

SENATE BILL REPORT

SB 6065

As Passed Senate, March 12, 1999

Title: An act relating to providing an excise tax exemption for property owned, operated, or controlled by a public corporation if the property is used as a public esplanade, street, public way, public open space, park, public utility corridor, or view corridor for the general public or the property is used to implement an agreement or plan.

Brief Description: Providing an excise tax exemption for property owned, operated, or controlled by a public corporation.

Sponsors: Senators Wojahn and Winsley.

Brief History:

Committee Activity: Ways & Means: 3/5/99, 3/8/99 [DP].
Passed Senate, 3/12/99, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Fraser, Honeyford, Kline, Kohl-Welles, Long, McDonald, Rasmussen, Rossi, B. Sheldon, Snyder, Spanel, Thibaudeau, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: Public corporations, commissions, or authorities created by counties, cities, or towns receive the same immunity or exemption from taxation as the cities or towns which form them. However, these entities must pay an excise tax on their real and personal property equal to the regular property taxes that would have been paid if the property were privately owned.

Exempt from the tax is: (a) property within a special review district established before January 1, 1976, or property listed on a state or federal register of historic sites, or property which is within a special review district listed on such a register, and (b) property owned or operated by a public corporation that is used primarily for low-income housing or that is used as a convention center, performing arts center, public assembly hall, or public meeting place.

Proceeds from the excise tax are distributed to the taxing districts in which the property is situated in the same manner as property taxes.

Summary of Bill: Exempt from the excise tax is property owned, operated, or controlled by a public corporation that:

- is used as a public esplanade, street, public way, public open space, park, public utility corridor, or view corridor for the general public; or
- was acquired to implement a plan approved by the city or county to facilitate the remediation and redevelopment of property that is contaminated with hazardous substances.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The city of Tacoma has purchased land on the Foss Waterway as part of a plan to clean up the site. It has created a public development authority to develop the property and the city is about to turn the property over to the authority. We discovered that a tax will have to be paid. A lot of this property will stay in open space and public use. Any part of the property that is leased will be subject to the leasehold excise tax.

Testimony Against: None.

Testified: PRO: Randy Lewis, City of Tacoma.

House Amendment(s): The exemption from the excise tax for property owned, operated, or controlled by a public corporation that was acquired to implement a plan approved by the city or county to facilitate the remediation and redevelopment of property that is contaminated with hazardous substances is limited to the property that is contaminated with hazardous substances.