

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5193**

Chapter 438, Laws of 1997

55th Legislature  
1997 Regular Session

AGRICULTURAL EMPLOYEE HOUSING SALES AND USE TAX EXEMPTIONS--  
REVISIONS

EFFECTIVE DATE: 5/20/97

Passed by the Senate April 19, 1997  
YEAS 47 NAYS 1

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House April 14, 1997  
YEAS 91 NAYS 3

CLYDE BALLARD

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Approved May 20, 1997

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5193** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

\_\_\_\_\_  
**Secretary**

FILED

May 20, 1997 - 11:48 a.m.

GARY LOCKE

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SENATE BILL 5193**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

**State of Washington                      55th Legislature                      1997 Regular Session**

**By** Senators Prentice, Newhouse, Sellar, Morton, Deccio, Rasmussen, Winsley and Hale; by request of Department of Revenue

Read first time 01/20/97. Referred to Committee on Agriculture & Environment.

1            AN ACT Relating to sales and use tax exemptions for farmworker  
2 housing; amending RCW 82.08.02745 and 82.12.02685; and declaring an  
3 emergency.

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

5            **Sec. 1.** RCW 82.08.02745 and 1996 c 117 s 1 are each amended to  
6 read as follows:

7            (1) The tax levied by RCW 82.08.020 shall not apply to charges made  
8 for labor and services rendered by any person in respect to the  
9 constructing, repairing, decorating, or improving of new or existing  
10 buildings or other structures used as agricultural employee housing, or  
11 to sales of tangible personal property that becomes an ingredient or  
12 component of the buildings or other structures during the course of the  
13 constructing, repairing, decorating, or improving the buildings or  
14 other structures, but only if the buyer provides the seller with an  
15 exemption certificate in a form and manner prescribed by the department  
16 by rule.

17            (2) The exemption provided in this section for agricultural  
18 employee housing provided to year-round employees of the agricultural  
19 employer, only applies if that housing is built to the current building

1 code for single-family or multifamily dwellings according to the state  
2 building code, chapter 19.27 RCW.

3 (3) Any agricultural employee housing built under this section  
4 shall be used according to this section for at least five consecutive  
5 years from the date the housing is approved for ((occupation))  
6 occupancy, or the full amount of tax otherwise due shall be immediately  
7 due and payable together with interest, but not penalties, from the  
8 date the housing is approved for occupancy until the date of payment.  
9 If at any time agricultural employee housing that is not located on  
10 agricultural land ceases to be used in the manner specified in  
11 subsection (2) of this section, the full amount of tax otherwise due  
12 shall be immediately due and payable with interest, but not penalties,  
13 from the date the housing ceases to be used as agricultural employee  
14 housing until the date of payment.

15 (4) The exemption provided in this section shall not apply to  
16 housing built for the occupancy of an employer, family members of an  
17 employer, or persons owning stock or shares in a farm partnership or  
18 corporation business.

19 (5) For purposes of this section and RCW 82.12.02685:

20 (a) "Agricultural employee" or "employee" has the same meaning as  
21 given in RCW 19.30.010;

22 (b) "Agricultural employer" or "employer" has the same meaning as  
23 given in RCW 19.30.010; and

24 (c) "Agricultural employee housing" means all facilities provided  
25 by ~~((the))~~ an agricultural employer, housing authority, local  
26 government, state or federal agency, nonprofit community or  
27 neighborhood-based organization that is exempt from income tax under  
28 section 501(c) of the internal revenue code of 1986 (26 U.S.C. Sec.  
29 501(c)), or for-profit provider of housing for housing ((the  
30 employer's)) agricultural employees on a year-round or seasonal basis,  
31 including bathing, food handling, hand washing, laundry, and toilet  
32 facilities, single-family and multifamily dwelling units and  
33 dormitories, and includes labor camps under RCW 70.54.110.  
34 "Agricultural employee housing" does not include housing regularly  
35 provided on a commercial basis to the general public ~~((that is provided~~  
36 ~~to agricultural employees on the same terms and conditions as it is~~  
37 ~~provided to the general public))~~. "Agricultural employee housing" does  
38 not include housing provided by a housing authority unless at least  
39 eighty percent of the occupants are agricultural employees whose

1 adjusted income is less than fifty percent of median family income,  
2 adjusted for household size, for the county where the housing is  
3 provided.

4       **Sec. 2.** RCW 82.12.02685 and 1996 c 117 s 2 are each amended to  
5 read as follows:

6       (1) The provisions of this chapter shall not apply in respect to  
7 the use of tangible personal property that becomes an ingredient or  
8 component of buildings or other structures used as agricultural  
9 employee housing during the course of constructing, repairing,  
10 decorating, or improving the buildings or other structures by any  
11 person.

12       (2) The exemption provided in this section for agricultural  
13 employee housing provided to year-round employees of the agricultural  
14 employer, only applies if that housing is built to the current building  
15 code for single-family or multifamily dwellings according to the state  
16 building code, chapter 19.27 RCW.

17       (3) Any agricultural employee housing built under this section  
18 shall be used according to this section for at least five consecutive  
19 years from the date the housing is approved for ((~~occupation~~))  
20 occupancy, or the full amount of a tax otherwise due shall be  
21 immediately due and payable together with interest, but not penalties,  
22 from the date the housing is approved for occupancy until the date of  
23 payment. If at any time agricultural employee housing that is not  
24 located on agricultural land ceases to be used in the manner specified  
25 in subsection (2) of this section, the full amount of tax otherwise due  
26 shall be immediately due and payable with interest, but not penalties,  
27 from the date the housing ceases to be used as agricultural employee  
28 housing until the date of payment.

29       (4) The exemption provided in this section shall not apply to  
30 housing built for the occupancy of an employer, family members of an  
31 employer, or persons owning stock or shares in a farm partnership or  
32 corporation business.

33       (5) The definitions in RCW 82.08.02745(5) apply to this section.

34       NEW SECTION.   **Sec. 3.** This act is necessary for the immediate  
35 preservation of the public peace, health, or safety, or support of the  
36 state government and its existing public institutions, and takes effect  
37 immediately.

Passed the Senate April 19, 1997.  
Passed the House April 14, 1997.  
Approved by the Governor May 20, 1997.  
Filed in Office of Secretary of State May 20, 1997.