

summarize the content of each proposed regulation; or if a code is adopted by reference the notice shall set forth the full official title and a statement describing the general purpose of such code. For purposes of this subsection, a summary shall mean a brief description which succinctly describes the main points of the proposed regulation. When the county publishes a summary, the publication shall include a statement that the full text of the proposed regulation will be mailed upon request. An inadvertent mistake or omission in publishing the text or a summary of the content of a proposed regulation shall not render the regulation invalid if it is adopted. The notice shall also include the day, hour, and place of hearing and must be given by publication in the newspaper in which legal notices of the county are printed;

(8) Have power to compound and release in whole or in part any debt due to the county when in their opinion the interest of their county will not be prejudiced thereby, except in cases where they or any of them are personally interested;

(9) Have power to administer oaths or affirmations necessary in the discharge of their duties and commit for contempt any witness refusing to testify before them with the same power as district judges.

NEW SECTION. Sec. 40. The following acts or parts of acts are each repealed:

(1) Section 4, chapter 62, Laws of 1983 1st ex. sess. and RCW 84.09-.080;

(2) Section 3, chapter 62, Laws of 1983 1st ex. sess. and RCW 84.36-.475; and

(3) Section 5, chapter 62, Laws of 1983 1st ex. sess. and RCW 84.52-.015.

NEW SECTION. Sec. 41. Section 13 of this act shall take effect January 1, 1990.

Passed the Senate April 17, 1989.

Passed the House April 11, 1989.

Approved by the Governor May 12, 1989.

Filed in Office of Secretary of State May 12, 1989.

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## CHAPTER 379

[Substitute House Bill No. 1097]

### HOMES FOR THE AGED—PROPERTY TAX EXEMPTION

AN ACT Relating to homes for the aged; amending RCW 84.36.040, 84.36.800, 84.36-.805, 84.36.810, and 84.36.383; adding a new section to chapter 84.36 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 84.36.040, chapter 15, Laws of 1961 as last amended by section 1, chapter 31, Laws of 1987 and RCW 84.36.040 are each amended to read as follows:

(1) The real and personal property used by nonprofit ~~((1))~~ (a) day care centers as defined pursuant to RCW 74.15.020 ~~((as now or hereafter amended; (2)))~~; (b) free public libraries; ~~((3))~~ (c) orphanages and orphan asylums; ~~((4) homes for the aged; (5))~~ (d) homes for the sick or infirm; ~~((6))~~ (e) hospitals for the sick; and ~~((7))~~ (f) outpatient dialysis facilities, which are used for the purposes of such organizations shall be exempt from taxation: PROVIDED, That the benefit of the exemption inures to the user.

(2) To be exempt under this section, the property must be used exclusively for the purposes for which exemption is granted, except as provided in RCW 84.36.805.

NEW SECTION. Sec. 2. A new section is added to chapter 84.36 RCW, to be codified as RCW 84.36.041, to read as follows:

(1) All real and personal property used by a nonprofit home for the aging that is reasonably necessary for the purposes of the home is exempt from taxation if the benefit of the exemption inures to the home and:

(a) At least fifty percent of the occupied dwelling units in the home are occupied by eligible residents; or

(b) The home is subsidized under a federal department of housing and urban development program. The department of revenue shall provide by rule a definition of homes eligible for exemption under this subsection (b), consistent with the purposes of this section.

(2) A home for the aging is eligible for a partial exemption if the home does not meet the requirements of subsection (1) of this section because fewer than fifty percent of the occupied dwelling units are occupied by eligible residents. The amount of exemption shall be calculated by multiplying the assessed value of the property reasonably necessary for the purposes of the home by a fraction. The numerator of the fraction is the number of dwelling units occupied by eligible persons multiplied by two. The denominator of the fraction is the total number of occupied dwelling units. The fraction shall never exceed one.

(3) To be exempt under this section, the property must be used exclusively for the purposes for which the exemption is granted, except as provided in RCW 84.36.805.

(4) A home for the aging is exempt from taxation only if the organization operating the home is exempt from income tax under section 501(c) of the federal internal revenue code as existing on January 1, 1989, or such subsequent date as the director may provide by rule consistent with the purposes of this section.

(5) Each eligible resident of a home for the aging shall submit the form required under RCW 84.36.385 to the county assessor by July 1st of the assessment year. An eligible resident who has filed a form for a previous

year need not file a new form until there is a change in status affecting the person's eligibility.

(6) In determining the true and fair value of a home for the aging for purposes of the partial exemption provided by subsection (2) of this section, the assessor shall apply the computation method provided by RCW 84.34.060 and shall consider only the use to which such property is applied during the years for which such partial exemptions are available and shall not consider potential uses of such property.

(7) A home for the aging that was exempt for taxes levied for collection in 1990 and is not fully exempt under this section is entitled to partial exemptions as follows:

(a) For taxes levied for collection in 1991, two-thirds of the assessed value that would otherwise be subject to tax under this section is exempt from taxation.

(b) For taxes levied for collection in 1992, one-third of the assessed value that would otherwise be subject to tax under this section is exempt from taxation.

(8) As used in this section:

(a) "Eligible resident" means a person who would be eligible for an exemption under RCW 84.36.381 if the person owned a single-family dwelling. For the purposes of determining eligibility under this section, a "cotenant" as used in RCW 84.36.383 means a person who resides with an eligible resident and who shares personal financial resources with the eligible resident.

(b) "Home for the aging" means a residential housing facility that (i) provides a housing arrangement chosen voluntarily by the resident, the resident's guardian or conservator, or another responsible person; (ii) has only residents who are at least sixty-two years of age or who have needs for care generally compatible with persons who are at least sixty-two years of age; and (iii) provides varying levels of care and supervision, as agreed to at the time of admission or as determined necessary at subsequent times of reappraisal.

Sec. 3. Section 6, chapter 40, Laws of 1973 2nd ex. sess. as amended by section 3, chapter 141, Laws of 1981 and RCW 84.36.800 are each amended to read as follows:

As used in RCW 84.36.020, 84.36.030, 84.36.037, 84.36.040, 84.36.041, 84.36.050, 84.36.060, (~~84.36.037~~) and 84.36.800 through 84.36.865:

(1) "Church purposes" means the use of real and personal property owned by a nonprofit religious organization for religious worship or related administrative, educational, eleemosynary, and social activities. This definition is to be broadly construed;

(2) "Convent" means a house or set of buildings occupied by a community of clergymen or nuns devoted to religious life under a superior;

(3) "Hospital" means any portion of a hospital building, or other buildings in connection therewith, used as a residence for persons engaged or employed in the operation of a hospital, or operated as a portion of the hospital unit;

(4) "Nonprofit" means an organization, association or corporation no part of the income of which is paid directly or indirectly to its members, stockholders, officers, directors or trustees except in the form of services rendered by the organization, association, or corporation in accordance with its purposes and bylaws and the salary or compensation paid to officers of such organization, association or corporation is for actual services rendered and compares to the salary or compensation of like positions within the public services of the state;

(5) "Parsonage" means a residence occupied by a clergyman who is designated for a particular congregation and who holds regular services therefor.

Sec. 4. Section 7, chapter 40, Laws of 1973 2nd ex. sess. as last amended by section 1, chapter 468, Laws of 1987 and RCW 84.36.805 are each amended to read as follows:

In order to be exempt pursuant to RCW 84.36.030, 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.045, 84.36.047, 84.36.050, 84.36.060, 84.36.350, and 84.36.480, the nonprofit organizations, associations or corporations shall satisfy the following conditions:

(1) The property is used exclusively for the actual operation of the activity for which exemption is granted, unless otherwise provided, and does not exceed an amount reasonably necessary for that purpose, except:

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

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

(ii) Except for the exemption under RCW 84.36.037, the property would be exempt from tax if owned by the organization to which it is loaned or rented;

(b) The use of the property for fund-raising activities does not subject the property to tax if the fund-raising activities are consistent with the purposes for which the exemption is granted;

(2) The property is irrevocably dedicated to the purpose for which exemption has been granted, and on the liquidation, dissolution, or abandonment by said organization, association, or corporation, said property will not inure directly or indirectly to the benefit of any shareholder or individual, except a nonprofit organization, association, or corporation which too would be entitled to property tax exemption: **PROVIDED**, That the property need not be irrevocably dedicated if it is leased or rented to those qualified for exemption pursuant to RCW 84.36.040 or 84.36.041 or those qualified for

exemption as an association engaged in the production or performance of musical, dance, artistic, dramatic, or literary works pursuant to RCW 84.36.060, but only if under the terms of the lease or rental agreement the nonprofit organization, association, or corporation receives the benefit of the exemption;

(3) The facilities and services are available to all regardless of race, color, national origin or ancestry;

(4) The organization, association, or corporation is duly licensed or certified where such licensing or certification is required by law or regulation;

(5) Property sold to organizations, associations, or corporations with an option to be repurchased by the seller shall not qualify for exempt status;

(6) The director of the department of revenue shall have access to its books in order to determine whether such organization, association, or corporation is exempt from taxes within the intent of RCW 84.36.030, 84.36.035, 84.36.037, 84.36.040, 84.36.041, 84.36.045, 84.36.047, 84.36.050, 84.36.060, 84.36.350, and 84.36.480.

Sec. 5. Section 8, chapter 40, Laws of 1973 2nd ex. sess. as last amended by section 2, chapter 468, Laws of 1987 and RCW 84.36.810 are each amended to read as follows:

(1) Upon cessation of a use under which an exemption has been granted pursuant to RCW 84.36.030, 84.36.037, 84.36.040, 84.36.041, 84.36.050, and 84.36.060(~~and 84.36.037~~), the county treasurer shall collect all taxes which would have been paid had the property not been exempt during the three years preceding, or the life of such exemption, if such be less, together with the interest at the same rate and computed in the same way as that upon delinquent property taxes: PROVIDED, That where the property has been granted an exemption for more than ten years, taxes and interest shall not be assessed under this section.

(2) Subsection (1) of this section applies only when ownership of the property is transferred or when fifty-one percent or more of the area of the property has lost its exempt status. The additional tax under subsection (1) of this section shall not be imposed if the cessation of use resulted solely from:

(a) Transfer to a nonprofit organization, association, or corporation for a use which also qualifies and is granted exemption under the provisions of chapter 84.36 RCW;

(b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;

(c) Official action by an agency of the state of Washington or by the county or city within which the property is located which disallows the present use of such property;

(d) A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by virtue of the act of the organization, association, or corporation changing the use of such property;

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

(f) Cancellation of a lease on property that had been exempt under RCW 84.36.040, 84.36.041, or 84.36.060;

(g) A change in the exempt portion of a home for the aging under RCW 84.36.041(2), as long as some portion of the home remains exempt;

(h) The conversion of a full exemption of a home for the aging to a partial exemption or taxable status under RCW 84.36.041(7).

Sec. 6. Section 2, chapter 182, Laws of 1974 ex. sess. as last amended by section 2, chapter 155, Laws of 1987 and RCW 84.36.383 are each amended to read as follows:

As used in RCW 84.36.381 through 84.36.389, except where the context clearly indicates a different meaning:

(1) The term "residence" shall mean a single family dwelling unit whether such unit be separate or part of a multiunit dwelling, including the land on which such dwelling stands not to exceed one acre. The term shall also include a share ownership in a cooperative housing association, corporation, or partnership if the person claiming exemption can establish that his or her share represents the specific unit or portion of such structure in which he or she resides. The term shall also include a single family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality thereof including an Indian tribe or in the state of Washington, and notwithstanding the provisions of RCW 84.04.080, 84.04.090 or 84.40.250, such a residence shall be deemed real property.

(2) The term "real property" shall also include 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: PROVIDED, That a mobile home located on land leased by the owner of the mobile home shall be subject, for tax billing, payment, and collection purposes, only to the personal property provisions of chapter 84.56 RCW and RCW 84.60.040.

(3) The term "preceding calendar year" shall mean the calendar year preceding the year in which the claim for exemption is to be made.

(4) "Department" shall mean the state department of revenue.

(5) "Combined disposable income" means the disposable income of the person claiming the exemption, plus the disposable income of his or her spouse, and the disposable income of each cotenant occupying the residence for the preceding calendar year, less amounts paid by the person claiming

the exemption or his or her spouse during the previous year for the treatment or care of either person in a nursing home.

(6) "Disposable income" means adjusted gross income as defined in the federal internal revenue code, as amended prior to January 1, ~~((1980;))~~ 1989, or such subsequent date as the director may provide by rule consistent with the purpose of this section, plus all of the following items to the extent they are not included in or have been deducted from adjusted gross income:

- (a) Capital gains;
- (b) Amounts deducted for loss;
- (c) Amounts deducted for depreciation;
- (d) Pension and annuity receipts;
- (e) Military pay and benefits other than attendant-care and medical-aid payments;
- (f) Veterans benefits other than attendant-care and medical-aid payments;
- (g) Federal social security act and railroad retirement benefits;
- (h) Dividend receipts; and
- (i) Interest received on state and municipal bonds.

(7) "Cotenant" means a person who resides with the person claiming the exemption and who has an ownership interest in the residence.

NEW SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 8. This act shall take effect April 1, 1990, and shall be effective for taxes levied for collection in 1991 and thereafter.

Passed the House April 21, 1989.

Passed the Senate April 14, 1989.

Approved by the Governor May 13, 1989.

Filed in Office of Secretary of State May 13, 1989.

## CHAPTER 380

[House Bill No. 2222]

### AGRICULTURE—PESTICIDE REGULATION AND UNEMPLOYMENT AND WORKERS' COMPENSATION COVERAGE FOR AGRICULTURAL EMPLOYEES

AN ACT Relating to state regulatory programs; amending RCW 15.58.030, 15.58.040, 15.58.050, 15.58.060, 15.58.065, 15.58.070, 15.58.080, 15.58.110, 15.58.120, 15.58.130, 15.58.150, 15.58.160, 15.58.170, 15.58.180, 15.58.200, 15.58.210, 15.58.220, 15.58.230, 15.58.240, 15.58.250, 15.58.260, 15.58.280, 15.58.290, 15.58.330, 15.58.335, 15.58.340, 15.58.910, 17.21.020, 17.21.030, 17.21.040, 17.21.050, 17.21.070, 17.21.080, 17.21.100, 17.21.110, 17.21.122, 17.21.126, 17.21.129, 17.21.130, 17.21.140, 17.21.150, 17.21.160, 17.21.180, 17.21.190, 17.21.200, 17.21.220, 17.21.230, 17.21.240, 17.21.250, 17.21.260, 17.21.270, 17.21.280, 17.21.290, 17.21.315, 17.21.320, 17.21.910, 70.104.030, 50.04.150, 50.29.025, 50.20.100, and 50.29.062; adding new sections to chapter 15.58 RCW; adding new sections to chapter 17.21 RCW; adding new sections to chapter 49.70 RCW; adding new sections to chapter 70.104 RCW; adding