

WAC 458-16-290 Nature conservancy lands. (1) Introduction. This rule explains the property tax exemption available under the provisions of RCW 84.36.260 to a nonprofit corporation or association, of which the primary purpose is to conduct or facilitate scientific research or to conserve natural resources or open space for the general public.

(2) **Definitions.** For purposes of this rule, the following definitions apply:

(a) "Cessation of use" means a nonprofit association or corporation that has an interest in, or a nonprofit association or corporation that exclusively used exempt real property, has ceased to physically use the property for a use exempt under the provisions of subsection (3) of this rule. The term also refers to property no longer being used for an exempt use even if the owner intends to find or is pursuing an alternative exempt use for the property. "Cessation of use" also refers to property that has lost its exempt status because it was sold, transferred, loaned, or rented to an owner or user that is not qualified to be exempt from property taxes.

(b) "Conservation futures" means rights in perpetuity to the future development of any open space land, farm and agricultural land, and timber land, classified under the provisions of chapter 84.34 RCW and taxed at the current use assessment rate as provided by that chapter and are purchased or acquired (except by eminent domain) by a county, city, town, municipal corporation, nonprofit historic preservation corporation, or nonprofit conservancy corporation or association.

(c) "Governmental entity" means any political unit or division of the federal, state, county, city, or municipal government.

(d) "Nonprofit conservancy corporation or association" means an organization that qualifies as being tax exempt under 26 U.S.C. Sec. 501 (c)(3) of the United States Internal Revenue Code as it existed on June 25, 1976, and that has as one of its principal purposes: The conducting or facilitating of scientific research; the conserving of natural resources, including but not limited to biological resources, for the general public; or the conserving of open spaces, including but not limited to wildlife or plant habitat to be utilized as public access areas, for the use and enjoyment of the general public.

(e) "Nonprofit historical preservation corporation" means an organization that qualifies as being tax exempt under 26 U.S.C. Sec. 501 (c)(3) of the United States Internal Revenue Code of 1954, as amended, and has as one of its principal purposes the conducting or facilitating of historic preservation activities within a state including, but not limited to, the conservation or preservation of historic sites, districts, buildings, and artifacts.

(f) "Person or company" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political unit or division of the state of Washington, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, and the United States and any instrumentality thereof.

(g) "Real property interests" means any interest in real property including, but not limited to, fee simple or a lesser ownership interest, developmental rights, easements, covenants, and conservation futures.

(h) "Rollback" refers to the provisions of RCW 84.36.262 that make previously exempt property subject to back taxes and interest because of the cessation of an exempt use or a change in ownership.

(3) **Exemption.** All real property interests exclusively used to conserve ecological systems, natural resources, or open space, including park lands, by a nonprofit association or corporation whose primary purpose is to conduct or facilitate scientific research or to conserve natural resources or open space for the general public will be exempt from property tax if either of the following conditions is met:

(a) The property, to the extent feasible considering the nature of the interest involved, is:

(i) Used and effectively dedicated primarily to providing scientific research or educational opportunities to the general public or to preserving native plants, animals, biotic communities, works of ancient man, or geological or geographical formations of distinct scientific and educational interests;

(ii) Open to the general public for educational and scientific research purposes subject to reasonable restrictions designed to protect the property; and

(iii) Not for the pecuniary benefit of any person or company; or

(b) The property is subject to an option, which has been accepted in writing by any political unit or department of the federal, state, county, or city government, for purchase by the United States, a state, a county, or a city at a price not exceeding the lesser of the following amounts:

(i) The sum of the original purchase price paid by the nonprofit association or corporation plus interest from the date of acquisition at the rate of six percent per annum compounded annually to the date the option is exercised; or

(ii) The appraised value of the property interest, as determined by the department of revenue, at the time the option is accepted in writing.

(4) **Property used for recreational activities.** Property used merely for recreational activities does not qualify for an exemption under this rule.

(5) **Application for exemption under this rule.** A nonprofit association or corporation that wants to obtain the property tax exemption under this rule, must submit an application for exemption.

(a) Real property is not exempt from taxation unless an application has been filed and the exemption approved by the department of revenue.

(b) In addition to the application, if the property is subject to an option for purchase, a copy of the option agreement and the written acceptance must be submitted to the department of revenue. The option must either state the purchase price pursuant to the option or the appraisal value as determined by the department of revenue.

(6) **Cessation of exempt use.** When land is no longer being used for an exempt purpose described in this rule, the county treasurer will collect all taxes that would have been paid if the property had not been exempt during the preceding ten years, or for the life of the exemption, whichever is less, plus interest computed at the same rate and in the same manner as that upon delinquent property taxes.

(7) **Change in use.** An owner of exempt property who knows of or who has information regarding a change in the use of exempt property must notify the department of revenue of this change. An owner of exempt property must also report the loan or rental of all or a portion

of the exempt property since loaning or renting this property may change the taxable status of exempt property.

Any other person who knows or has information regarding a change in use of exempt property must notify the county assessor of any such change. The assessor, in turn, will report this information to the department of revenue.

(a) After being notified about a change in use of exempt property, the department may physically inspect the property to determine if the reported change has taken place.

(b) After a change in use, the final determination of the taxable status of the subject property will be made by the department of revenue.

(c) When the department determines that a change in use has occurred, it will notify the current owner of the exempt property and, in the case of a transfer, the previous legal owner of exempt property that the change in use may change the taxable status of the property and that the property may be subject to the rollback provisions in subsection (6) of this rule. The owner(s) of this property will have thirty days from the date of the notice to submit any comments or information relevant to this change in use to the department. The department will then issue a final determination about the taxable status of this property.

(d) Upon notification from the department of revenue that the exempt use of the property has ceased, the county treasurer will compute the taxes payable, including interest computed at the same rate and in the same manner as that upon delinquent property taxes. The interest collected will be placed in the county current expense fund.

(8) **Additional requirements.** Any organization, association, or corporation that applies for a property tax exemption under this rule must also comply with the provisions of WAC 458-16-165 that explains the additional conditions and requirements necessary to obtain a property tax exemption pursuant to RCW 84.36.260.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.36.389, and 84.36.865. WSR 15-07-021, § 458-16-290, filed 3/10/15, effective 4/10/15. Statutory Authority: RCW 84.08.010, 84.08.070 and chapter 84.36 RCW. WSR 94-07-008, § 458-16-290, filed 3/3/94, effective 4/3/94; Order PT 77-2, § 458-16-290, filed 5/23/77; Order PT 76-2, § 458-16-290, filed 4/7/76. Formerly WAC 458-12-236.]