the property.

(2)(a) Except as provided otherwise in subsection (3) of this section, the real and personal property owned by a nonprofit fair association organized under chapter 24.06 RCW and used for fair purposes is exempt from taxation if the majority of such property, as determined by assessed value, was purchased or acquired by the same nonprofit fair association from a county or a city between 1995 and 1998.

(b) The exemption under this subsection (2) may not be claimed for taxes levied for collection in ((~~2019~~))2024 and thereafter.

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

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