

RCW 84.36.043 Nonprofit organization property used in providing emergency or transitional housing to low-income homeless persons or victims of domestic violence—Recovery residences. (1) The real and personal property used by a nonprofit organization in providing emergency or transitional housing for low-income homeless persons as defined in RCW 35.21.685 or 36.32.415 or victims of domestic violence who are homeless for personal safety reasons is exempt from taxation if:

(a) The charge, if any, for the housing does not exceed the actual cost of operating and maintaining the housing; and
(b) (i) The property is owned by the nonprofit organization; or
(ii) The property is rented or leased by the nonprofit organization and the benefit of the exemption inures to the nonprofit organization.

(2) The real and personal property used by a nonprofit organization in maintaining an approved recovery residence registered under RCW 41.05.760 is exempt from taxation if:

(a) The charge for the housing does not exceed the actual cost of operating and maintaining the housing; and
(b) (i) The property is owned by the nonprofit organization; or
(ii) The property is rented or leased by the nonprofit organization and the benefit of the exemption inures to the nonprofit organization.

(3) As used in this section:

(a) "Homeless" means persons, including families, who, on one particular day or night, do not have decent and safe shelter nor sufficient funds to purchase or rent a place to stay.

(b) "Emergency housing" means a project that provides housing and supportive services to homeless persons or families for up to sixty days.

(c) "Transitional housing" means a project that provides housing and supportive services to homeless persons or families for up to two years and that has as its purpose facilitating the movement of homeless persons and families into independent living.

(d) "Recovery residence" has the same meaning as under RCW 41.05.760.

(4) The exemption in subsection (2) of this section applies to taxes levied for collection in calendar years 2024 through 2033.

(5) This exemption is subject to the administrative provisions contained in RCW 84.36.800 through 84.36.865. [2023 sp.s. c 1 § 18; 1998 c 174 § 1; 1991 c 198 § 1; 1990 c 283 § 2; 1983 1st ex.s. c 55 § 12.]

Tax preference performance statement—2023 sp.s. c 1 § 18: "(1) This section is the tax preference performance statement for the tax preference contained in section 18, chapter 1, Laws of 2023 [sp. sess.]. 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 to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).

(3) By exempting property used by nonprofit organizations maintaining approved recovery residences, it is the legislature's specific public policy objective to maximize funding for recovery

residences to the extent possible, thereby increasing availability of such residences.

(4) To measure the effectiveness of the tax exemption provided in section 18 of this act in achieving the specific public policy objectives described in subsection (3) of this section, the joint legislative audit and review committee must evaluate:

(a) Annual changes in the total number of parcels qualifying for the exemption under section 18 of this act;

(b) The amount of annual property tax relief resulting from the tax exemption under section 18 of this act;

(c) The average annual number of people housed at recovery residences located on property qualifying for the exemption under section 18 of this act;

(d) The annualized amount charged for housing at recovery residences located on property qualifying for the exemption under section 18 of this act and the annualized estimated increase in the charge for housing if the properties had not been eligible for the exemption; and

(e) The annual amount of expenditures by nonprofits to maintain recovery residences located on property qualifying for the exemption under section 18 of this act.

(5) The legislature intends to extend the expiration date of the property tax exemption under section 18 of this act if the review by the joint legislative audit and review committee finds that:

(a) The number of properties qualifying for the exemption under section 18 of this act has increased;

(b) The number of individuals using recovery housing located on property qualifying for the exemption under section 18 of this act has increased; and

(c) The amount charged for recovery housing is reasonably consistent with the actual cost of operating and maintaining the housing.

(6) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to:

(a) Initial applications for the tax exemption under section 18 of this act as approved by the department of revenue under RCW 84.36.815;

(b) Annual financial statements prepared by nonprofit entities claiming the tax exemption under section 18 of this act;

(c) Filings with the federal government to maintain federal tax exempt status by nonprofit organizations claiming the tax exemption under section 18 of this act; and

(d) Any other data necessary for the evaluation under subsection (4) of this section." [2023 sp.s. c 1 § 19.]

Effective dates—1983 1st ex.s. c 55: See note following RCW 82.08.010.