

# SENATE BILL REPORT

## HB 2598

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As Reported By Senate Committee On:  
Ways & Means, February 24, 1998

**Title:** An act relating to property tax exemptions for nonprofit organizations.

**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.

**Brief History:**

**Committee Activity:** Ways & Means: 2/24/98 [DP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Long, Loveland, McDonald, Roach, Rossi, Schow, B. Sheldon, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

**Staff:** David Schumacher (786-7474)

**Background:** All real and personal property in this state is subject to property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The state annually levies a statewide property tax limited to a rate no greater than \$3.60 per \$1,000 of market value. The state property tax is also limited (due to the passage of Referendum 47) by an inflation limit which has had the effect of keeping the rate well below \$3.60. The state tax rate for 1998 is \$3.18 per \$1,000 of market value.

There are several exemptions from property tax. Some exemptions are available for housing-related properties. For example, property belonging to a nonprofit home for the aging can qualify for a partial or total exemption. In addition, persons over age 61 or retired, due to disability, who have incomes below \$28,000 are eligible for a partial exemption from the property tax on their home.

Currently, property used by nonprofit organizations in providing emergency or transitional housing for low-income homeless persons or victims of domestic violence is exempt from property tax. To qualify for the exemption, the property must either be (1) owned by the nonprofit or (2) rented or leased by the nonprofit (in the years 1991 to 1999).

**Summary of Bill:** The exemption for rented or leased property is indefinitely allowed by removing the limitation that the exemption only applies through 1999.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.