

# FINAL BILL REPORT

## SSB 5444

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C 235 L 13  
Synopsis as Enacted

**Brief Description:** Concerning the administration of taxes regarding publicly owned property.

**Sponsors:** Senate Committee on Governmental Operations (originally sponsored by Senators Hasegawa, Nelson, Kohl-Welles, Hobbs, Chase, Keiser and Kline).

**Senate Committee on Governmental Operations**  
**Senate Committee on Ways & Means**  
**House Committee on Local Government**  
**House Committee on Finance**

**Background:** County assessors must determine the value of property subject to property tax. While publicly owned property is not subject to property tax, it may be subject to leasehold excise tax if it is privately leased. Leasehold excise tax is based on property value. The Department of Revenue or a lessee may request an assessor to determine the value of publicly owned property to calculate applicable leasehold excise tax.

In calculating leasehold excise tax, credits are allowed for:

- certain leasehold interests for the amount, if any, that the tax exceeds the property tax applicable if the property were privately owned;
- lessees who would qualify for a property tax exemption if the property were privately owned, for a percentage equal to the reduction that would result from the exemption; and
- leases of property used in production of agricultural or marine products, for 33 percent of the tax otherwise due.

**Summary:** The requirement for assessors to determine the value of publicly owned property not subject to property tax is eliminated. However, when the exempt status no longer applies as a result of a sale or change in use, an assessor must value and list the property.

A leasehold excise tax credit is eliminated for certain leasehold interests for the amount, if any, that the tax exceeds the property tax applicable if the property were privately owned.

**Votes on Final Passage:**

Senate	47	2
House	91	6

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Effective:** July 28, 2013.