
SENATE BILL 5380

State of Washington

65th Legislature

2017 Regular Session

By Senators Zeiger and Palumbo; by request of State Board for
Community and Technical Colleges

1 AN ACT Relating to exempting property owned or used by community
2 and technical colleges from property tax; amending RCW 84.36.050; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that community and
6 technical colleges are vital educational resources to the state of
7 Washington. For the state to continue to be competitive globally, all
8 educational resources must be competitive and provide high-quality
9 programs and services for students.

10 The legislature recognizes that community and technical colleges
11 are important economic drivers and that the colleges support local
12 communities, provide public benefit, and respond to community
13 expectations by sharing facilities, offering programs, and attracting
14 students. Further, the legislature encourages innovative programs and
15 educational opportunities, sustainable practices, and increased use
16 of facilities so that operations of the colleges can be more cost-
17 effective.

18 The legislature seeks to remove barriers that discourage colleges
19 from being more entrepreneurial, that make it more difficult to
20 provide high-quality services and programs to their students, and
21 that discourage appropriate and beneficial use of institutional

1 facilities by the broader community. To this end, the legislature
2 seeks to provide consistent, predictable, and easily administered
3 rules for reference by the department of revenue and the community
4 and technical colleges.

5 **Sec. 2.** RCW 84.36.050 and 2014 c 99 s 9 are each amended to read
6 as follows:

7 The following property is exempt from taxation:

8 (1) Property owned or used by or for: (a) Any nonprofit school or
9 college in this state for educational purposes or cultural or art
10 educational programs as defined in RCW 82.04.4328; or (b) any
11 community college or technical college district as described in RCW
12 28B.50.040. Real property so exempt may not exceed four hundred acres
13 including, but not limited to, buildings and grounds designed for the
14 educational, athletic, or social programs of the institution, the
15 housing of students, religious faculty, and the chief administrator,
16 athletic buildings, and all other school or college facilities, the
17 need for which would be nonexistent but for the presence of the
18 school or college. The property must be principally designed to
19 further the educational, athletic, or social functions of the college
20 or school. If the property is leased, the benefit of the exemption
21 must inure to such school or college.

22 (2) Real or personal property owned by a not-for-profit
23 foundation that is established for the exclusive support of an
24 institution of higher education, as defined in RCW 28B.10.016. If the
25 property is leased to and used by the institution for college or
26 campus purposes, it must be principally designed to further the
27 educational, athletic, or social functions of the institution. The
28 exemption is only available for property actively utilized by
29 currently enrolled students. The benefit of the exemption must inure
30 to the college.

31 (3) Subject to RCW 84.36.805(2)(a)(i), if the property exempt
32 under subsection (1) or (2) of this section is used by an individual
33 or organization not entitled to a property tax exemption, except as
34 provided in this subsection, the exemption is nullified for the
35 assessment year in which such use occurs. The exemption is not
36 nullified as a result of any of the uses listed in (a) or (b) of this
37 subsection or RCW 84.36.805(8):

38 (a) The property is used by students, alumni, faculty, staff, or
39 other persons or entities in a manner consistent with the

1 educational, social, or athletic programs, including property used
2 for related administrative and support functions, of the school or
3 college and not for pecuniary gain or to promote business activities.
4 Notwithstanding the foregoing, the school or college may contract
5 with and permit the use of school or college property by persons or
6 entities to provide school or college-related programs or services
7 including, but not limited to, the provision of food services to
8 students, faculty, and staff, the operation of a bookstore on campus,
9 and the provision to the school or college of maintenance,
10 operational, or administrative services without nullifying the
11 exemption; or

12 (b) The property is used for pecuniary gain or to promote
13 business activities as authorized by RCW 84.36.805, such uses to be
14 measured separately with respect to each specific portion of such
15 property. If exempt property is used as a sports or educational camp
16 or program taught, operated, or conducted by a faculty member who is
17 required or permitted to do so as part of his or her compensation
18 package, the days when the property is so used will not be considered
19 to be days when the property is used for nonexempt purposes.

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