
SENATE BILL 5043

State of Washington

67th Legislature

2021 Regular Session

By Senators Salomon, Rolfes, Conway, Das, Hasegawa, Hunt, Kuderer, Lovelett, Saldaña, Wellman, and Wilson, C.

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1 AN ACT Relating to the provision of housing for school district
2 employees; amending RCW 28A.335.240, 28A.335.250, 28A.335.130, and
3 82.29A.130; creating a new section; repealing RCW 28A.335.270; and
4 providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** Many Washington communities see a need for
7 teacher and staff housing closer to schools and other workplaces and
8 are exploring teacher housing as a way to attract and retain teachers
9 in communities with housing affordability and traffic and
10 transportation pressures. The intent of the legislature is to enable
11 communities to provide teacher housing and expand century-old
12 authority available to rural second-class districts to all school
13 districts.

14 **Sec. 2.** RCW 28A.335.240 and 2004 c 6 s 1 are each amended to
15 read as follows:

16 (1) The board of directors of a (~~second-class~~) school district
17 (~~shall~~) may build schoolhouses and teachers' cottages, or other
18 single or multifamily housing for school district employees, when
19 directed by a vote of the qualified electors of the school district

1 to do so pursuant to RCW 28A.530.010, and may purchase real property
2 for any school district purpose.

3 (2) The board of directors of a second-class nonhigh school
4 district that is totally surrounded by water and serves fewer than
5 forty students also may authorize the construction of teachers'
6 cottages without a vote of the district using funds from the
7 district's capital projects fund or general fund.

8 (3) Rental and other income from the cottages or other housing,
9 including sale of the cottages or other housing, may be deposited, in
10 whole or in part, into the school district's general fund to be used
11 for general maintenance, utility, insurance costs, and any other
12 costs associated with the lease or rental of such property and for
13 other district purposes including costs related to operating and
14 maintaining school facilities, debt service fund, or capital projects
15 fund as determined by the board of directors.

16 (4) The board of directors of any district may find the provision
17 of housing for school district employees to be necessary or proper to
18 recruit or retain qualified school district employees or otherwise
19 necessary or proper to carry out the functions of the district, and
20 upon such finding the provision of such housing is in furtherance of
21 the district's fundamental governmental purpose.

22 (5) Any school district may enter into an agreement with any
23 municipality, taxing district, or municipal corporation regarding the
24 conveying or leasing of any lands, properties, or facilities for the
25 development of single or multifamily housing for school district
26 employees or to provide for the joint use of such lands, properties,
27 or facilities, or to participate in the financing of all or any part
28 of the lands, properties, or facilities for these purposes on terms
29 as may be fixed by agreement between the respective legislative
30 bodies.

31 **Sec. 3.** RCW 28A.335.250 and 1975 c 43 s 16 are each amended to
32 read as follows:

33 ~~((School boards in each district of the second class))~~ The board
34 of directors of any school district may provide for the free,
35 comfortable and convenient use of the school property to promote and
36 facilitate frequent meetings and association of the people in
37 discussion, study, improvement, recreation and other community
38 purposes, and may acquire, assemble and house material for the
39 dissemination of information of use and interest to the farm, the

1 home and the community, and facilities for experiment and study,
2 especially in matters pertaining to the growing of crops, the
3 improvement and handling of livestock, the marketing of farm
4 products, the planning and construction of farm buildings, the
5 subjects of household economies, home industries, good roads, and
6 community vocations and industries; and may call meetings for the
7 consideration and discussion of any such matters(~~(r)~~) and employ a
8 special supervisor, or leader, if need be(~~(r and)~~). School districts
9 may provide suitable dwellings and accommodations for (~~teachers,~~
10 ~~supervisors and necessary assistants~~) school district employees for
11 these purposes and for any other district purposes determined by the
12 board of directors of any district under RCW 28A.335.240.

13 **Sec. 4.** RCW 28A.335.130 and 2004 c 6 s 2 are each amended to
14 read as follows:

15 Except as provided in RCW 28A.335.240(~~(+1)~~) (3), the proceeds
16 from any sale of school district real property by a board of
17 directors shall be deposited to the debt service fund and/or the
18 capital projects fund, except for amounts required to be expended for
19 the costs associated with the sale of such property, which moneys may
20 be deposited into the fund from which the expenditure was incurred.

21 **Sec. 5.** RCW 82.29A.130 and 2019 c 335 s 1 are each amended to
22 read as follows:

23 The following leasehold interests are exempt from taxes imposed
24 pursuant to RCW 82.29A.030 and 82.29A.040:

25 (1) All leasehold interests constituting a part of the operating
26 properties of any public utility that is assessed and taxed as a
27 public utility pursuant to chapter 84.12 RCW.

28 (2) All leasehold interests in facilities owned or used by a
29 school, school district, college or university which leasehold
30 provides housing for students or school district employees and which
31 is otherwise exempt from taxation under provisions of RCW 84.36.010
32 and 84.36.050.

33 (3) All leasehold interests of subsidized housing where the fee
34 ownership of such property is vested in the government of the United
35 States, or the state of Washington or any political subdivision
36 thereof but only if income qualification exists for such housing.

37 (4) All leasehold interests used for fair purposes of a nonprofit
38 fair association that sponsors or conducts a fair or fairs which

1 receive support from revenues collected pursuant to RCW 67.16.100 and
2 allocated by the director of the department of agriculture where the
3 fee ownership of such property is vested in the government of the
4 United States, the state of Washington or any of its political
5 subdivisions. However, this exemption does not apply to the leasehold
6 interest of any sublessee of such nonprofit fair association if such
7 leasehold interest would be taxable if it were the primary lease.

8 (5) All leasehold interests in any property of any public entity
9 used as a residence by an employee of that public entity who is
10 required as a condition of employment to live in the publicly owned
11 property.

12 (6) All leasehold interests held by enrolled Indians of lands
13 owned or held by any Indian or Indian tribe where the fee ownership
14 of such property is vested in or held in trust by the United States
15 and which are not subleased to other than to a lessee which would
16 qualify pursuant to this chapter, RCW 84.36.451 and 84.40.175.

17 (7) All leasehold interests in any real property of any Indian or
18 Indian tribe, band, or community that is held in trust by the United
19 States or is subject to a restriction against alienation imposed by
20 the United States. However, this exemption applies only where it is
21 determined that contract rent paid is greater than or equal to ninety
22 percent of fair market rental, to be determined by the department of
23 revenue using the same criteria used to establish taxable rent in RCW
24 82.29A.020(2)(g).

25 (8) All leasehold interests for which annual taxable rent is less
26 than two hundred fifty dollars per year. For purposes of this
27 subsection leasehold interests held by the same lessee in contiguous
28 properties owned by the same lessor are deemed a single leasehold
29 interest.

30 (9) All leasehold interests which give use or possession of the
31 leased property for a continuous period of less than thirty days:
32 PROVIDED, That for purposes of this subsection, successive leases or
33 lease renewals giving substantially continuous use of possession of
34 the same property to the same lessee are deemed a single leasehold
35 interest: PROVIDED FURTHER, That no leasehold interest is deemed to
36 give use or possession for a period of less than thirty days solely
37 by virtue of the reservation by the public lessor of the right to use
38 the property or to allow third parties to use the property on an
39 occasional, temporary basis.

1 (10) All leasehold interests under month-to-month leases in
2 residential units rented for residential purposes of the lessee
3 pending destruction or removal for the purpose of constructing a
4 public highway or building.

5 (11) All leasehold interests in any publicly owned real or
6 personal property to the extent such leasehold interests arises
7 solely by virtue of a contract for public improvements or work
8 executed under the public works statutes of this state or of the
9 United States between the public owner of the property and a
10 contractor.

11 (12) All leasehold interests that give use or possession of state
12 adult correctional facilities for the purposes of operating
13 correctional industries under RCW 72.09.100.

14 (13) All leasehold interests used to provide organized and
15 supervised recreational activities for persons with disabilities of
16 all ages in a camp facility and for public recreational purposes by a
17 nonprofit organization, association, or corporation that would be
18 exempt from property tax under RCW 84.36.030(1) if it owned the
19 property. If the publicly owned property is used for any taxable
20 purpose, the leasehold excise taxes set forth in RCW 82.29A.030 and
21 82.29A.040 must be imposed and must be apportioned accordingly.

22 (14) All leasehold interests in the public or entertainment areas
23 of a baseball stadium with natural turf and a retractable roof or
24 canopy that is in a county with a population of over one million,
25 that has a seating capacity of over forty thousand, and that is
26 constructed on or after January 1, 1995. "Public or entertainment
27 areas" include ticket sales areas, ramps and stairs, lobbies and
28 concourses, parking areas, concession areas, restaurants, hospitality
29 and stadium club areas, kitchens or other work areas primarily
30 servicing other public or entertainment areas, public rest room
31 areas, press and media areas, control booths, broadcast and
32 production areas, retail sales areas, museum and exhibit areas,
33 scoreboards or other public displays, storage areas, loading,
34 staging, and servicing areas, seating areas and suites, the playing
35 field, and any other areas to which the public has access or which
36 are used for the production of the entertainment event or other
37 public usage, and any other personal property used for these
38 purposes. "Public or entertainment areas" does not include locker
39 rooms or private offices exclusively used by the lessee.

1 (15) All leasehold interests in the public or entertainment areas
2 of a stadium and exhibition center, as defined in RCW 36.102.010,
3 that is constructed on or after January 1, 1998. For the purposes of
4 this subsection, "public or entertainment areas" has the same meaning
5 as in subsection (14) of this section, and includes exhibition areas.

6 (16) All leasehold interests in public facilities districts, as
7 provided in chapter 36.100 or 35.57 RCW.

8 (17) All leasehold interests in property that is: (a) Owned by
9 the United States government or a municipal corporation; (b) listed
10 on any federal or state register of historical sites; and (c) wholly
11 contained within a designated national historic reserve under 16
12 U.S.C. Sec. 461.

13 (18) All leasehold interests in the public or entertainment areas
14 of an amphitheater if a private entity is responsible for one hundred
15 percent of the cost of constructing the amphitheater which is not
16 reimbursed by the public owner, both the public owner and the private
17 lessee sponsor events at the facility on a regular basis, the lessee
18 is responsible under the lease or agreement to operate and maintain
19 the facility, and the amphitheater has a seating capacity of over
20 seventeen thousand reserved and general admission seats and is in a
21 county that had a population of over three hundred fifty thousand,
22 but less than four hundred twenty-five thousand when the amphitheater
23 first opened to the public.

24 For the purposes of this subsection, "public or entertainment
25 areas" include box offices or other ticket sales areas, entrance
26 gates, ramps and stairs, lobbies and concourses, parking areas,
27 concession areas, restaurants, hospitality areas, kitchens or other
28 work areas primarily servicing other public or entertainment areas,
29 public rest room areas, press and media areas, control booths,
30 broadcast and production areas, retail sales areas, museum and
31 exhibit areas, scoreboards or other public displays, storage areas,
32 loading, staging, and servicing areas, seating areas including lawn
33 seating areas and suites, stages, and any other areas to which the
34 public has access or which are used for the production of the
35 entertainment event or other public usage, and any other personal
36 property used for these purposes. "Public or entertainment areas"
37 does not include office areas used predominately by the lessee.

38 (19) All leasehold interests in real property used for the
39 placement of military housing meeting the requirements of RCW
40 84.36.665.

1 (20) All leasehold interests in facilities owned or used by a
2 community college or technical college, which leasehold interest
3 provides:

4 (a) Food services for students, faculty, and staff;

5 (b) The operation of a bookstore on campus; or

6 (c) Maintenance, operational, or administrative services to the
7 community college or technical college.

8 (21)(a) All leasehold interests in the public or entertainment
9 areas of an arena if it:

10 (i) Has a seating capacity of more than two thousand;

11 (ii) Is located on city-owned land; and

12 (iii) Is owned by a city with a population over two hundred
13 thousand within a county with a population of less than one million
14 five hundred thousand.

15 (b) For the purposes of this subsection (21), "public or
16 entertainment areas" has the same meaning as provided in subsection
17 (18) of this section.

18 NEW SECTION. **Sec. 6.** RCW 28A.335.270 (School property used for
19 public purposes—Special state commission to pass on plans) and 1990 c
20 33 s 364 & 1975-'76 2nd ex.s. c 15 s 12 are each repealed.

21 NEW SECTION. **Sec. 7.** Section 5 of this act expires January 1,
22 2032.

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