

FINAL BILL REPORT

SHB 2335

C 21 L 07

Synopsis as Enacted

Brief Description: Exempting certain amateur radio repeaters from leasehold excise taxes.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Priest and Miloscia).

House Committee on Finance

Senate Committee on Ways & Means

Background:

Ham Radio - Amateur Radio Repeaters.

Amateur radio, also known as ham radio, is an aspect of the radio spectrum made available to the public for personal use and public service. The Federal Communications Commission (FCC) regulates 27 small frequency bands within the radio spectrum allocated for amateur communication. Persons operating ham radios must obtain a license from the FCC. Station control operators cooperate in selecting transmitting channels to make the most effective use of the frequencies; all frequencies are shared. Operators design, construct, modify, and repair their stations. In February 2007, just under 25,000 licenses had been issued for Washington operators.

Amateur radio operators also provide services for search and rescue operations, forest fire information, and disaster relief support. Operators may volunteer for the Amateur Radio Emergency Service (ARES) for communications purposes when disaster strikes. The Radio Amateur Civil Emergency Service (RACES), special phase of amateur operation sponsored by the Federal Emergency Management Agency (FEMA), is another radio communication service conducted by volunteer licensed amateurs and is designed to provide emergency communications to local or state civil-preparedness agencies.

Amateur radio communication is typically transmitted at a low power level. For the purposes of transmitting signals more broadly, amateur radio networks use radio repeaters, devices that receive low-level amateur radio signals and retransmit the signals at a higher level or power.

Leasehold Excise Tax.

Property owned by federal, state, or local governments is exempt from property tax. Public lands may be leased to private individuals. These leases are subject to leasehold excise tax. The purpose of the leasehold excise tax is to impose a tax burden on persons using publicly-owned, tax-exempt property similar to the property tax that they would pay if they owned the property. The state imposes a leasehold excise tax equal to 12.84 percent of the contract rent. Contract rent is the amount the lessee pays for use of the public property. The tax is collected by the public entity from the lessee, and paid to the Department of Revenue.

Cities and counties may levy a local leasehold excise tax on leasehold interests in public property within their jurisdictions at a rate up to a maximum of 6 percent. The city or county tax is credited against the state tax, thus reducing the state rate on such property when the local tax is fully imposed to 6.84 percent. The maximum city rate is 4 percent and is credited against the county tax. Thus, the maximum county rate is 6 percent in unincorporated areas and 2 percent in cities that levy the maximum city rate.

Common examples of property subject to the leasehold excise tax include: port property upon which lessees construct warehouses and manufacturing plants; airline facilities at public airports; state grazing lands; and national forest land leased for recreational cabins.

A number of types of leasehold interests have been exempted from the leasehold excise tax. These exemptions concern interests such as leases of student housing at public schools and colleges, leases of property for agricultural fairs, and rights of access for removing products from public lands.

Summary:

Leasehold interests in public facilities that are used for the placement of amateur radio repeaters, if the repeaters are made available to public agencies for emergency communications, are exempt from the leasehold excise tax.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 22, 2007