

# HOUSE BILL REPORT

## SHB 2067

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### As Amended by Senate

**Title:** An act relating to property tax exemptions for nonprofit arts, scientific, or historical organizations.

**Brief Description:** Extending property tax exemptions for nonprofit arts, scientific, or historical organizations.

**Sponsors:** By House Committee on Finance (originally sponsored by Representatives Foreman and Mastin).

**Brief History:**

**Committee Activity:**

Finance: 3/6/95 [DPS].

**Floor Activity:**

Passed House: 3/13/95, 96-0.

Senate Amended.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives B. Thomas, Chairman; Boldt, Vice Chairman; Carrell, Vice Chairman; Morris, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Hymes; Mason; Mulliken; Pennington; Schoesler; Sheldon and Van Luven.

**Staff:** Rick Peterson (786-7150).

**Background:** Property owned or leased by a nonprofit artistic, scientific, historical, literary, musical, dance, dramatic or educational organization used exclusively for safekeeping, maintaining, and exhibiting collections or for the production and performance of musical, dance, artistic, dramatic, or literary works is exempt from property tax. The property is exempt only if used for the exempt purpose.

**Summary of Bill:** Property being constructed or remodeled for use by a nonprofit artistic, scientific, historical, literary, musical, dance, dramatic or educational organization is exempt from property tax. To be eligible for the exemption the nonprofit organization must show a reasonably specific and active program to enable the property to be used for an exempt purpose within a reasonable period of time.

The property is not eligible for property tax exemption if used by a for-profit organization during construction or remodeling.

**EFFECT OF SENATE AMENDMENT(S):**

**The Senate amendment grants a property tax exemption to for-profit limited partnerships created to provide facilities for nonprofit art, scientific or historical organizations. The exemption for these for-profit limited partnerships ends after 1997.**

**Appropriation:** None.

**Fiscal Note:** Requested on March 7, 1995.

**Effective Date of Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The bill allows the property tax exemption as long as reasonable progress is made in readying the property for the tax exempt use. Once the remodeling is complete and the property is used by the organization, it would be exempt under current statutes. The Wenatchee Music Theater acquired a warehouse and plans to remodel it into a theater. This bill would solve their tax problem as well as other nonprofit organizations that have similar projects.

**Testimony Against:** None.

**Testified:** Representative Dale Foreman, prime sponsor.

**Votes on Final Passage:**

Yeas 96; Excused 2

Excused: Blanton, Ogden