PROPERTY TAXES:
EXEMPTIONS AND SPECIAL PROGRAMS

SENATE WAYS AND MEANS COMMITTEE
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PROPERTY TAX EXEMPTIONS AND SPECIAL PROGRAMS
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I. CURRENT USE PROGRAMS

A. Introduction.

The state Constitution authorizes agricultural, timber, and open space lands to be valued on the basis of their current use rather than fair market value. State Const., Article 7, section 11.

Two programs currently implement this constitutional exception to fair market value: the "open space" program (chapter 84.34 RCW) and the "forest land" program (chapter 84.33 RCW). There are three categories of land under the open space program: 1) open space lands, 2) farm and agricultural lands, and 3) timber lands. There is only one category of land under the forest land program: designated forest land.

B. Open Space Program.

1. Open Space Land.

a. Land Eligible.

Open space land includes all of the following:

(1) Any land designated as such by an official comprehensive land use plan.

(2) Any land area, the preservation of which in its present use would:

- (a) Conserve and enhance natural or scenic resources;
- (b) Protect streams or water supply;
- (c) Promote conservation of soils, wetlands, beaches, or tidal marshes;
- (d) Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries, or other open space;
- (e) Enhance recreation opportunities;
- (f) Preserve historic sites;
- (g) Preserve visual quality along highway, road, and street corridors or scenic vistas; or
- (h) Retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification.

(3) Farm and Agricultural Conservation Land. Farm and

agricultural conservation land is land formerly classified as farm and agricultural land that no longer meets the income test or non-classified traditional farmland that is not being actively farmed but that has a high potential for returning to commercial farmland. RCW 84.34.020(1) and WAC 458-30-210.

b. Public Benefit Rating System.

The county legislative authority may direct the county planning commission to set open space priorities and adopt, after a public hearing, an open space plan and public benefit rating system for the county. The plan must consist of criteria for determining eligibility of lands, the process for establishing a public benefit rating system, and an assessed valuation schedule. The assessed valuation schedule is developed by the County Assessor as a percentage of market value based upon the public benefit rating system. The open space plan, the public benefit rating system, and the assessed valuations schedule are not effective until approved by the county legislative authority after at least one public hearing. RCW 84.34.055.

c. Valuation.

Open space land is valued based on the use to which the property is currently applied rather than other potential uses. The value must be at least the minimum value per acre of classified farm and agricultural land, but the land may be valued based on the public benefit rating system. RCW 84.34.060 and WAC 458-30-267.

2. Farm and Agricultural Land.

a. Land Eligible.

Land eligible for current use taxation as farm and agricultural land includes:

(1) Any land 20 acres or more:

(a) Devoted primarily to the production of livestock or agricultural commodities for commercial purposes;
(b) Enrolled in the federal conservation reserve program or its successor administered by the United States Department of Agriculture; or

(c) Used for other similar commercial agricultural activities.

(2) Parcels of 5 acres or more but less than 20 acres devoted primarily to agricultural uses which has produced a gross income from agricultural uses for 3 of the 5 calendar years preceding the date of application for classification equivalent to:

(a) $100 or more per acre per year for applications before January 1, 1993, if the land has not been transferred to any person other than a spouse; and
(b) $200 or more per acre per year for applications beginning January 1, 1993;

Gross income for parcels of this size includes the wholesale value of agricultural products donated to nonprofit food banks or feeding programs.

(3) Any parcel of land of less than 5 acres devoted primarily to agricultural uses which has produced a gross income from agricultural uses for 3 of the 5 calendar years preceding the date of application for classification equivalent to:

(a) $1,000 dollars or more per year for applications before January 1, 1993, if the land has not been transferred to any person other than a spouse; and
(b) $1,500 or more per year for applications beginning January 1, 1993.

(4) Land including incidental uses compatible with agricultural purposes if the land does not exceed 20 percent of the classified land.

(5) The land on which housing for employees and the principal place of residence of the farm operator or owner if the housing or residence is on or contiguous to the classified parcel (at least 20 acres) and the use of the housing or the residence is integral to the use of the classified land for agricultural purposes.

RCW 84.34.020(2) and WAC 458-30-210.

The income test for farm land less than 20 acres is deferred for 5 years when the land is reclassified into farm and agricultural land from timber land or open space farm and agricultural conservation land under the open space program or from the forest land categories under the forest land program. RCW 84.34.070(4).

b. Valuation.

The value of classified farm and agricultural land is determined by the productive or earning capacity of comparable land from crops typically grown in the area averaged over at least 5 years, capitalized at indicative rates. The value is determined by discounting the "net cash rental" of comparable farm lands growing crops typical to the area. Net cash rental is the average rent paid in cash or its equivalent. The discount rate is the rate of interest charged on long-term farm loans plus a component for property taxes. RCW 84.34.065 and WAC 458-30-260.

Land under farm dwellings is assessed at farmland values. This treatment applies only to farms over 20 acres when use of the dwelling is integral to farm operation. The current use value of land under farm dwellings is set at the average farm and agricultural land value plus the value of land improvements for septic, water, and power to serve the residence. WAC 458-30-317.

3. Timber Land.

a. Land Eligible.

Timber land is land of 5 or more acres devoted primarily to the growing and harvesting of timber. Timber land refers only to the land. RCW 84.34.020(3) and WAC 458-30-210.

b. Valuation.

Timber land is valued under the forest land program and is based on the value of the bare land for growing and harvesting timber. RCW 84.34.060 and WAC 458-30-267. The values vary based on the grade and operability of the land and are adjusted annually by the Department of Revenue. For the 2001 assessment year, the values range from $1 per acre to $234 per acre. RCW 84.33.120 and WAC 458-40-540.

4. Application Procedures.

Applications are made during the calendar year preceding the year in which the classification is to begin. RCW 84.34.030.

a. Open Space Land.

Applications for open space land are made to the county legislative authority. Applications must be approved or disapproved within 6 months of application. Appeals of county legislative authority decisions are made to the superior court. RCW 84.34.030, 84.34.037, and 84.34.050 and WAC 458-30-230.

b. Timber Land.

Applications for timber land are made to the county legislative authority. A timber management plan must be filed with the application. RCW 84.34.020(3). The application must include a brief description of the timber on the land, or the plan for restocking if it has been harvested, and whether there is a forest management plan for the land. Applications must be approved or disapproved within 6 months of application. Appeals of county legislative authority decisions are made to the superior court. RCW 84.34.030, 84.34.041, and 84.34.050 and WAC 458-30-232.

c. Farm and Agricultural Land.

Applications for classification as farm and agricultural land are made to the County Assessor. The application is considered approved unless the assessor notifies the applicant by May 1 of the following year. A denial by the assessor can be appealed to the County Board of Equalization within 30 days of the date the denial was mailed. RCW 84.34.035 and 84.34.040 and WAC 458-30-232 and 458-30-250.

5. Withdrawal from Classification.

a. 10-year Classification Period Required.

Land must remain classified for at least 10 years from the date of classification and continues to be classified until withdrawn from classification after request for withdrawal is made by the owner. During any year after 8 years of the initial 10-year classification period, a notice of request for withdrawal of all or a portion of the land may be given by the owner to the County Assessor. RCW 84.34.070.

b. Additional Taxes.

Additional taxes are due when property is removed from classification. See "Additional Taxes" page 7.

c. Exceptions.

Certain transfers between classifications are not considered withdrawals. RCW 84.34.070.

(1) Open Space Land.

Open space land may not be transferred into another classification, except that the farm and agricultural conservation land category of open space land may be transferred to farm and agricultural land if the land had been previously classified as farm and agricultural land.

(2) Farm and Agricultural Land.

Farm and agricultural land may be transferred into any other category of open space land or forest land.

(3) Timber Land.

Timber land may be transferred into any other category of open space land or forest land.

6. Change in Use.

When classified land is applied to some use other than under the withdrawal procedure, the owner is required to notify the County Assessor of the change in use within 60 days of the change. Unless an exception applies, additional tax and interest is due on the property on removal. See "Additional Taxes" page 7. In addition, a penalty equal to 20 percent of this amount is due unless the owner withdrew the property from classification under the withdrawal procedure. RCW 84.34.080. Under WAC 458-30-295, the owner is required to notify the County Assessor within 30 days of the change in use.

7. Removal from Classification.

Land is removed from classification by the assessor upon occurrence of any of the following:

a. Receipt of notice from the owner to remove all or a portion of such classification;
b. Sale or transfer to an owner exempt from property taxation, except a transfer that resulted from a default in loan payments made to or secured by a governmental agency that intends to or is required by law or regulation to resell the property for the same use as before;
c. Sale or transfer of all or a portion of such land to a new owner, unless the new owner has signed a notice of classification continuance, except transfer to an owner who is an heir or devisee of a deceased owner. The notice is to be attached to the real estate excise tax affidavit. A timber management plan must be filed with the county legislative authority (RCW 84.34.020(3));
d. Determination by the assessor that all or a portion of the land no longer meets the criteria for classification.

Land is not removed by creation, sale, or transfer of a forestry riparian easement or the creation, sale, or transfer of a fee interest or conservation easement for the riparian open space program. The County Assessor must notify the owner of the reasons for the removal within 30 days of removal. The owner may appeal the removal to the County Board of Equalization within 30 days of the date the notice was mailed. RCW 84.34.108 and WAC 458-30-295.

8. Effect of Removal.

When property is removed from classification, the land is revalued with reference to its full market value on January 1st of the year of removal and taxes for the year are allocated based on that part of the year that each assessed value applies. RCW 84.34.108 and WAC 458-30-300.

9. Additional Taxes.

a. Amount of Tax.

When property is removed from classification, additional taxes plus interest must be paid. The additional taxes represent the tax benefit received over the most recent 7 years plus interest on the taxes from the time they would have been paid if the land were not assessed at current use. The interest rate is the rate payable on delinquent property taxes, which is 12 percent per year. In addition, a penalty equal to 20 percent of the additional taxes and interest is applied unless the owner withdrew the property from classification under the withdrawal procedure. RCW 84.34.108 and WAC 458-30-295. Under WAC 458-30-300, the added tax for the current year from the change in valuation is added to the additional

tax.

b. Payment and Distribution of Tax.

The tax is due and payable within 30 days after the date the owner is notified of the additional tax. RCW 84.34.108 and 84.34.100; WAC 458-30-300. The tax becomes a lien on the land as of January 1st of the year the tax is due. RCW 84.34.090 and 84.34.108. The tax is distributed in the same manner as current taxes applicable to the subject land. Penalties and interest are retained by the county. RCW 84.34.100 & 84.56.020; WAC 458-30-315.

c. Exceptions.

There are several exceptions provided in RCW 84.34.108 to the payment of additional taxes on removal:

(1) A transfer to a government entity in exchange for other land;
(2) A transfer through the exercise of eminent domain or the threat of eminent domain;
(3) Change in use because of a natural disaster;
(4) Official action which disallows the present use of such land;
(5) A transfer to a church;
(6) Transfer to a governmental entity or nonprofit historic preservation or nonprofit nature conservancy corporation for the purpose of conserving open space land, farm and agricultural land, or timber land;
(7) Removal of classification for farm dwellings;
(8) Removal after enactment of a statutory exemption;
(9) Creation, sale, or transfer of a forestry riparian easement;
(10) Creation, sale, or transfer of a fee interest or conservation easement for the riparian open space program; or
(11) Sale or transfer within 2 years of the death of the owner of at least a 50 percent interest in the land if the land has been classified since 1993.

C. Forest Land Program.

1. Land Eligible.

Land which is used to grow and harvest timber but which is more valuable for

other uses may be designated as forest land by the assessor upon application to the County Assessor by the landowner. A reasonable processing fee may be required. No application is required when public forest land is exchanged for designated forest land if notice is provided to the county assessor within 60 days of the exchange. The application must include information on the land, including a brief description of the timber on the land, or the plan for restocking if it has been harvested, a copy of the timber management plan if one exists, and a description or drawing showing areas used for incidental uses. RCW 84.33.130. To qualify, the land must be 20 acres or more and be used primarily for growing and harvesting timber. RCW 84.33.100. The application is considered approved unless the assessor notifies the applicant by May 1 of the following year. A denial by the assessor can be appealed to the County Board of Equalization. RCW 84.33.130.

2. Valuation.

The valuation of designated forest land is set by statute and is based on the value of the bare land for growing and harvesting timber. The values vary based on the grade and operability of the land and are adjusted annually by the Department of Revenue. For the 2001 assessment year, the values range from $1 per acre to $234 per acre. RCW 84.33.140(4) and WAC 458-40-540.

3. Removal from Designation.

Land is removed from designation:

a. At the request of the owner;
b. By sale or transfer to an ownership making the land exempt from tax;
c. By sale or transfer of the land to a new owner, unless the new owner signs a notice of designation continuance, except transfer to an owner who is an heir or devisee of a deceased owner. The notice is to be attached to the real estate excise tax affidavit. The seller, transferor, or new owner may appeal the new assessed value to the Board of Equalization;
d. By a determination by the assessor, after giving the owner written notice and an opportunity to be heard, that:
    (1) The land is no longer primarily devoted to and used for growing and harvesting timber. Land is not removed if an agency exempt from the payment of compensating tax has manifested its intent to acquire a property interest in the land by means of a transaction that qualifies for an exemption from the compensating tax;

(2) The owner has failed to comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control and forest debris provisions of Title 76 RCW or any applicable regulations thereunder; or

(3) Restocking has not occurred to the extent or within the time specified in the application for designation.

Removal of designation applies only to the land affected, except removal under (d) applies only to the area of land no longer primarily devoted to and used for growing and harvesting timber as long as any remaining land meets necessary the necessary requirements. RCW 84.33.140(5).

4. Removal Procedures.

Within 30 days after removal, the assessor must notify the owner in writing of the reasons for removal. If the removal was for classified land, the owner may apply for designation of the land as forest land. The seller, transferor, or owner may appeal the removal to the County Board of Equalization. RCW 84.33.120(6) and 84.33.140(2).

When property is removed from classification, the land is revalued with reference to its full market value on January 1st of the year of removal and taxes for the year are allocated based on that part of the year that each assessed value applies. RCW 84.33.140(10).

5. Compensating Tax.

Upon removal from designation, the forest land may be subject to a compensating tax.

a. Calculation of Tax.

The tax is equal to the tax benefit in the most recent year multiplied by the number of years the land was classified or designated, not to exceed 9. Interest is due only if the tax is not paid within 30 days after notification of the tax. RCW 84.33.140(11).

b. Lien.

Compensating tax, together with applicable interest thereon, becomes a lien on the land at the time the land is removed from designation. The lien has priority to any recognizance, mortgage, judgment, debt, obligation

or responsibility to which the land may become charged. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. Any compensating tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest is charged at the same rate applied by law to delinquent property taxes. RCW 84.33.140(12)

c. Exceptions.

The compensating tax is not imposed if the removal resulted from the following:

(1) A transfer to a government entity in exchange for other forest land in Washington;
(2) A transfer through the exercise of eminent domain or the threat of eminent domain;
(3) Official action which disallows the present use of the land;
(4) Sale or transfer of fee title to the Parks and Recreation Commission for park purposes;
(5) A donation of fee title, development rights, or the right to harvest timber, to a government agency or nonprofit historic preservation or nature conservancy corporation for the purpose of limiting the future use of the land;
(6) The sale or transfer to a governmental entity or nonprofit nature conservancy corporation for conservation purposes of land recommended for state natural area preserve purposes by the Natural Heritage Council. However, if the land is later used for any other purpose, the compensating tax is imposed upon the current owner;
(7) Creation, sale, or transfer of a forestry riparian easement; Creation, sale, or transfer of a fee interest or conservation easement for the riparian open space program; or
(8) In King County, the sale or transfer to a governmental entity or nonprofit historic preservation or nonprofit nature conservancy corporation to protect or enhance public resources, or to preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve for public use or enjoyment, the property interest being transferred. When the property interest is not used for the purposes enumerated, the compensating tax is imposed upon the current owner; or
(9) Sale or transfer within 2 years of the death of the owner of

at least a 50 percent interest in the land if the land has been classified since 1993.

RCW 84.33.140(13) and (14).

d. Deferral of Tax on Reclassification.

Certain transfers between classifications are allowed without payment of compensating taxes. RCW 84.33.145. If within 30 days of removal of designation the owner applies for classification under the open space program, then the designated forest land is not considered removed from designation for purposes of the compensating tax until the application for current use classification is denied or the property is removed from classification under the open space program. Upon removal from classification under the open space program, the amount of compensating tax due is equal to the difference between the amount of tax last levied on the land as forest land and an amount equal to the new assessed valuation of the land when removed from classification under the open space program multiplied by the dollar rate of the last levy extended against the land, multiplied by a number equal to:

(1) The number of years the land was designated as forest land, if the total number of years the land was designated as forest land and classified under the open space program is less than 10; or
(2) 10 minus the number of years the land was classified under the open space program, if the total number of years the land was designated as forest land and classified under the open space program is at least 10.

No tax is due in a county over one million in population (King County) if the additional tax under the open space program does not apply. RCW 84.33.145(3). See "Exceptions," page 11.

D. Special Assessments.

1. Exemption from Special Assessments.

Farm and agricultural land and timber land under the open space program and designated forest land under the forest land program are exempt from special benefit assessments or charges in lieu of assessment for such purposes as long as the land remains classified or designated. RCW 84.33.210(1) and 84.34.320.

2. Waiver of Exemption.

The owner of the land exempted may waive the exemption by filing a notarized document with the legislative authority of the local government upon receiving notice from the local government concerning the assessment roll hearing and before the local government confirms the final special benefit assessment roll. RCW 84.33.210(4) and 84.34.320.

3. Liability for Special Assessments on Loss of Classification.

Special assessments are due upon removal from designation or change in use of designated land.

a. Calculation of Liability.

(1) If the bonds used to fund the improvement in the local improvement district have not been completely retired, the land is immediately liable for:

(a) The amount of the special benefit assessment; plus
(b) Interest on the assessment, compounded annually at a rate equal to the average rate of inflation from the time the initial notice to the time of withdrawal; or

(2) If the bonds used to fund the improvement in the local improvement district have been completely retired, the land is immediately liable for:

(a) The amount of the special benefit assessment; plus
(b) Interest on the assessment, compounded annually at a rate equal to the average rate of inflation from the time the initial notice to the time of the bonds were retired; plus
(c) Interest on the assessment and interest at a simple per annum rate equal to the average rate of inflation from the time the bonds used to fund the improvement were retired to the time of withdrawal.

RCW 84.33.220 and 84.34.330.

b. Lien for Special Assessments.

The amount payable is due on the date the land is withdrawn or removed

from classification and is a lien on the land superior to any other lien except for the lien for general taxes. The lien is enforceable in the same manner as the collection of special benefit assessments are enforced by that local government.

II. SENIOR CITIZEN TAX RELIEF

A. Authority.

In 1966, the voters approved Article 7, section 10 of the state Constitution which authorized the Legislature to grant to retired property owners relief from the property tax on their principal residences. The Legislature has enacted 2 programs under this authority - the exemption program under RCW 84.36.379 through 84.36.389 and the deferral program under chapter 84.38 RCW.

B. Residence Defined.

A residence is a single family dwelling unit whether separate or part of a multi-unit dwelling, including the land on which the dwelling stands, not to exceed 1 acre for the exemption program and up to 5 acres if zoning requires a larger parcel size for the deferral program. It also includes:

1. A share ownership in a cooperative housing association, corporation, or partnership if the person establishes that the share represents the specific unit in which he or she resides.
2. A single family dwelling on lands owned by the United States or any instrumentality thereof including an Indian tribe or by the state of Washington.
3. A mobile home which has substantially lost its identity as a mobile unit by virtue of its being fixed in location upon land owned or leased by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe, connections with sewer, water, or other utilities.

RCW 84.36.383, 84.36.381(2), and 84.38.020(5).

C. Qualifications.

To qualify for the senior citizen tax relief program:

1. The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence at the time of filing. However, confinement of the person to a hospital, nursing home, boarding home, or adult family home does not

disqualify the claim of exemption if:

a. The residence is temporarily unoccupied;
b. The residence is occupied by a spouse and/or a person financially dependent on the claimant for support; or
c. The residence is rented for the purpose of paying nursing home, boarding home, or adult family home, or hospital costs;

2. The person claiming the exemption must have owned, in fee, as a life estate, as a lease for life, or by contract purchase, at the time of filing, the residence on which the property taxes have been imposed. A residence owned by a marital community or owned by cotenants is considered to be owned by each spouse or cotenant.

3. The person claiming the exemption must have a combined disposable income of $40,000 or less for the deferral program and $35,000 or less for the exemption program and must be:
   a. 61 years of age or older on December 31 of the year in which the exemption claim is filed or be 60 years of age or older on December 31 of the year in which a deferral claim is filed; or
   b. Retired from regular gainful employment by reason of disability;
   c. A veteran of the armed forces of the United States with one hundred percent service connected disability; or
   d. A surviving spouse of a person who was receiving the exemption at the time of the person's death, if the surviving spouse was 57 years old, or attains the age of 57 in the year of the claimant's death, and otherwise meets the requirements.

RCW 84.36.381 and 84.38.030.

4. Combined Disposable Income.

Qualification for the senior citizen tax relief program is based on combined disposable income. RCW 84.36.381 and 84.38.030.

a. Disposable Income.

Disposable income is federal adjusted gross income plus the following if not already included:

(1) Capital gains, other than capital gains from the sale of a principal residence if the gains are not subject to federal income tax under the $250,000 exclusion for sales of a principal residence, but only to the extent the money is

reinvested in a new principal residence.

(2) Deductions for loss.
(3) Depreciation.
(4) Pensions and annuities.
(5) Military pay and benefits, other than attendant care and medical-aid payments.
(6) Veterans benefits, other than attendant care and medical-aid payments.
(7) Social security benefits.
(8) Dividends.
(9) Interest received on state and local bonds.

RCW 84.36.383(5).

b. Combined Disposable Income.

Combined disposable income is the disposable income of the person claiming the exemption, the person's spouse, and any other person residing in the residence who has an ownership interest in the residence for the assessment year, less amounts paid by the person claiming the exemption or his or her spouse during the assessment year for:

(1) Prescription drugs.
(2) The treatment or care of either spouse in the home or in a nursing home, boarding home, or adult family home.
(3) Health care insurance premiums for medicare under Title XVIII of the social security act.

RCW 84.36.383(4).

c. Calculation.

If the person was retired for less than the entire year, but for at least two months, then an annual disposable income is calculated only from the retirement income. In addition, if a person's spouse dies during the year and the person's income is reduced for at least 2 months, or if substantial changes occur in disposable income that are likely to continue for an indefinite period, then annual disposable income is calculated from the retirement income after the occurrence. RCW 84.36.381(4).

5. Disability.

Disability has the same meaning as provided in 42 U.S.C. Sec.

423(d)(1)(A) as amended prior to January 1, 2004, or such subsequent date as the director may provide by rule. RCW 84.36.381(7). Disability means the inability to engage in substantial gainful activity by reason of physical or mental impairment. Generally, under the federal definition individuals can earn up to $830 per month (for 2005) and still be considered disabled. The person can have additional income from investments and still qualify for the program as long as total income for the year is no greater than $35,000.

D. Deferral Program.

1. Relief Provided.

A claimant 60 years of age or older or retired because of physical disability whose disposable income is $40,000 or less may defer payment of property taxes and special benefit assessments. RCW 84.38.030. All property taxes and special benefit assessments imposed on the residence up to 80 percent of the homeowner's equity value may be deferred. RCW 84.38.030 and WAC 458-18-020.

2. Conditions.

Claimants must meet the following conditions:

a. The claimant must have and keep in force fire and casualty insurance in sufficient amount to protect the interest of the state in the claimant's equity value. If the claimant fails to keep fire and casualty insurance in force to the extent of the state's interest in the claimant's equity value, the amount deferred may not exceed 100 percent of the claimant's equity value in the land only.
b. In the case of special assessment deferral, the claimant must have opted for payment of the special assessments on the installment method if available.

RCW 84.38.030 and WAC 458-18-020.

3. Claims.

A written declaration on forms prescribed by the department and supplied by the assessor must be filed with the County Assessor. The declaration to defer special assessments and/or real property taxes for any year must be filed no later than 30 days before the tax or assessment is due or 30 days after receiving notice to defer delinquent taxes, whichever is later. The department may waive this requirement for good cause. RCW 84.38.040.

The declaration shall designate the property to which the deferral applies, and shall include a statement setting forth (a) a list of all members of the claimant's household, (b) the claimant's equity value in his residence, (c) facts establishing the eligibility for the deferral, and (d) any other relevant information required by rules of the department. Each copy must be signed by the claimant subject to the penalties as provided in chapter 9A.72 RCW for false swearing. The first declaration to defer filed in a county shall include proof of the claimant's age acceptable to the assessor. RCW 84.38.040.

The County Assessor determines if each claimant is granted a deferral for each year, but the claimant may appeal this determination to the County Board of Equalization, whose decision is final. RCW 84.38.040.

4. Renewal.

Renewal forms prescribed by the Department of Revenue and supplied by the County Assessor must be filed in duplicate after the first year at least 30 days before the tax is due. In January of each year, the County Assessor is required to send to each claimant who has been granted deferral of taxes for the previous year renewal forms and notice to renew. RCW 84.38.050.

5. Declaration by Agent or Guardian.

A duly authorized agent or guardian or other person charged with care of a person or property of a claimant may make the declaration if the claimant is unable. RCW 84.38.060.

6. Property under Mortgage.

If a residence is under a mortgage or purchase contract requiring accumulation of reserves out of which the holder of the mortgage or contract is required to pay real estate taxes, the holder must cosign the declaration. RCW 84.38.090.

7. Ceasing to Reside Permanently on the Property.

If a claimant ceases to reside permanently on the property before December 15th, the deferral is not allowed. This does not apply to a claimant who dies leaving a spouse surviving who is also eligible. RCW 84.38.070.

8. Lien.

Amounts deferred become a lien on the property in favor of the state which has priority over other liens, except the interest of a mortgage or purchase contract

holder who is required to cosign a declaration. This lien bears interest at 8 percent per year from the time it could have been paid before delinquency until paid. Taxes deferred pursuant to a notice to defer delinquent taxes bear interest at 8 percent per year from the date the declaration is filed. For mobile homes, the Department of Licensing shows the state's lien on the certificate of ownership for the mobile home. For all other property, the Department of Revenue must file a notice of the deferral with the County Recorder or Auditor. RCW 84.38.100.

9. Payments to Local Improvement Districts and Taxing Districts.

The Department of Revenue must pay to local improvement districts and local taxing districts the amount of special assessments and/or real property taxes deferred. RCW 84.38.120.

10. Repayment.

Special assessments and/or real property tax obligations deferred become payable together with interest:

a. Upon the sale of property which has a deferred special assessment and/or real property tax lien upon it;
b. Upon the death of the claimant, except a surviving spouse who is qualified may elect to incur the special assessment and/or real property tax lien which is then be payable by that spouse;
c. Upon the condemnation of property with a deferred special assessment and/or real property tax lien upon it;
d. When the claimant ceases to reside permanently in the residence upon which the deferral has been granted; or
e. Upon failure to meet the qualifications for the program.

RCW 84.38.130.

E. Exemption Program.

A claimant who is at least 61 years of age in the year of application, retired due to disability, or a veteran of the armed forces of the United States with 100 percent service connected disability, with disposable income of $35,000 or less is entitled to both a freeze on the value of the residence and a partial property tax exemption. RCW 84.36.381.

1. Valuation Limit - “Freeze”.

Values are frozen as of January 1, 1995, or January 1 of a subsequent year the

person first qualifies for the program. The valuation can never exceed the market value. Failure to qualify for only 1 year because of high income does not change this valuation upon re-qualification. This valuation freeze does not transfer to a replacement residence. Subsequent improvements to the residence are added at market value. RCW 84.36.381(6).

2. Exemptions.

Qualified persons with incomes of $35,000 or less qualify for the following exemptions based on income:

a. If the income level is $30,001 to $35,000, all excess levies are exempted.
b. If the income level is $25,001 to $30,000, all excess levies are exempted and regular levies on the greater of $50,000 or 35 percent of assessed valuation ($70,000 maximum) are exempted.
c. If the income level is $25,000 or less, all excess levies are exempted and regular levies on the greater of $60,000 or 60 percent of assessed valuation are exempted.

This applies to taxes payable in 2005 and thereafter. RCW 84.36.381(5).

3. Claims.

A claim for exemption may be filed with the County Assessor at any time during the year for exemption from taxes payable the following year and thereafter upon forms as prescribed and furnished by the Department of Revenue. An exemption continues for no more than 4 years unless a renewal application is filed. The County Assessor may require, by written notice, a renewal application following a change in the income requirements by the Legislature. Renewal applications must be made on forms furnished by the Department of Revenue. RCW 84.36.385.

4. Change in Status.

A person granted an exemption is required to inform the County Assessor of any change in status affecting the person's entitlement to the exemption on forms furnished by the Department of Revenue. RCW 84.36.385(2).

5. Confidentiality of Information.

Any information or facts concerning confidential income data obtained by the assessor or the department, or their agents or employees, is confidential. RCW 84.36.389.

6. Transfer of Exemption.

Any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive an exemption on more than one residence in any year. RCW 84.36.381(1).

7. Refunds.

That portion of taxes paid as a result of mistake, inadvertence, or lack of knowledge by any person who would have qualified for exemption may be refunded for up to 3 years after the taxes were paid. RCW 84.69.020. Application is made to the County Treasurer. RCW 84.69.030.

III. HISTORIC PROPERTY & MULTI-UNIT DWELLINGS IN URBAN CENTERS

A. Historic Property

1. Limited Property Tax Exemption.

Rehabilitated historic property may qualify for a special valuation for 10 years equal to the valuation of the property less the cost of rehabilitating the property. Historic property is real property together with improvements thereon which is:

a. Listed in a local register of historic places created by comprehensive ordinance, certified by the Secretary of the Interior as provided in P.L. 96-515; or
b. Listed in the national register of historic places.

Property listed in a register primarily for objects buried below ground does not qualify. RCW 84.26.020.

2. Eligibility Requirements.

To qualify for special valuation, the property must:

a. Fall within a class of historic property determined eligible for special valuation by the local legislative authority.
b. Be rehabilitated at a cost which is at least 25 percent of the assessed valuation of the property, exclusive of the land, prior to rehabilitation within 24 months prior to the application for special valuation.

RCW 84.26.030.

3. Applications.

Application is made to the County Assessor on forms prescribed by the Department of Revenue and supplied by the County Assessor. The application form includes a statement that the applicant is aware of the potential tax liability involved when the property ceases to be eligible for special valuation. Applications must be made by October 1 of the year preceding the first assessment year for which classification is requested. The assessor may charge such fees as are necessary to process and record the documents. RCW 84.26.040.

4. Approval Process.

Within 10 days after the filing of the application, the County Assessor must refer the application to the local review board, which is a body designated by the local legislative authority. The review board shall approve the application by December 31 if the property meets the eligibility criteria, is not altered in a way which adversely affects those elements which qualify it as historically significant, and the owner enters into an agreement with the review board which requires the owner for the 10-year period of the classification to:

a. Monitor the property for its continued qualification for the special valuation;
b. Comply with rehabilitation plans and minimum standards of maintenance as defined in the agreement;
c. Make the historic aspects of the property accessible to public view one day a year, if the property is not visible from the public right of way;
d. Apply to the local review board for approval or denial of any demolition or alteration; and
e. Comply with any other provisions as may be appropriate.

No changes may be made in standards of maintenance, public access, alteration, or report requirements, or any other provisions of the agreement, during the period of the classification without the approval of all parties to the agreement. RCW 84.26.050.

5. Notice of Approval/Denial.

The local review board notifies the County Assessor and the applicant of the approval or denial of the application. If approved, the board must file a copy of

the certificate stating the facts upon which the approval is based with the County Assessor within 10 days. The assessor then records the certificate with the County Auditor. RCW 84.26.060.

6. Valuation.

Eligibility for special valuation is determined as of January 1 of each year. If property becomes disqualified for the special valuation for any reason, the property receives the special valuation for that part of any year during which it remained qualified or the owner was acting in the good faith belief that the property was qualified. RCW 84.26.070.

7. Disqualification and Removal for Special Valuation.

Property is disqualified or removed from special valuation by:

a. Expiration of the 10-year special valuation period;
b. Notice by the owner to the assessor to remove the special valuation;
c. Sale or transfer to an ownership making it exempt from property taxation;
d. Determination by the local review board that the property no longer qualifies or that the owner has failed to comply with the agreement; or
e. Sale or transfer to a new owner unless:

(1) The property continues to qualify as historic property; and
(2) The new owner files a notice of compliance with the County Assessor, on forms prescribed by the Department of Revenue and supplied by the County Assessor, that contains a statement that the new owner is aware of the special valuation and of the potential tax liability involved when the property ceases to be valued as historic property. The signed notice of compliance must be attached to the real estate excise tax affidavit.

When the property ceases to qualify for the special valuation the owner is required to immediately notify the Advisory Council on Historic Preservation or local review board. RCW 84.26.080 and WAC 458-15-070.

8. Additional Taxes.

a. Amount of Tax.

On disqualification, an additional tax is due equal to the cost multiplied by the levy rate in each year the property was subject to special valuation, plus a penalty of 12 percent, and interest on the total amount at the rate charged on delinquent property taxes. RCW 84.26.090(1).

b. Lien of Tax.

The additional tax together with interest and penalty becomes a lien on the land as of the time the improvements no longer meet applicable requirements. The lien has priority to any recognizance, mortgage, judgment, debt, obligation or responsibility to which the land may become charged. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. RCW 84.26.090(2).

c. Payment of Tax.

The additional tax, penalties, and interest are payable 30 days after the date which the treasurer's statement therefor is rendered. The additional tax is distributed by the County Treasurer in the same manner in which current taxes applicable to the subject land are distributed. RCW 84.26.100.

d. Exceptions.

The additional tax, interest, and penalty is not imposed if the disqualification resulted solely from:

(1) Expiration of the 10-year special valuation period;
(2) Sale or transfer of the property to an ownership making it exempt from taxation;
(3) Alteration or destruction through no fault of the owner; or
(4) A taking through the exercise of the power of eminent domain.

RCW 84.26.090(3) and WAC 458-15-090.

9. Appeal.

Any decision by the local review board on an application for special valuation may be appealed to superior court. Any decision on the disqualification of historic property for special valuation, or any other dispute, may be appealed to the County Board of Equalization. RCW 84.26.130.

B. Multiple-Unit Dwellings in Urban Centers

1. Limited Property Tax Exemption.

The value of new housing construction, conversion, and rehabilitation improvements for multiple-unit housing in urban areas is exempt from property taxation for 10 years beginning with taxes payable the year following completion of construction. The exemption does not apply to the value of land or non-housing-related improvements or to increases in assessed valuation made on non-qualifying portions of the building or the land. Cities may limit the tax exemption to individual dwelling units that meet the city guidelines for the program when these parcels are separate for purpose of property taxation. RCW 84.14.020. The exemption program is limited to cities with a population of at least 30,000 or the largest city or town in a county planning under the Growth Management Act, chapter 36.70A RCW, if there are no cities of that size. RCW 84.14.010.

2. Designation of Residential Targeted Areas.

The city must first designate a residential targeted area. A designated area must meet specific criteria:

a. It is located within an urban center;
b. It lacks sufficient available, desirable, and convenient residential housing to meet public demand;
c. It encourages increased residential opportunities in urban centers with insufficient housing opportunities or stimulates the construction of new multifamily housing and the rehabilitation of existing and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities.

RCW 84.14.007 and 84.14.040.

3. Eligibility Requirements.

The housing must meet certain criteria to be eligible for the tax exemption:

a. The development must be located in a residential targeted area in a city planning under the Growth Management Act;
b. The development must meet guidelines established by the city as to height, density, etc.;
c. At least 50 percent of the project space must be used for permanent housing. For existing multifamily development, at least 4 additional multifamily units must be provided unless vacant for 12

months or more;

d. The improvements must be completed within 3 years from the date of approval of the application;

e. Property proposed to be rehabilitated must fail to comply with at least one building code standard; and

f. The applicant must enter into a contract with the city under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the city.

RCW 84.14.030.

4. Applications.

Applications must contain the following:

a. The grounds supporting the requested exemption;

b. A description of the project and site plan; and

c. A statement that the applicant is aware of the potential tax liability on loss of eligibility.

RCW 84.14.050.

5. Approval.

Applications must be approved or denied within 90 days of application. Denials may be appealed to the city within 30 days of receipt of the denial. RCW 84.14.070.

6. Fees

The city may establish an application fee to cover the costs incurred by the city and the County Assessor in administering the program. The application fee must be paid at the time the application is filed. If the application is denied, the city may retain that portion of the application fee attributable to its own administrative costs and refund the balance to the applicant. RCW 84.14.080.

7. Completion Report.

Upon completion of construction and after issuance of the certificate of occupancy, the owner must file with the city:

a. A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction

of the entire property.

b. A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for the limited exemption.

c. A statement that the work has been completed within 3 years of the issuance of the conditional certificate of tax exemption.

The city must determine whether the completed work is consistent with the application within 30 days. RCW 84.14.090(1) and (2).

8. Certificate of Tax Exemption.

Within 10 days afer the 30-day period, the city must file a certificate of tax exemption with the County Assessor or notify the applicant that a certificate will not be filed. RCW 84.14.090(3) and (4).

9. Extension of Time.

If the housing was not completed within the required time period due to circumstances beyond the control of the owner, the city may extend the deadline for completion for up to 24 consecutive months. RCW 84.14.090(5).

10. Appeal.

The city may provide by ordinance for an appeal of the decision. If none is provided, the owner may appeal to superior court within 30 days of notification. RCW 84.14.090(6).

11. Annual Report.

Within 30 days of the anniversary date of the certificate of tax exemption and each year for a period of 10 years, the owner must file with the city an annual report containing:

a. A statement of occupancy and vacancy of the property during the 12 months ending with the anniversary date;

b. A certification by the owner that the property has not changed use since the date of the certificate approved by the city; and

c. A description of changes or improvements constructed after issuance of the certificate of tax exemption.

RCW 84.14.100.

12. Change in Use.

If the owner intends to convert the multifamily development to another use, the owner must notify the assessor within 60 days of the change in use. If the use is changed to a different use or the housing no longer meets the requirements of the contract, the tax exemption must be canceled. RCW 84.14.110(1).

a. Additional Taxes.

Additional real property tax is imposed upon the value of the non-qualifying improvements equal to the property tax that would have been paid on the value of the non-qualifying improvements from the date that the improvements were converted to a non-multifamily use (tax benefit), plus a penalty of 20 percent, and interest on the total amount at the rate charged on delinquent property taxes. RCW 84.14.110(1).

b. Lien.

The additional tax owed together with interest and penalty becomes a lien on the land as of the time the improvements no longer meet applicable requirements. The lien has priority to any recognizance, mortgage, judgment, debt, obligation or responsibility to which the land may become charged. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. RCW 84.14.110(1)(c).

c. Appeal.

The city must notify the owner of the determination to cancel the exemption. The owner may appeal the determination to the city within 30 days by filing a notice of appeal with the clerk of the city. That decision may be appealed to the superior court. RCW 84.14.110(2).

d. Revaluation.

The property shall be added to the assessment roll. The owner may appeal the valuation to the County Board of Equalization. The property must be listed as an omitted assessment for assessment years beginning January 1st of the calendar year in which the

noncompliance first occurred, but for no more than 3 calendar years preceding the year in which the failure to comply was discovered. RCW 84.14.110(3).

IV. DESTROYED PROPERTY

A. Conditions.

Property that is destroyed during the year is subject to a reduction in value for taxes due in the following year and a rebate or refund of taxes for the current year. If, by December 31st in any calendar year, any real or personal property placed upon the assessment roll of that year is destroyed in whole or in part, or is in an area that has been declared a disaster area by the Governor or the county legislative authority and has been reduced in value by more than 20 percent as a result of a natural disaster, the assessed value of the property is reduced for taxes payable the following year by the value of the destruction. In addition, for taxes levied for collection in that year are abated or refunded by an amount determined as follows:

1. First multiply the reduction in assessed value by the current tax rate.
2. Then divide the product by the number of days in the year and multiply the quotient by the number of days remaining in the calendar year after the date of the destruction or reduction in value of the property.

The result of the calculation is that no tax is due on the amount of the reduction in value after the reduction. The tax relief for the tax year in which the damage or destruction occurred does not apply to property damaged or destroyed voluntarily. No reduction in the assessed value may be made more than 3 years after the date of destruction or reduction in value. RCW 84.70.010(1) - (3). Refunds are specifically provided for. RCW 84.69.020(16).

B. Procedure.

The assessor is required to make the reduction, but the taxpayer may apply for reduction on forms prepared by the Department of Revenue and provided by the assessor. The assessor must notify the taxpayer of the amount of reduction. RCW 84.70.010(4)

C. Replacement of Property.

If destroyed property is replaced prior to the July 31st, the total taxable value for that assessment year may not exceed the value as of July 31st. RCW 84.70.010(5).

D. Appeal.

The taxpayer may appeal the amount of reduction to the County Board of Equalization within 30 days of notification or July 1st of the year of reduction, whichever is later. The board must reconvene, if necessary, to hear the appeal. RCW 84.70.010(6).

E. Exception.

No relief may be given to any person who is convicted of arson with regard to the property for which relief is sought. RCW 84.70.040.

V. PROPERTY TAX EXEMPTIONS

A. Constitutional Authority.

The state Constitution exempts all property of the United States and of the state, counties, school districts, and other municipal corporations. The Legislature is authorized to exempt other property by general law. State Const., Article 7, section 1.

B. Statutory Exemptions.

All property is subject to the property tax unless specifically exempted. RCW 84.36.005. Almost all property tax exemptions are listed in chapter 84.36 RCW. Exemptions exist for personal property, public property, property of nonprofit organizations that is used for specific purposes, and private property. Most exemptions are for property of nonprofit organizations that is used for a specified exempt purpose. Property tax exemptions applicable to nonprofit organizations are limited to property that is used by the organization for specified purposes. While property used for these specified purposes which is owned by the nonprofit organization always qualifies for exemption, some exemptions also extend to property that is leased or rented to the nonprofit organization. For a complete list of all property tax exemptions, see Appendix A, page 41.

1. Personal Property.

Major personal property tax exemptions that have been enacted by the Legislature include intangible personal property which includes motor vehicles, travel trailers, and campers (RCW 84.36.595), money, mortgages, savings accounts, stocks, bonds, etc. (RCW 84.36.070), business inventories (RCW 84.36.477), household goods and personal effects (RCW 84.36.110(1)), computer software (RCW 84.36.600 and 84.40.037(2)), and agricultural products (RCW 84.36.470, 84.40.030(3), and 84.40.220).

2. Publicly Owned Property.

All property belonging exclusively to the United States, the state, any county, city, or municipal corporation, and all property under a financing contract under chapter 39.94 RCW, or recorded agreement granting immediate possession and use of the property to the public entity, or under an order of immediate possession and use under RCW 8.04.090, is exempt. Additionally, all property owned by a foreign national government is exempt if the property is used exclusively as an office or residence for a consul or other official representative of that foreign national government and the consul or other official representative is a citizen of the foreign nation. RCW 84.36.010.

A city's ownership interest in a stadium facility owned jointly with a private corporation is exempt. The private interest is not exempt even though the title is in the name of the city. *City of Kennewick v. Benton County and Washington State Department of Revenue*, 131 Wn.2d 768 (1997).

Property leased to a public entity is taxable, except real and personal property leased and used by a hospital that is owned by a public hospital (RCW 84.26.040(2)) and real and personal property owned by nonprofit foundations of institutions of higher education that is leased to an institution of higher education that is actively used by currently enrolled students (RCW 84.36.050(2)).

Other public property exemptions include airports that are under 500 acres that are owned by cities in other states (RCW 84.36.130), property owned by the Housing Finance Commission (RCW 84.36.135), publicly owned right-of-way easements, (RCW 84.36.210), interstate bridges owned by other states and their political subdivisions (RCW 84.36.230), and leases of public property (RCW 84.36.451). However, a separate leasehold excise tax applies to leases of public property to persons who would not be exempt from property tax if the person owned the property. Chapter 82.29A RCW.

3. Property Owned or Leased by Nonprofit Organizations.

Although most property tax exemptions apply to property that is owned by a nonprofit organization, not all nonprofit organizations qualify for a property tax exemption. Chapter 84.36 RCW allows property tax exemptions for only certain specific types of activities or organizations. To qualify as nonprofit, no part of the income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except for services rendered by the organization. Any salary or compensation paid to officers must be for actual services rendered and must compare to the salary or compensation of like positions within the public services of the state. RCW 84.36.800.

Major exemptions for nonprofit organizations listed in magnitude of the total tax savings to the affected organizations include churches, convents, and parsonages (RCW 84.36.020), nonprofit hospitals (RCW 84.36.040(1)), private schools and colleges (RCW 84.36.050(1)), retirement homes (RCW 84.36.041), nonsectarian charitable organizations (RCW 84.36.030), nursing homes (RCW 84.36.040(1)), art collections/museums (RCW 84.36.060(1)(a)), and medical research or training facilities (RCW 84.36.045).

A caretaker's residence located on exempt property may qualify for exemption if (1) the caretaker's duties include regular surveillance, patrolling of the exempt property, and routine maintenance services; (2) the size of the residence is reasonable and appropriate in light of the caretaker's duties and the size of the exempt property; and (3) the caretaker receives the use of the residence as part of his or her compensation and does not pay rent. Reimbursement of utility expenses created by the caretaker's presence is not considered rent. WAC 458-16-165(9). While an exemption for caretaker residences is authorized for church property and property of organizations engaged in character building of children under 18 years of age as “buildings and improvements required for the maintenance and safeguarding of such property” (RCW 84.36.020 and 84.36.030(3) and for art collections and museums as property for "safekeeping" the collections (RCW 84.36.060(1)(a)), no specific statutory authority exists for other exempt property.

For a complete list of the exemptions for nonprofit organizations, see Appendix B, page 43 .

4. Privately owned or leased property.

There are only a few exemptions for privately owned property that is not owned by a nonprofit organization. These exemptions include real and personal property valued at less than $500 (RCW 84.36.015), cemeteries (RCW 84.36.020), real and personal property leased and used by a hospital that is owned by a public hospital (RCW 84.26.040(2)), habitat and water quality improvements (RCW 84.36.255), improvements to single-family dwellings to the extent they constitute less than 30 percent of the value (RCW 84.36.400), and air pollution control equipment of the Centralia coal plant (RCW 84.36.487).

C. Application Procedures.

1. Initial Application for Exemptions.

In order to obtain a property tax exemption for real or personal property other than computer software, all foreign national governments, cemeteries, non-governmental nonprofit organizations, hospital owned by public hospital districts

for leased property, and soil and water conservation districts must file an application with the Department of Revenue by March 31st or within 60 days of acquiring the property or converting the use of the property to an exempt activity. Application forms may be obtained from the department or a county assessor's office. RCW 84.36.815 and WAC 458-16-110.

2. Renewal of Exemptions.

When the property has acquired exempt status, the department mails a renewal form to each exempt entity by January 1st of each year. RCW 84.36.820. The form contains an affidavit certifying the exempt status of the property. The renewal form must be submitted to the department by March 31st each year. RCW 84.36.815.

3. Fees.

The fee for initial applications is $35. The fee for renewals is $8.75. These fees may be waived by the department for a church or cemetery whose gross income from use of the property for exempt purposes for the preceding year did not exceed $2,500. Any application filed after the filing deadline is subject to a late filing penalty. This penalty is computed at $10 per month, or any portion of a month. RCW 84.36.825.

4. Effective Date of Exemptions.

If the application is approved, the property is exempt from property taxes due in the following year. No exemption is provided for taxes owed in the year of purchase or in the year the property is converted to an exempt use. RCW 84.36.815. By rule, an application for a retroactive exemption may be filed within 3 years of the date taxes on the property were paid. Such an application is subject to the late filing penalty. WAC 458-16-110(8).

5. Approval or Denial.

The department must review each application by August 1st for applications received by March 31st and by August 1st or 30 days of the date received, whichever is later, for all other applications. The department must either approve or deny the request and clearly state the reasons for denial in written notification by mail to the applicant. RCW 84.36.830.

6. Appeals.

If any part of an exemption application is denied, the applicant may petition the

state Board of Tax Appeals to review the application and determine if (1) the property is entitled to an exemption and (2) the amount of the exemption. A county assessor may also appeal an approved application for a property tax exemption if the assessor feels the exemption is not warranted. The appeal must be made within 30 days of the date the denial or approval was mailed by the department. RCW 84.36.850.

D. Additional Requirements for Exemptions.

Nonprofit organizations receiving a property tax exemption must follow the conditions contained in the enacting statute. In addition, most nonprofit organizations are also subject to the following conditions in RCW 84.36.805.

1. Exclusive Use.

The exempt property must be used exclusively for the purpose for which the exemption was granted, subject to the following exceptions.

a. Loan or Rental.

The property may be loaned or rented if:

(1) The property would be exempt if it was owned by the organization to which it is loaned or rented, unless the property is owned by war veterans , nonprofit public assembly halls or meeting places, museums, and facilities used to produce or perform musical, dance, artistic, dramatic, or literary works. RCW 84.36.805(1) and WAC 458-16-165(3)(a). Museums and facilities used to produce or perform musical, dance, artistic, dramatic, or literary works may be rented to entities not eligible for property tax exemption for up to 25 days each year. RCW 84.36.060(3).

(2) The rents or donations received for the use of the property are reasonable and **do not exceed** the maintenance and operation expenses incurred for the property loaned or rented.

By rule of the Department, the property may be loaned or rented for an amount that **exceeds** maintenance and operation expenses if the property is rented for less than 15 consecutive days and all income received is devoted exclusively to the exempt purpose of the nonprofit

organization receiving the property tax exemption. WAC 458-16-165(3)(a)(I).

b. Fund-Raising Activities.

The property may be used for fund- raising activities without jeopardizing the exemption if the fund-raising activities are consistent with the purposes for which the exemption was granted. Fund raising is not defined in the statute. By rule, fund raising is defined as any revenue generating activity less than 5 days in length that disburses 51% or more of the profit realized from the fund-raising activity to the exempt nonprofit organization sponsoring or holding the activity. WAC 458-16-165(3)(b).

c. Use for Pecuniary Gain or to Promote Business Activities.

As a general rule, exempt property that is used, loaned, or rented with the intent to produce income, promote business, or for pecuniary gain, will lose its exempt status. If a portion of exempt property is used for profit-making purposes, that portion of the property must be segregated from the exempt property and taxed. WAC 458-l6-165(3)(a)(ii). For example, hospital gift shops are segregated and taxed. In the case of public assembly halls and meeting places, the exempt property may be used for pecuniary gain or to promote business activities for 7 days or less each year and also can be used for dance lessons, art classes, or music lessons in counties under 10,000 in population. RCW 84.36.037. The property of veterans associations may be used for pecuniary gain or to promote business activities for 3 days or less each year. RCW 84.36.030(4). The property of museums and facilities used to produce or perform musical, dance, artistic, dramatic, or literary works may be used by the lessee for pecuniary gain or to promote business activities for 7 days or less each year. RCW 84.36.060(3).

2. Irrevocable Dedication.

Exempt property must be irrevocably dedicated to the purpose for which the exemption was granted. In other words, upon liquidation, dissolution, or abandonment by a nonprofit organization, the property may not directly or indirectly benefit any shareholder or individual except a nonprofit organization that would be entitled to a property tax exemption if it applied for one. RCW 84.36.805(2).

Leased property is not required to be irrevocably dedicated if the nonprofit organization receives the benefit of the property tax exemption under the terms of

the loan or rental agreement. This exception to the dedication requirement applies to all leased property which may qualify for tax exemption. Specifically, it includes:

a. Blood, tissue, and blood and tissue banks. RCW 84.36.035.
b. Nonprofit day care centers. RCW 84.36.040(1).
c. Libraries. RCW 84.36.040(1).
d. Orphanages. RCW 84.36.040(1).
e. Nursing homes (homes for the sick or infirm). RCW 84.36.040(1).
f. Hospitals. RCW 84.36.040(1).
g. Outpatient dialysis facilities. RCW 84.36.040(1).
h. Homes for the aging (retirement homes). RCW 84.36.041.
i. Emergency or transitional housing for low-income homeless persons or victims of domestic violence. RCW 84.36.043.
j. Medical research or training facilities. RCW 84.36.045.
k. Cancer clinics or centers. RCW 84.36.046.
l. Public radio and TV rebroadcast facilities. RCW 84.36.047.
m. Private schools and colleges. RCW 84.36.050(1).
n. Foundations of institutions of higher education for property leased to the institution. RCW 84.36.050(2).
o. Facilities used to produce or perform musical, dance, artistic, dramatic, or literary works. RCW 84.36.060.
p. Housing for low-income persons with developmental disabilities. RCW 84.36.042.
q. Housing/mobile home space for very-low income households. RCW 84.36.560.
r. Property used to solicit gifts, donations, and grants for individual artists. RCW 84.36.650.

3. Discrimination Prohibited.

Exempt property and the activities conducted thereon must be available to all persons regardless of race, color, national origin, or ancestry. RCW 84.36.805(3).

4. Compliance with Licencing and Certification Requirements.

In order to obtain a property tax exemption, a nonprofit organization must comply with all applicable licensing and/or certification requirements contained in law or regulation. RCW 84.36.805(4).

5. Duty to Produce Financial Records.

RCW 84.36.805(6) authorizes the department to review the financial records of a

nonprofit organization applying for or renewing a property tax exemption in order to determine whether the property is entitled to an exemption, except organizations that solicit charitable contributions for other nonprofit organizations (RCW 84.36.550).

6. Affected Nonprofit Organizations.

The requirements of RCW 84.36.805 apply to all property that may qualify for exemption, except churches, convents, and parsonages (RCW 84.36.020), cemeteries (RCW 84.36.020), administrative offices of religious organizations (RCW 84.36.032), caretakers residences (RCW 84.36.020 and WAC 458-16-165), water distribution cooperatives (RCW 84.36.250), and real property interests used for conservation by nonprofit nature conservancy organizations (RCW 84.36. 260). Specifically, the following organizations are subject to the additional requirements in RCW 84.36.805:

a. Character building, benevolent, protective or rehabilitative social services organizations, church camp facilities, youth character building organizations, veterans organizations, relief organizations (the Red Cross), and student loan guarantee agencies. RCW 84.36.030.
b. Blood, tissue, and blood and tissue banks. RCW 84.36.035.
c. Public assembly halls and meeting places. RCW 84.36.037.
d. Day care centers, libraries, orphanages, nursing homes (homes for the sick or infirm), hospitals, and outpatient dialysis facilities. RCW 84.36.040(1).
e. Homes for the aging (retirement homes). RCW 84.36.041.
f. Emergency or transitional housing for low-income homeless persons or victims of domestic violence. RCW 84.36.043.
g. Medical research or training facilities. RCW 84.36.045.
h. Cancer clinics or centers. RCW 84.36.046.
i. Public radio and TV rebroadcast facilities. RCW 84.36.047.
j. Private schools and colleges. RCW 84.36.050(1).
k. Foundations of institutions of higher education for property leased to the institution. RCW 84.36.050(2).
l. Art, scientific, and historical collections and property used to maintain the collections; associations engaged in production and performance of musical, dance, artistic, dramatic, or literary works; fire engines, implements, and buildings of cities, towns, or fire companies; and humane societies. RCW 84.36.060.
m. Sheltered workshops for the handicapped. RCW 84.36.350.
n. Fair associations. RCW 84.36.480.

o. Property used for solicitation or collection of gifts, donations, or grants by a nonprofit organization. RCW 84.36.550.
p. Housing for low-income persons with developmental disabilities. RCW 84.36.042.
q. Housing/mobile home space for very-low income households. RCW 84.36.560.
r. Demonstration farm and related research facilities used by a state university. RCW 84.36.570.
s. Property used to solicit gifts, donations, and grants for individual artists. RCW 84.36.650.

E. Additional Tax on Loss of Exemption.

1. Additional Taxes.

Additional taxes may be due when ownership of the property is transferred or when 51 percent or more of the area of the property loses its exempt status because the use of property is changed to a non-exempt use. RCW 84.36.810 and WAC 458-16-150.

2. Amount of Tax.

The amount of the additional tax is equal to the taxes which would have been paid on the property if it had not been exempt during the preceding 3 years, or the life of the exemption if less, together with the interest at the same rate and computed in the same manner as interest on delinquent property taxes. Where the property has been granted an exemption for more than 10 years, no tax or interest is due. The 10 years must be contiguous. *Franciscan ElderCare Corp. v. Department of Revenue*, BTA Docket 50220, 12/10/97. Additional taxes apply for up to 7 years for property leased to an institution of higher education by a nonprofit foundation of the institution of higher education. Additional taxes apply for up to 10 years for real property interests used for conservation by nonprofit nature conservancy organizations. RCW 84.36.262.

3. Exceptions.

The additional tax is not imposed if the cessation of use resulted solely from:

a. Transfer to a nonprofit organization which is exempt from property tax;
b. A transfer through the exercise of eminent domain or the threat of eminent domain;
c. Official action by an agency of the state, county, or city which

disallows the present use of the property;

d. A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by act of the organization;

e. Relocation of the activity and use of another location or site, except for undeveloped properties of church camp facilities exempted under RCW 84.36.030;

f. Cancellation of a lease on property that had been exempt;

g. A change in the exempt portion of a home for the aging (retirement home) under RCW 84.36.041(3), as long as some portion of the home remains exempt.

4. Affected Nonprofit Organizations.

All organizations subject to the administrative requirements of RCW 84.36.805 (all except churches, cemeteries, administrative offices of religious organizations, caretakers residences, water distribution cooperatives, and real property interests used for conservation by nonprofit nature conservancy organizations) are subject to the additional tax provisions of RCW 84.36.810, except blood, tissue, and blood and tissue banks (RCW 84.36.035), medical research or training facilities (RCW 84.36.045), public radio and TV rebroadcast facilities (RCW 84.36.047), sheltered workshops (RCW 84.36.350), and fair associations (RCW 84.36.480). Specifically, the following organizations are subject to the additional tax requirements in RCW 84.36.810:

a. Character building, benevolent, protective or rehabilitative social services organizations, church camp facilities, youth character building organizations, veterans organizations, relief organizations (the Red Cross), and student loan guarantee agencies. RCW 84.36.030.

b. Public assembly halls and meeting places. RCW 84.36.037.

c. Day care centers, libraries, orphanages, nursing homes (homes for the sick or infirm), hospitals, outpatient dialysis facilities, and persons owning property leased to a public hospital owned by a public hospital district. RCW 84.36.040(1).

d. Homes for the aging (retirement homes). RCW 84.36.041.

e. Emergency or transitional housing for low-income homeless persons or victims of domestic violence. RCW 84.36.043.

f. Cancer clinics or centers. RCW 84.36.046.

g. Private schools and colleges. RCW 84.36.050(1).

h. Foundations of institutions of higher education for property leased to the institution. RCW 84.36.050(2).

i. Art, scientific, and historical collections and property used to maintain the collections; associations engaged in production and

performance of musical, dance, artistic, dramatic, or literary works; fire engines, implements, and buildings of cities, towns, or fire companies; and humane societies. RCW 84.36.060.

j. Property used for solicitation or collection of gifts, donations, or grants by a nonprofit organization. RCW 84.36.550.

k. Housing for low-income persons with developmental disabilities. RCW 84.36.042.

l. Housing/mobile home space for very-low income households. RCW 84.36.560.

m. Demonstration farm and related research facilities used by a state university. RCW 84.36.570.

n. Property used to solicit gifts, donations, and grants for individual artists. RCW 84.36.650.

F. Tax on Change to Taxable Status.

When property changes from exempt to taxable status, the assessor places the property on the assessment roll for taxes due the following year. RCW 84.36.855. It is also subject to a pro rata share of taxes for the remaining portion of the year after the date that the property loses its exempt status. If only a portion of the property loses its exempt status, only that portion is subject to tax. RCW 84.40.360. The property is assessed with reference to its value on the date the property loses its exempt status unless the property had been previously listed and assessed. RCW 84.40.370.

Appendix A - Property Tax Exemptions

Activity or Organization	Type	Property Exempt			RCW Cite	WAC Cite
		Real	Personal	Leased		
$3,000 of Household Business Property	Personal	N/A	Yes	N/A	84.36.110(2)	458-16-115
Administrative Offices of Religious Organizations	Nonprofit	Yes	Yes	No	84.36.032	
Agricultural Products of Farmers	Personal	N/A	Yes	N/A	84.36.470	
Air Pollution Control Equipment of Thermal Electric Generating Facilities Completed 1970-75	Private	Yes	Yes	No	84.36.487	
Airports under 500 acres owned by cities of other states	Public	Yes	Yes	No	84.36.130	
Airplane manufacturing facilities on port district property	Private	N/A	Yes	Yes	84.36.655	
Alcohol/Biodiesel fuel production	Private	Yes	Yes	Yes	84.36.635	
Art, Scientific, Historical Collections/Museums	Nonprofit	Yes	Yes	No	84.36.060(1)(a)	458-16-280
Artist support, property used to solicit funds for	Nonprofit	Yes	Yes	Yes	84.36.650	
Artistic, Musical, Dance, Dramatic, Literary Assn.	Nonprofit	Yes	Yes	Yes	84.36.060(1)(b)	458-16-282
Blood, Tissue, and Blood and Tissue Banks	Nonprofit	Yes	Yes	Yes	84.36.035	
Business Inventories	Personal	N/A	Yes	N/A	84.36.477	
Cancer Clinics or Centers	Nonprofit	Yes	Yes	Yes	84.36.046	
Canned Computer Software (after 2nd year)	Personal	N/A	Yes	N/A	84.40.037(3)	
Caretakers Residences	Nonprofit	Yes	Yes	No	84.36.020	458-16-165/190
Cargo Containers Principally Used in Ocean Commerce	Personal	N/A	Yes	N/A	84.36.105	
Cemeteries	Nonprofit	Yes	Yes	Yes	84.36.020	458-16-180
Cemeteries	Private	Yes	Yes	Yes	84.36.020	458-16-180
Character Building of Persons under 18	Nonprofit	Yes	Yes	No	84.36.030(3)	458-16-230
Character Building, Benevolent, Protective, or Rehabilitative Social Service Organizations	Nonprofit	Yes	Yes	No	84.36.030(1)	458-16-210
Church Camps	Nonprofit	Yes	Yes	No	84.36.030(2)	458-16-220
Churches, Convents, Parsonages, Future sites	Nonprofit	Yes	Yes	No	84.36.020	458-16-190/200
Conservation Futures on Agricultural Land	Nonprofit	No	Yes	N/A	84.36.500	
Custom Computer Software	Personal	N/A	Yes	N/A	84.36.600	
Day Care Centers/Pre-schools	Nonprofit	Yes	Yes	Yes	84.36.040(1)(a)	458-16-260
Demonstration farm w/related facilities used by state university	Nonprofit	Yes	Yes	No	84.36.570	
Dialysis Facilities (outpatient)	Nonprofit	Yes	Yes	Yes	84.36.040(1)(f)	458-16-260
Emergency/Transitional Housing	Nonprofit	Yes	Yes	Yes	84.36.043	458-16-320
Fair Associations	Nonprofit	Yes	Yes	No	84.36.480	
Fire Engines or Companies	Nonprofit	Yes	Yes	No	84.36.060(1)(c)	458-16-284
Foundations of institutions of higher education for property leased to the institution	Nonprofit	Yes	Yes	No	84.36.050(2)	
Fund Raising Organizations	Nonprofit	Yes	Yes	No	84.36.550	458-16-215
Goods/Aircraft Parts in Transit	Personal	N/A	Yes	N/A	84.36.300	
Growing crops	Personal	N/A	Yes	N/A	84.40.030(3)	
Habitat and Water Quality Improvements	Private	Yes	Yes	No	84.36.255	
Hanford waste clean-up	Personal	N/A	Yes	N/A	84.36.590	
Homes for the Aging (Retirement Homes)	Nonprofit	Yes	Yes	Yes	84.36.041	458-16A
Homes for the Sick or Infirm (Nursing Homes)	Nonprofit	Yes	Yes	Yes	84.36.040(1)(d)	458-16-260
Hospitals	Nonprofit	Yes	Yes	Yes	84.36.040(1)(e)	458-16-260
Hospitals - Property leased to public hospital of a public hospital district	Private	Yes	Yes	No	84.36.040(2)	
Household Goods/Personal Effects	Personal	N/A	Yes	N/A	84.36.110(1)	

Appendix A - Property Tax Exemptions (Continued)

Activity or Organization	Type	Property Exempt			RCW Cite	WAC Cite
		Real	Personal	Leased		
Housing Finance Commission property	Public	Yes	Yes	No	84.36.135	
Housing for low-income developmentally disabled	Nonprofit	Yes	Yes	Yes	84.36.042	
Housing/mobile home space for very-low-income persons	Nonprofit	Yes	Yes	Yes	84.36.560	
Humane Societies	Nonprofit	Yes	Yes	No	84.36.060(1)(d)	458-16-286
Intangibles	Personal	N/A	Yes	N/A	84.36.070	
Interstate Bridges operated by Foreign State Governments if Reciprocal	Public	Yes	Yes	No	84.36.230	
Leased Agricultural Fair Lands	Private	Yes	Yes	Yes	15.76.165	
Leaseholds of Public Property	Public	Yes	Yes	N/A	84.36.451	
Libraries	Nonprofit	Yes	Yes	Yes	84.36.040(1)(b)	458-16-260
Medical Research/Training Facilities	Nonprofit	Yes	Yes	Yes	84.36.045	
Machinery/equipment of farmers used exclusively in growing/producing agricultural products (State only)	Private	N/A	Yes	N/A	84.36.630	
Machinery/equipment used in manufacturing semiconductor materials	Private	Yes	Yes	N/A	84.36.645	
Mobile Home Inventories	Personal	N/A	Yes	N/A	84.36.510	
Motor vehicles, travel trailers, and campers	Personal	N/A	Yes	N/A	84.36.595	
Nature Conservancies (Open space/Park Lands)	Nonprofit	Yes	Yes	No	84.36.260	458-16-290
Nursery Stock Grown in Pots or Bags	Personal	N/A	Yes	N/A	84.40.220	
Orphanages	Nonprofit	Yes	Yes	Yes	84.36.040(1)(c)	458-16-260
Property (Real & Personal) of less than $500	Private	Yes	Yes	N/A	84.36.015	
Public Assembly Halls & Meeting Places, Community Celebration Facilities	Nonprofit	Yes	Yes	No	84.36.037	458-16-300/310
Public Radio/TV Rebroadcast Facilities	Nonprofit	Yes	Yes	Yes	84.36.047	
Publicly Owned Property/Foreign Consulates	Public	Yes	Yes	No	84.36.010	
Publicly owned Right-of-Way Easements	Public	Yes	Yes	Yes	84.36.210	
Red Cross (Federally Incorporated Relief Organizations)	Nonprofit	Yes	Yes	No	84.36.030(5)	458-16-165
Schools/Colleges	Nonprofit	Yes	Yes	Yes	84.36.050	458-16-270
Semiconductor Manufacturing Facilities M&E	Private	No	Yes	Yes	84.36.645	
Sheltered Workshops for the Handicapped	Nonprofit	Yes	Yes	No	84.36.350	458-16-330
Single-family Dwelling Improvements	Private	Yes	No	No	84.36.400	458-16-080/081
Sprinkler systems in nightclubs	Private	Yes	No	No	84.36.660	
Soil/Water Conservation Districts	Personal	N/A	Yes	N/A	84.36.240	
Student Loan Guarantee Agencies	Nonprofit	Yes	Yes	No	84.36.030(6)	458-16-245
Timber	Private	Yes	Yes	N/A	84.33.040	
Tribal property used for essential governmental services	Public	Yes	Yes	No	84.36.010	
Vessels - Commercial	Personal	N/A	Yes	N/A	84.36.080(1)	
Vessels - Other than Historic/Commercial	Personal	N/A	Yes	N/A	84.36.090	
Vessels - Register of Historic Places	Personal	N/A	Yes	N/A	84.36.080(2)	
Vessels - Under Construction (over 1,000 tons)	Personal	N/A	Yes	N/A	84.36.079	
Veterans Associations	Nonprofit	Yes	Yes	No	84.36.030(4)	458-16-240
Water Distribution Cooperatives	Nonprofit	Yes	Yes	No	84.36.250	
Wood biomass fuel production	Private	Yes	Yes	Yes	84.36.640	

Appendix B - Property Tax Exemptions for Nonprofit Organizations

		Property Exempt				
Activity or Organization	Type	Real	Personal	Leased	RCW Cite	WAC Cite
Administrative Offices of Religious Organizations	Nonprofit	Yes	Yes	No	84.36.032	
Art, Scientific, Historical Collections/Museums	Nonprofit	Yes	Yes	No	84.36.060(1)(a)	458-16-280
Artist support, property used to solicit funds for	Nonprofit	Yes	Yes	Yes	84.36.650	
Artistic, Musical, Dance, Dramatic, Literary Assn.	Nonprofit	Yes	Yes	Yes	84.36.060(1)(b)	458-16-282
Blood, Tissue, and Blood and Tissue Banks	Nonprofit	Yes	Yes	Yes	84.36.035	
Cancer Clinics or Centers	Nonprofit	Yes	Yes	Yes	84.36.046	
Caretakers Residences	Nonprofit	Yes	Yes	No	84.36.020	458-16-165/190
Cemeteries	Nonprofit	Yes	Yes	Yes	84.36.020	458-16-180
Character Building of Persons under 18	Nonprofit	Yes	Yes	No	84.36.030(3)	458-16-230
Character Building, Benevolent, Protective, or Rehabilitative Social Service Organizations	Nonprofit	Yes	Yes	No	84.36.030(1)	458-16-210
Church Camps	Nonprofit	Yes	Yes	No	84.36.030(2)	458-16-220
Churches, Convents, Parsonages, Future sites	Nonprofit	Yes	Yes	No	84.36.020	458-16-190/200
Conservation Futures on Agricultural Land	Nonprofit	No	Yes	N/A	84.36.500	
Day Care Centers/Pre-schools	Nonprofit	Yes	Yes	Yes	84.36.040(1)(a)	458-16-260
Demonstration farm w/related facilities used by state university	Nonprofit	Yes	Yes	No	84.36.570	
Dialysis Facilities (outpatient)	Nonprofit	Yes	Yes	Yes	84.36.040(1)(f)	458-16-260
Emergency/Transitional Housing	Nonprofit	Yes	Yes	Yes	84.36.043	458-16-320
Fair Associations	Nonprofit	Yes	Yes	No	84.36.480	
Fire Engines or Companies	Nonprofit	Yes	Yes	No	84.36.060(1)(c)	458-16-284
Foundations of institutions of higher education for property leased to the institution	Nonprofit	Yes	Yes	No	84.36.050(2)	
Fund Raising Organizations	Nonprofit	Yes	Yes	No	84.36.550	458-16-215
Homes for the Aging (Retirement Homes)	Nonprofit	Yes	Yes	Yes	84.36.041	458-16A
Homes for the Sick or Infirm (Nursing Homes)	Nonprofit	Yes	Yes	Yes	84.36.040(1)(d)	458-16-260
Hospitals	Nonprofit	Yes	Yes	Yes	84.36.040(1)(e)	458-16-260
Housing for low-income developmentally disabled	Nonprofit	Yes	Yes	Yes	84.36.042	
Housing/mobile home space for very-low-income persons	Nonprofit	Yes	Yes	Yes	84.36.560	
Humane Societies	Nonprofit	Yes	Yes	No	84.36.060(1)(d)	458-16-286
Libraries	Nonprofit	Yes	Yes	Yes	84.36.040(1)(b)	458-16-260
Medical Research/Training Facilities	Nonprofit	Yes	Yes	Yes	84.36.045	
Nature Conservancies (Open space/Park Lands)	Nonprofit	Yes	Yes	No	84.36.260	458-16-290
Orphanages	Nonprofit	Yes	Yes	Yes	84.36.040(1)(c)	458-16-260
Public Assembly Halls & Meeting Places,	Nonprofit	Yes	Yes	No	84.36.037	458-16-300/310
Public Radio/TV Rebroadcast Facilities	Nonprofit	Yes	Yes	Yes	84.36.047	
Red Cross (Federally Incorporated Relief	Nonprofit	Yes	Yes	No	84.36.030(5)	458-16-165
Schools/Colleges	Nonprofit	Yes	Yes	Yes	84.36.050	458-16-270
Sheltered Workshops for the Handicapped	Nonprofit	Yes	Yes	No	84.36.350	458-16-330
Student Loan Guarantee Agencies	Nonprofit	Yes	Yes	No	84.36.030(6)	458-16-245
Veterans Associations	Nonprofit	Yes	Yes	No	84.36.030(4)	458-16-240
Water Distribution Cooperatives	Nonprofit	Yes	Yes	No	84.36.250	