

SENATE BILL REPORT

SB 5444

As of February 11, 2013

Title: An act relating to creating greater efficiency in the offices of county assessor by eliminating the requirement to annually appraise tax-exempt government properties.

Brief Description: Creating greater efficiency in the offices of county assessor by eliminating the requirement to annually appraise tax-exempt government properties.

Sponsors: Senators Hasegawa, Nelson, Kohl-Welles, Hobbs, Chase, Keiser and Kline.

Brief History:

Committee Activity: Governmental Operations: 2/12/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: County assessors must provide property owners with notice of changes in property valuation for property taxes. While publicly owned property is not subject to property tax, it may be subject to leasehold tax, which is based on property value if it is privately leased. The Washington State Department of Revenue or a lessee may request notice of valuation of publicly owned property to determine applicable leasehold 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 is privately owned by the lessee or sublessee;
- for lessees and sublessees who would qualify for a property tax exemption if the property were privately owned, for a percentage equal to the reduction in property tax that would result from the exemption; and
- for a product lease, for 33 percent of the tax otherwise due.

Summary of Bill: The requirement to appraise 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, the assessor must value and list the property as of the January 1 assessment date for the year of the status change. The owner or person responsible for paying taxes may thereafter petition the county board of equalization for a change in the assessed value.

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.

Language is deleted that authorizes a leasehold excise tax credit for certain leasehold interests for the amount, if any, that the tax exceeds the property tax applicable if the property were privately owned by the lessee or sublessee.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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