

**PROPERTY TAX EXEMPTION  
FOR  
PUBLIC USE-PUBLIC ASSEMBLY HALL**

Prepared by the Grand Lodge of Washington

For use by

Fraternal Building Societies (FBS)

2011

## Property Tax Exemption for Public Use – “Public Assembly Hall”

RCW 84.36.037 and WAC 458-16-300 govern the exemption for “public assembly halls and meeting places.”

Lodges wishing to file for this exemption will need to complete the required forms from the Department of Revenue (DOR) (attachment A). See also the DOR website

<http://dor.wa.gov/Docs/forms/PropTx/Forms/AppForPropTxLshldExTxExmpt.doc> for the latest form and instructions. Additionally Grand Lodge has prepared a matrix for how best to track building use (attachment B).

The property tax exemption for Public Assembly Halls is subject to annual usage requirements. You can apply for the past two years with the initial application as well (a late penalty of \$10 per month could apply).

### Basic Usage Requirements:

- At least 51% of the total events/uses in the space must be “public gatherings.” This includes uses by individual members of the public, events sponsored by other organizations that are open to the public, and events held by the building “owner” that are for nonmembers as well as members.
- The “owner” cannot block out more than 25% of available time for its own events/uses.
- The number of “public gatherings” must equal or exceed the number of events hosted by the “owner” that are not open to the general public.
- There are limits on the extent of “business activities” in the space – see “Other Criteria” below.

The “owner,” as far as the DOR is concerned, includes both the Lodge and the Temple Board or Corporation. Variations on the typical Lodge structure would need to be thought through.

Once an application is submitted, usually the DOR will send a field agent to your location to walk through the property to evaluate the public use parts. Remember that the parking lot is part of the equation, and if there are parts of the building that are not made available to the public there will be some kind of allocation of space between taxable and exempt.

### Best Practices:

1. Designate a building or event/use manager to track who is using the space.
2. Use a spreadsheet to collect specific data for each event/use (see Attachment B).
3. File required forms with DOR – including the annual renewal and usage report.
4. If rejected file an appeal within 30 days of the notice (notify GL of appeal).
5. Keep open communications with the DOR – they know there are challenges in recording the necessary data and categorizing uses as public or private.

6. If there is an Appeal Hearing, ensure GL knows in advance so the GS and/or legal counsel can attend or assist in preparing materials.

#### Nuances of "Public Gatherings"

- The DOR will generally assume uses by churches or other "recognized" religious organizations are "public gatherings" even if the use is for church members.
- Events sponsored by a private individual or an unorganized group are "public gatherings" even if the event is restricted to those invited to attend.
- Events sponsored by other organizations that have membership receive closer scrutiny – the DOR wants to know whether the event is open to nonmembers or, if it is a members-only event, if the membership is essentially open to anyone (not significantly screened).
- At the same time, the DOR does not want to force Lodge owners to give potential renters the third degree on membership policies, so Attachment B only asks if it is an open event.
- The DOR considers Temple Board meetings to be closed and private even if certain members of the public are invited to attend, while events sponsored by the Lodge and expressly targeted at the non-member public can be considered "public gatherings." Whether a particular Temple Board meeting is "public" could be debated in any appeal, so it is recommended to note whether nonmembers are invited or not.
- Events for which no rent is charged should also be included in the records and counted for all the criteria.

#### Other Criteria:

- The exempt area of land cannot exceed one acre.
- The space must be made available to any user, subject to reasonable conditions for safekeeping of the property.
- Space used for retail or revenue-producing leases is not exempt, *unless* (a) the event is a fundraising activity of a nonprofit organization, or (b) the use for other business activities is less than 16 days in each calendar year.
- Another exception is that use of the property for a qualifying farmer's market for up to 53 days in a calendar year is allowed.
- Another exception is that facilities in rural counties (population less than 20,000) may be used without limitation for dance lessons, art classes, and music lessons.
- Rents and donations received must be devoted to capital improvements for the exempt facility, operational and maintenance costs of the exempt facility, and other exempt purposes.



# Application For Property Tax Exemption

Chapter 84.36 RCW

## DEPARTMENT OF REVENUE USE ONLY

Registration No: \_\_\_\_\_

Assessment Year: \_\_\_\_\_

Fee Paid: \_\_\_\_\_

Refund: \_\_\_\_\_

File this completed application, including supporting documents, with the Department of Revenue on or before March 31 or within 60 days of the purchase/acquisition or conversion of property to exempt use to avoid late filing fees. Applications submitted without late filing fees are incomplete and will be returned.

If you have questions or need help with this application, please call (360) 570-5871 for assistance.

### I. General Information

Does your organization currently have a Property Tax Exemption on any property in Washington?  Yes  No

If yes, what is your registration number?      -

Is this the first time your organization has filed for a Property Tax Exemption in Washington?  Yes  No  Unknown

**Late Fee:** \_\_\_\_\_ No fee is required for applications filed before March 31 or within 60 days of purchase/acquisition or conversion to exempt use. If you are filing after March 31 or later than 60 days, you must enclose a \$10 per month late filing fee.

**Applicant** (Nonprofit organization applying for exemption): \_\_\_\_\_

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Office Hours: \_\_\_\_\_

**Occupant** (Organization using property for exempt use): \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Office Hours: \_\_\_\_\_

### II. Property Information

**NOTE:** If more than one parcel, attach a separate sheet showing the following information for each parcel. Street address and/or physical location of property:

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

County: \_\_\_\_\_ Assessor's Parcel/Account Number: \_\_\_\_\_

**Attach a parcel map, legal description, and a site plan of the property.**

Describe in detail how the parcel is used:

Date property was acquired or converted to exempt use: \_\_\_\_\_

Was the property exempt to the previous owner?  Yes  No  Unknown

Name & registration number of previous owner, if known: \_\_\_\_\_

DOR USE ONLY FEES RECEIVED:

### III. Type(s) of Property (Check all boxes that apply)

- Real property (buildings & lands).....  Owned     Leased  
 Personal property (furnishings & equipment) .....  Owned     Leased  
 Leasehold (lease of government owned property) \_\_\_\_\_

Government entity that owns the property

Is any portion of this property rented, leased, and/or used by others or does the property include a parsonage or caretaker residence?  Yes  No. If yes, complete the following information and provide copies of any use, rental, or lease agreements. Attach separate sheets, if necessary.

Date property rented, leased, or used by others	Name of lessee, renter, or user	What activities were conducted by the lessee, renter, and/or user?	Sq. footage of building and/or property used by renter, lessee, or user activity	How much rent or donations were collected or charged by your organization? (amount per hour, day, week, month, or year)	For what purpose will the rents, donations, or other consideration be used by your organization?

Are buildings planned or under construction?  Yes  No (If yes, complete the following.)

Estimated start date: \_\_\_\_\_ Actual start date: \_\_\_\_\_

Proposed completion date: \_\_\_\_\_

### IV. Type of Exemption Requested

Check all boxes that apply. See the instructions for each RCW reference for additional information that must be submitted with the application. If the required information is not included with the application, it will be delayed, returned, or denied. If you need assistance, please call (360) 570-5871.

- |   |  |
|---|--|
| <input type="checkbox"/> Administrative Offices of Nonprofit Religious Organizations (RCW 84.36.032)                      | <input type="checkbox"/> Medical Research or Training Facility (RCW 84.36.045)   |
| <input type="checkbox"/> Artists – Property Used to Solicit or Collect Money for Artists (RCW 84.36.650)                  | <input type="checkbox"/> Museums-Art, Scientific, and Historical Collections (RCW 84.36.060)                                       |
| <input type="checkbox"/> Blood Bank (RCW 84.36.036)   | <input type="checkbox"/> Nature Conservancy (RCW 84.36.260)  |
| <input type="checkbox"/> Cancer Center (RCW 84.36.046)  | <input type="checkbox"/> Outpatient Dialysis Facility (RCW 84.36.040)  |
| <input type="checkbox"/> Caretaker's Residence (RCW 84.36.020)  | <input type="checkbox"/> Parsonage (RCW 84.36.020)   |
| <input type="checkbox"/> Cemetery (RCW 84.36.020)   | <input type="checkbox"/> Performing Arts Organizations (RCW 84.36.060)   |
| <input type="checkbox"/> Church (RCW 84.36.020)   | <input type="checkbox"/> Public Assembly Hall or Meeting Place (RCW 84.36.037)   |
| <input type="checkbox"/> Church Camp Facility (RCW 84.36.030)   | <input type="checkbox"/> Schools and Universities (RCW 84.36.050)  |
| <input type="checkbox"/> Convent (RCW 84.36.020)  | <input type="checkbox"/> Sheltered Workshop for Handicapped (RCW 84.36.353)  |
| <input type="checkbox"/> Day Care Center (RCW 84.36.040)  | <input type="checkbox"/> Social Service Organization-Character Building, Benevolent, Protective, or Rehabilitative (RCW 84.36.030) |
| <input type="checkbox"/> Emergency Housing to Low-Income Homeless Persons or Victims of Domestic Violence (RCW 84.36.043) | <input type="checkbox"/> Solicitation or Collection of Gifts, Donations, or Grants for Non-profit Organization (RCW 84.36.550)     |
| <input type="checkbox"/> Future Church Site (RCW 84.36.020)   | <input type="checkbox"/> Transitional Housing to Low-Income Homeless Persons or Victims of Domestic Violence (RCW 84.36.043)       |
| <input type="checkbox"/> Home for the Aging–HUD Facility (RCW 84.36.041)  | <input type="checkbox"/> Very Low-Income Housing Facility (RCW 84.36.560)  |
| <input type="checkbox"/> Home for the Aging – Non-HUD Facility (RCW 84.36.041)  | <input type="checkbox"/> Veterans Organization (RCW 84.36.030)   |
| <input type="checkbox"/> Home for the Aging – Tax Exempt Bond Facility (RCW 84.36.041)                                    | <input type="checkbox"/> Water Distribution Company (RCW 84.36.250)  |
| <input type="checkbox"/> Home for the Developmentally Disabled (RCW 84.36.042)  | <input type="checkbox"/> Youth Character Building Organization/Association (RCW 84.36.030)   |
| <input type="checkbox"/> Home for the Sick or Infirm (RCW 84.36.040)  | <input type="checkbox"/> Other _____   |
| <input type="checkbox"/> Hospital (RCW 84.36.040)   |  |
| <input type="checkbox"/> Humane Societies (RCW 84.36.060)   |  |
| <input type="checkbox"/> Library (RCW 84.36.040)  |  |

### V. Declaration

All applicants must include the following items with this application

Check the box if the item is included. If the item is omitted, attach an explanation that includes the date you expect to be able to provide the missing item.

- Late Fee – Applications filed after the deadline are subject to a late filing fee. See Section I – General Information/Late Fee.
- Parcel map and legal description for each parcel claimed.
- Copy of the deed for real property – or – a copy of the lease agreement if property is leased. (“Deed” means a recorded document that can be used to show ownership – not a deed of trust.) (For mobile homes, include a copy of the title or title elimination.)
- Site plan sketch which identifies location of buildings, parking areas, landscaping, and undeveloped areas. Dimensions required for undeveloped areas.
- All required documents listed in the instructions for the exemption type(s) claimed.

If this is the first time your organization has filed for a Property Tax Exemption in the State of Washington, you must also include these additional documents with this application.

- Copy of your official, stamped articles of incorporation, including all amendments, as filed with the Secretary of State.
- IRS letter, if you have been granted an exemption from federal income tax.

Other documents enclosed – please describe.

I understand that this application for exemption will be delayed, returned, or denied if the required fees and documents are not included.

I certify that I am an authorized agent of the applicant and that the information provided is accurate and complete.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Daytime Phone \_\_\_\_\_

FAX \_\_\_\_\_

Title \_\_\_\_\_

E-Mail Address \_\_\_\_\_

**Retain a copy of this application for your records.**

**Effective Date:** If the property is determined by the Department of Revenue to be exempt, the taxes due in the year following the year of application will be exempt. **Example:** Exempt activity begins in February 2007 and application is made in March 2007. If the property is found to be exempt, the taxes due and payable in 2008 will be exempted.

**Notification:** After the Department of Revenue has conducted a site visit and completed the review of your application, a written determination will be issued to you and to the county assessor to adjust the tax rolls. Generally, a determination is made by July 31 or within 60 days of the date your application is submitted, whichever is later.

**Mail completed application to:** Department of Revenue  
Property Tax Division/Exempt Properties  
PO Box 47471  
Olympia WA 98504-7471

If you have any questions or need help with the application process, please call us at (360) 534-1400.

## Instructions

### General Information – Criteria for Exemption

- ◆ **General Documentation** – Articles of Incorporation are filed with the Secretary of State. If you do not have a copy of your organization's Articles of Incorporation, you can request replacement copies from the Secretary of State's Corporations Division at [www.secstate.wa.gov/corps](http://www.secstate.wa.gov/corps) or at (360) 753-7115. Parcel maps are available at the assessor's office in the county where your property is located.
- ◆ **Ownership** – Generally, ownership by a non-profit entity is required to qualify for exemption. However, in some cases, organizations may lease property and be eligible for the exemption. If you have questions about exemptions for leased property, please contact us.
- ◆ **Use** – Property must be used exclusively for an exempt activity to be qualified for an exemption. The property must be in use and dedicated to that particular exempt activity. Property may be exempted in part if a portion of the property does not qualify for exemption. Church, museum and very-low income housing property may be exempted for a future building site if there is a clear, active, and specific plan towards construction on the property in a reasonable length of time.
- ◆ **Exemption Statutes** – Your application must identify the exempt purpose under which you are seeking exemption. For more detail on the qualifications for each category please read the applicable statutes. Copies can be found on the Department's homepage at <http://dor.wa.gov> under Rules/Laws.

### RCW References

#### **RCW 84.36.020 Church, Parsonage, Convent, Caretaker's Residence, and Cemetery**

- ◆ **Church** - Additional information may be requested during the audit process.
- ◆ **Future Church Site**
  - λ Documentation of the time frame for construction, financing plans, and the balance of your building fund.
  - λ Copies of building permits, if they have been issued.
  - λ An accurate, to-scale site plan identifying all proposed development of the property.
- ◆ **Parsonage**
  - λ Name and title of occupant.
  - λ Monthly rental or donation amount.
  - λ The address of the parsonage.
- ◆ **Caretaker's Residence**
  - λ Name of occupant.
  - λ Copy of caretaker agreement that lists the duties of the caretaker.
  - λ Monthly rental or donation amount.
  - λ The address of the caretaker's residence.
- ◆ **Convent**
  - λ Names and titles of occupants.
- ◆ **Cemetery**
  - λ Copy of Cemetery dedication papers and plat map.

#### **RCW 84.36.030 - Character Building, Benevolent, Protective, or Rehabilitative Social Service Organizations; Church Camps; Youth Character Building Organizations or Associations; Veterans Organizations; and Student Loan Guarantee Agencies**

- ◆ **Character Building, Benevolent, Protective, or Rehabilitative Social Service Organizations**
  - λ A copy of your most recent IRS form 990.
  - λ A list of services and/or goods provided and fees charged.
  - λ A copy of the sliding fee scale, if used, and the number of clients served in each category during the previous year.
  - λ A copy of your license if you are required to have one. (Do not include a copy of your business license).
- ◆ **Church Camp Facility**
  - λ A list of all groups, organizations, or individuals that used your facility during the previous calendar year. The list should include all the uses by your own organization as well as the uses by any others. This information should contain the dates of the use, name of the user, the activities provided or conducted, and the rental or donation amount received for the use of the property.
  - λ An income and expense statement for the previous calendar year.

◆ **Youth Character Building**

- λ A policy statement of your organization that shows the maximum age of participants served by your organization.
- λ A list of all groups, organizations, or individuals that used your facility during the previous calendar year. The list should include all the uses by your own organization as well as the uses by any others. Please include the dates of the use, name of the user, the activities provided or conducted, and the rental or donation amount received.
- λ An income and expense statement for the previous calendar year.

◆ **Veterans Organizations and Student Loan Guarantee Agencies** – Additional information may be requested during the audit process.

**RCW 84.36.032 - Administrative Offices of Non-profit Religious Organizations** - Additional information may be requested during the audit process.

**RCW 84.36.036 - Blood Banks** - Additional information may be requested during the audit process.

**RCW 84.36.037 - Public Assembly Hall or Meeting Place or Community Celebration Property**

- λ A list of all individuals or organizations (including your organization) that used your facility during the previous calendar year. The list must include the dates the property was used, the name of the user or group, the purpose for which the property was used, and any rental or donation received.
- λ An income and expense statement for the previous calendar year.
- λ A copy of your policy on the availability of the facility and any restrictions on the use of the property.

**RCW 84.36.040 - Day Care Centers, Libraries, Orphanages, Homes for the Sick or Infirm, Hospitals, or Outpatient Dialysis Facilities**

- λ A copy of your most recent IRS form 990.
- λ A copy of your license.
- λ A copy of any personal service contracts.

**RCW 84.36.041 - Homes for the Aging**

◆ **HUD Facility**

- λ The total number of dwelling units in the facility. (This information may be provided in an Excel Spreadsheet.)
- λ The number of units occupied by persons aged 61 or older, or by persons who are disabled.
- λ A list of services provided to all residents.
- λ Identification of the units for which the home receives a HUD subsidy.

◆ **Non-HUD Facility**

- λ The total number of dwelling units in the facility.
- λ The number of units occupied on January 1 of the current year.
- λ A list of services provided to all residents.
- λ A list of all the units that identifies the unit numbers, residents' names, beginning dates of occupancy, and the ages of the residents or an indication that they are disabled.
- λ Since the exemption is based on the income level of the residents, residents whose income is below the limit must file an income verification form (REV 64 0043) with the County Assessor's office. This must be filed by July 1 or by December 31 if this is the first year the home became operational.
- λ If less than 50% of the units are occupied by low income persons, the home must also provide a list of the residents who are receiving significant assistance with activities of daily living. This list should indicate the unit number, the name of the resident, the type of assistance the resident is receiving, frequency the services are provided, and the number of months the assistance was provided during the last calendar year.

◆ **Tax Exempt Bond Facility**

- λ The total amount of financed for construction, rehabilitation, and acquisition, or refinancing.
- λ The amount of financing obtained from tax exempt bonds.
- λ The number of units set aside for low-income residents (80% of median income).
- λ The number of units set aside for very low-income residents (50% of median income).

**RCW 84.36.042 - Homes for the Developmentally Disabled**

- λ A copy of your most recent IRS form 990.
- λ A tenant list showing the names of all the occupants, move-in dates, and rental amounts.
- λ A copy of any applicable license or certification for this facility.
- λ Proof of tenant eligibility (provided by Division of Developmental Disabilities).

**RCW 84.36.043 - Emergency or Transitional Housing to Low-Income Homeless Persons or Victims of Domestic Violence**

- λ A copy of your most recent IRS form 990.
- λ A list of services provided.
- λ A copy of any contract in place for services to be provided by another organization.
- λ A tenant list showing the names of all occupants, their move-in-dates, and rental amounts.
- λ A copy of your tenant agreement.
- λ A written policy on the maximum length of stay for residents.

**RCW 84.36.045 Medical Research or Medical Training Facilities** - Additional information may be requested during the audit process.

**RCW 84.36.046 - Cancer Centers**

- λ A copy of your most recent IRS form 990.
- λ A copy of your license.

**RCW 84.36.050 - Schools and Universities**

- λ A copy of your most recent IRS form 990.
- λ Copy of accreditation approval by the Superintendent of Public Instruction, or recognition or approval by an external agency that certifies educational institutions.
- λ A copy of your attendance policy and the number of students currently enrolled.

**RCW 84.36.060 - Art, Scientific, and Historical Collections; Performing Arts Organizations; Humane Societies; and Fire Companies**

- λ A copy of your most recent IRS form 990 or an Income and Expense statement.
- λ Proof that a substantial part of your support (exclusive of ticket sales) comes from a government entity or from direct or indirect contributions from the general public.
- λ A list of all individuals or organizations (including your organization) that used your facility during the previous calendar year. The list must include the dates the property was used, the name of the user or group, the purpose for which the property was used, and the amount of rental or donation received for the use of the property.

**RCW 84.36.250 - Water Distribution Companies**

- λ A copy of your most recent IRS form 990.
- λ A list of members receiving water services.

**RCW 84.36.260 - Nature Conservancies**

- λ A list of the specific resources preserved on the property.
- λ A copy of your policy statement on the availability of the property to the general public for scientific research or educational purposes.

**RCW 84.36.353 – Sheltered Workshop for Handicapped** – Additional information may be requested during the audit process.

**RCW 84.36.550 - Non-profit Organizations - Property Used for Solicitation or Collection of Gifts, Donations, or Grants**

- λ Documentation of affiliation with a state or national organization that authorizes, approves, or sanctions volunteer fund-raising organizations.
- λ Listing of organizations receiving gifts, grants, or donations from the applicant.

**RCW 84.36.560 - Very Low-Income Housing Facilities**

- λ A list of all units in the facility for January 1 of the application year. Listing should include the following information for each unit: unit number, name of tenant (or indication unit was vacant), number of tenants in the unit, move-in date, and total income of the tenants.
- λ Documentation that the housing is insured, financed, or assisted by the Department of Community, Trade, and Economic Development or an affordable housing levy authorized by RCW 84.52.105.
- λ Copies of the agreements that define the non-profit's interest in the ownership and operation of the facility.

**RCW 84.36.650 – Property Used to Solicit or Collect Money for Artists** - Additional information may be requested during the audit process.

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 534-1400. Teletype (TTY) users may call (360) 705-6718.







