

# HOUSE BILL REPORT

## EHB 1092

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### As Passed House:

March 14, 2001

**Title:** An act relating to tax exemptions for church and church camp property.

**Brief Description:** Changing the property tax exemption for church and church camp property.

**Sponsors:** By Representatives Lambert, Miloscia, Talcott, Pearson, Cairnes, Boldt, Anderson, D. Schmidt, Simpson, Bush and Mielke.

### Brief History:

#### Committee Activity:

Finance: 2/14/01, 3/8/01 [DP].

#### Floor Activity:

Passed House: 3/14/01, 79-19.

### Brief Summary of Engrossed Bill

- Expands area for property tax exemption for places of assembly for religious purposes from five acres to twenty acres and increases the limit on unoccupied ground from 1/3 acre to 1 and 1/3 acres.
- Expands area for camp facilities property tax exemption for religious organizations from 200 to 400 acres.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 10 members: Representatives Cairnes, Republican Co-Chair; Morris, Democratic Co-Chair; Berkey, Democratic Vice Chair; Roach, Republican Vice Chair; Carrell, Conway, Pennington, Santos, Van Luven and Veloria.

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

### 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. Examples of nonprofit property tax exemptions are: character building, benevolent, protective or rehabilitative social service organizations; churches and church camps; youth character building organizations; war veterans organizations; public assembly halls; medical research or training facilities; art, scientific, and historical collections; sheltered workshops; fair associations; humane societies; 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; and blood banks.

The property tax exemption available for churches is limited to five acres including grounds covered by the church, parsonage, convent, and maintenance buildings, and parking. Unoccupied ground cannot exceed 1/3 acre (120 by 120 feet).

The property tax exemption available to church camps is limited to 200 acres.

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**Summary of Bill:**

The term church— is clarified to include cathedrals, synagogues, temples, mosques, and other places of assembly for religious exercise purposes.

The area eligible for the property tax exemption for places of assembly for religious purposes is expanded from five acres to twenty acres. The allowance for unoccupied ground is increased from 1/3 acre to 1 and 1/3 acres.

The area eligible for the camp facilities property tax exemption for religious organizations is increased from 200 to 400 acres.

These changes apply to taxes levied in 2002 and thereafter.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Nonprofit organizations, including churches, provide many benefits to the community. Peoples' lives have been changed by the ministries offered in churches. Churches should be given the same treatment as other nonprofit organizations where the exemption is not limited by acreage. For other nonprofits, as long as property is used for the nonprofit purpose it is eligible for exemption. It is only fair to treat the churches in the same way as other nonprofits. The money that is now paid in property taxes could be

used to support community programs. Changing land use rules have changed the rules about building churches. The acreage requirement for a church site has increased, especially in the last 15 years. Given the environmental requirements, buildings can be put on only about 20 percent of the land area. The churches should not be taxed on land that is set aside for environmental reasons.

**Testimony Against:** None.

**Testified:** Representative Lambert, co-prime sponsor; Thomas Minnick, Heritage Baptist Fellowship; Joe Fuitem, Cedar Park Assembly of God; Bob Higley, Washington Evangelicals for Responsible Government; Pat Sursely, WSCC; Gregory J. Stern, Bethel Church; Gary Dickerman, Westminster Chapel, Bellevue.