
HOUSE BILL 2431

State of Washington

69th Legislature

2026 Regular Session

By Representative Shavers

Read first time 01/13/26. Referred to Committee on Finance.

1 AN ACT Relating to increasing the maximum annual limit for
2 regularly scheduled fundraising activities for the nonprofit public
3 assembly halls and meeting places property tax exemption; amending
4 RCW 84.36.805 and 84.36.805; creating new sections; providing an
5 effective date; and providing an expiration date.

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

7 **Sec. 1.** RCW 84.36.805 and 2023 c 69 s 2 are each amended to read
8 as follows:

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

12 (2) The property must be used exclusively for the actual
13 operation of the activity for which exemption is granted, unless
14 otherwise provided, and does not exceed an amount reasonably
15 necessary for that purpose. Notwithstanding anything to the contrary
16 in this section:

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

19 (i) The rents and donations received for the use of the portion
20 of the property are reasonable and do not exceed the maintenance and

1 operation expenses attributable to the portion of the property loaned
2 or rented;

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

7 (iii) This subsection (2)(a) does not apply to exemptions granted
8 under RCW 84.36.042;

9 (b) The use of the property for fund-raising events does not
10 subject the property to tax if the fund-raising events are consistent
11 with the purposes for which the exemption is granted or are conducted
12 by a nonprofit organization. If the property is loaned or rented to
13 conduct a fund-raising event, the requirements of (a) of this
14 subsection (2) apply;

15 (c) An inadvertent use of the property in a manner inconsistent
16 with the purpose for which exemption is granted does not subject the
17 property to tax, if the inadvertent use is not part of a pattern of
18 use. A pattern of use is presumed when an inadvertent use is repeated
19 in the same assessment year or in two or more successive assessment
20 years.

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

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

26 (5) Property sold to organizations, associations, or corporations
27 with an option to be repurchased by the seller does not qualify for
28 exempt status. This subsection does not apply to:

29 (a) Limited equity cooperatives as defined in RCW 84.36.675; or

30 (b) Property sold to a nonprofit entity, as defined in RCW
31 84.36.560, by:

32 (i) A nonprofit as defined in RCW 84.36.800 that is exempt from
33 income tax under 26 U.S.C. Sec. 501(c) of the federal internal
34 revenue code;

35 (ii) A governmental entity established under RCW 35.21.660,
36 35.21.670, or 35.21.730;

37 (iii) A housing authority created under RCW 35.82.030;

38 (iv) A housing authority meeting the definition in RCW
39 35.82.210(2)(a); or

40 (v) A housing authority established under RCW 35.82.300.

1 (6) The department must have access to its books in order to
2 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, 84.36.049, and 84.36.480(2).

6 (8)(a) The use of property exempt under this chapter, other than
7 as specifically authorized by this chapter, nullifies the exemption
8 otherwise available for the property for the assessment year.
9 However, the exemption is not nullified by the use of the property by
10 any individual, group, or entity, where such use is not otherwise
11 authorized by this chapter, for not more than 50 days in each
12 calendar year, and the property is not used for pecuniary gain or to
13 promote business activities for more than 15 of the 50 days in each
14 calendar year. The 50 and 15-day limitations provided in this
15 subsection (8)(a) do not include days during which setup and takedown
16 activities take place immediately preceding or following a meeting or
17 other event by an individual, group, or entity using the property as
18 provided in this subsection (8)(a).

19 (b) If uses of the exempt property exceed the 50 and 15-day
20 limitations provided in (a) of this subsection (8) during an
21 assessment year, the exemption is removed for the affected portion of
22 the property for that assessment year.

23 (c) The 15-day and 50-day limitations provided in (a) of this
24 subsection (8) do not apply to property exempt under RCW 84.36.037 if
25 the property is used for activities related to a qualifying farmers
26 market, as defined in RCW 66.24.170, and all income received from
27 rental or use of the exempt property is used for capital improvements
28 to the exempt property, maintenance and operation of the exempt
29 property, or exempt purposes. Exempt property under RCW 84.36.037 may
30 be used for up to 53 days for the purposes of a qualifying farmers
31 market.

32 (d) The 15-day limitation provided in (a) of this subsection (8)
33 is increased to 50 days for regularly scheduled fundraising
34 activities taking place on property exempt under RCW 84.36.037.

35 **Sec. 2.** RCW 84.36.805 and 2023 c 69 s 3 are each amended to read
36 as follows:

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

1 (2) The property must be used exclusively for the actual
2 operation of the activity for which exemption is granted, unless
3 otherwise provided, and does not exceed an amount reasonably
4 necessary for that purpose. Notwithstanding anything to the contrary
5 in this section:

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

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

12 (ii) Except for the exemptions under RCW 84.36.030(4), 84.36.037,
13 84.36.050, and 84.36.060(1) (a) and (b), the property would be exempt
14 from tax if owned by the organization to which it is loaned or
15 rented; and

16 (iii) This subsection (2)(a) does not apply to exemptions granted
17 under RCW 84.36.042;

18 (b) The use of the property for fund-raising events does not
19 subject the property to tax if the fund-raising events are consistent
20 with the purposes for which the exemption is granted or are conducted
21 by a nonprofit organization. If the property is loaned or rented to
22 conduct a fund-raising event, the requirements of (a) of this
23 subsection (2) apply;

24 (c) An inadvertent use of the property in a manner inconsistent
25 with the purpose for which exemption is granted does not subject the
26 property to tax, if the inadvertent use is not part of a pattern of
27 use. A pattern of use is presumed when an inadvertent use is repeated
28 in the same assessment year or in two or more successive assessment
29 years.

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

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

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

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

4 (b) A governmental entity established under RCW 35.21.660,
5 35.21.670, or 35.21.730;

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

7 (d) A housing authority meeting the definition in RCW
8 35.82.210(2)(a); or

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

10 (6) The department must have access to its books in order to
11 determine whether the nonprofit organization, association, or
12 corporation is exempt from taxes under this chapter.

13 (7) This section does not apply to exemptions granted under RCW
14 84.36.020, 84.36.032, 84.36.250, 84.36.049, and 84.36.480(2).

15 (8)(a) The use of property exempt under this chapter, other than
16 as specifically authorized by this chapter, nullifies the exemption
17 otherwise available for the property for the assessment year.
18 However, the exemption is not nullified by the use of the property by
19 any individual, group, or entity, where such use is not otherwise
20 authorized by this chapter, for not more than fifty days in each
21 calendar year, and the property is not used for pecuniary gain or to
22 promote business activities for more than fifteen of the fifty days
23 in each calendar year. The fifty and fifteen-day limitations provided
24 in this subsection (8)(a) do not include days during which setup and
25 takedown activities take place immediately preceding or following a
26 meeting or other event by an individual, group, or entity using the
27 property as provided in this subsection (8)(a).

28 (b) If uses of the exempt property exceed the fifty and fifteen-
29 day limitations provided in (a) of this subsection (8) during an
30 assessment year, the exemption is removed for the affected portion of
31 the property for that assessment year.

32 (c) The 15-day and 50-day limitations provided in (a) of this
33 subsection (8) do not apply to property exempt under RCW 84.36.037 if
34 the property is used for activities related to a qualifying farmers
35 market, as defined in RCW 66.24.170, and all income received from
36 rental or use of the exempt property is used for capital improvements
37 to the exempt property, maintenance and operation of the exempt
38 property, or exempt purposes. Exempt property under RCW 84.36.037 may
39 be used for up to 53 days for the purposes of a qualifying farmers
40 market.

1 (d) The 15-day limitation provided in (a) of this subsection (8)
2 is increased to 50 days for regularly scheduled fundraising
3 activities taking place on property exempt under RCW 84.36.037.

4 NEW SECTION. **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply
5 to this act.

6 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
7 collection in 2027 and thereafter.

8 NEW SECTION. **Sec. 5.** Section 1 of this act expires January 1,
9 2033.

10 NEW SECTION. **Sec. 6.** Section 2 of this act takes effect January
11 1, 2033.

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