

HB 1374

Bill Analysis

February 2, 1999

Brief Description: Exempting real property used exclusively as a roadside park from ad valorem taxation.

Bill Sponsors: Representatives Schoesler, Grant, G. Chandler, Sump, Doumit and Delvin.

Brief Summary of Bill

- Real property owned by a nonprofit organization and used as a roadside park is exempt from property tax.
- A roadside park must be less than one acre in size, adjacent to a state highway, and be essentially unimproved except for restrooms and open structures.

Staff: Linda Brooks, 786-7153.

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 are property tax exemptions for churches, hospitals, nursing homes, homes for the aging, blood banks, the Red Cross, private schools and colleges, sheltered workshops, day care centers, assembly halls and meeting places, libraries, and youth organizations.

Although many property tax exemptions apply to both real and personal property, some exemptions apply only to real property. The chief characteristic distinguishing between real and personal property is mobility. Land and improvements to land are considered real

property. All other property such as boats, jewelry, or office furnishings are personal property.

Real property owned by nonprofit organizations for the conservation of ecological systems, natural resources, or open space, including park lands, is exempt from property taxation if one of two conditions is met. One condition is that the property must be primarily devoted to scientific purposes or the conservation of public resources. The alternative condition is that federal, state, or local government has accepted an option to buy the property.

Summary of Bill:

The real property tax exemption for property owned by nonprofit organizations for the conservation of ecological systems, natural resources, or open space, including park lands, is expanded to also include roadside parks. To qualify for exemption, the property must meet one of two conditions. The property must be used for scientific purposes, the conservation of public resources, or the enjoyment of travelers. Alternatively, federal, state, or local government must have accepted an option to buy the property.

A roadside park is defined as being smaller than one acre in size, adjacent to a state highway, and essentially unimproved except for restrooms and open structures.

Appropriation: None.

Fiscal Note: Available.

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