

HOUSE BILL REPORT

HB 1756

As Passed House

March 13, 1997

Title: An act relating to the property taxation of nonprofit cancer clinics.

Brief Description: Exempting nonprofit cancer centers from property tax.

Sponsors: Representatives Delvin, Koster, Mitchell, Robertson, McMorris, Sheahan, Zellinsky, Smith, Van Luven, Thompson, O'Brien and Dunn).

Brief History:

Committee Activity:

Finance: 3/4/97, 3/7/97 [DPS].

Floor Activity:

Passed House: 3/13/97, 96-0.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Mason; Morris; Pennington and Schoesler.

Staff: Linda Brooks (786-7153).

Background: All property in this state is subject to the property tax each year based on the property's value unless a specific exemption is provided by law.

Several property tax exemptions exist for nonprofit organizations. Some exemptions apply only to property owned by a nonprofit organization, and other exemptions apply to property either owned or leased by a nonprofit. Examples of some nonprofit property tax exemptions are:

PROPERTY TAX EXEMPTIONS FOR NONPROFIT ORGANIZATIONS

Exempt on Owned Property Only

- Character Building, Benevolent, Protective or Rehabilitative Social Service Organizations
- Churches and Church Camps

Exempt on Owned or Leased Property

- Free Public Libraries
- Orphanages

- Youth Character Building Organizations
- War Veterans' Organizations
- Water Distribution Property
- Nonprofit Nature Conservancy Organization
- Public Assembly Halls
- Medical Research or Training facilities
- Art, Scientific, or Historical Collections
- Nursing Homes
- Hospitals
- Homes for the Aging
- Schools and Colleges
- Day Care Centers
- Radio/TV Rebroadcast Facilities
- Performing Arts Property
- or Facilities
- Sheltered Workshops
- Fair Associations
- Humane Societies
- Homeless Shelters
- Outpatient Dialysis Facilities
- Blood Banks

Summary of Bill: All real or personal property owned or leased by a nonprofit organization in connection with a nonprofit cancer clinic is exempt from property tax. To receive an exemption, the following conditions must be met:

- 1) the clinic must be comprised of or have been formed by an organization qualified for exemption under section 501(c)(3) of the federal Internal Revenue Code, by a municipal hospital corporation, or by both;
- 2) the clinic must be operated by an organization qualified for exemption under section 501(c)(3) of the federal Internal Revenue Code;
- 3) the property must be primarily used for prevention, detection, and treatment of cancer; and
- 4) if the property is leased, the nonprofit organization must receive the benefit of the exemption (instead of the property owner).

This property tax exemption applies not only to the medical facilities but also to administrative offices located within a clinic that are used exclusively in conjunction with the cancer treatment services provided.

This property tax exemption applies to taxes levied in 1998 or thereafter.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will benefit a cancer treatment center located in the Tri-Cities area. If the bill is amended to cover cancer research facilities, then the Fred Hutchinson Cancer Research Center will benefit too.

Testimony Against: None.

Testified: (Pro) Representative Delvin; and Mike Ryherd, Fred Hutchinson Cancer Research Center.