

FINAL BILL REPORT

HB 2598

C 174 L 98

Synopsis as Enacted

Brief Description: Modifying property tax exemptions for nonprofit organizations.

Sponsors: Representatives Radcliff, McDonald, Pennington, Dickerson, Mastin, Dunshee, O'Brien, Mulliken, Cole, Conway, Mason, Wood and Ogden.

House Committee on Finance

Senate Committee on Ways & Means

Background: All property 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. When a nonprofit organization receives a tax exemption for leased property, the benefit of the property tax reduction, in the form of reduced lease rents, must inure to the nonprofit organization.

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
- Youth Character Building Organizations
- War Veterans' Organizations
- Water Distribution Property
- Nonprofit Nature Conservancy Organizations
- Public Assembly Halls
- Medical Research or Training Facilities

- Art, Scientific, or Historical Collections
- Sheltered Workshops
- Fair Associations
- Humane Societies

Exempt on Owned or Leased Property

- Free Public Libraries
- Orphanages
- Nursing Homes
- Hospitals
- Homes for the Aging
- Schools and Colleges

- Day Care Centers
 - Radio/TV Rebroadcast Facilities
- Performing Arts Properties
- Homeless Shelters
- Outpatient Dialysis Facilities
 - Blood Banks

Real or personal property owned by a nonprofit organization and used as emergency or transitional housing for low-income persons or victims of domestic violence is permanently exempt from property taxes.

Real or personal property leased by a nonprofit organization and used as emergency or transitional housing for low-income persons or victims of domestic violence is also exempt from property taxes but only for a limited period of time. This exemption for leased property only applies to property taxes levied for collection in 1991 through 1999.

Summary: The property tax exemption granted for real or personal property leased by a nonprofit organization and used as emergency or transitional housing for low-income persons or victims of domestic violence is made permanent.

Votes on Final Passage:

House 98 0

Senate 47 0

Effective: June 11, 1998