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**SENATE BILL 5811**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Pearson, McCoy, Chase, Darneille, and Habib

AN ACT Relating to a property tax exemption for certain property owned by an Indian tribe that is used for economic development purposes; amending RCW 84.36.010; creating a new section; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preference contained in section 2 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to create jobs and improve the economic health of tribal communities, as indicated in RCW 82.32.808(2) (c) and (f).

(3) It is the legislature's specific public policy objective to create jobs and improve the economic health of tribal communities. To further advance these policy objectives, it is the legislature's intent to remove the requirement that property owned by a federally recognized Indian tribe, which is used for economic development purposes, be owned as of a certain date in order to qualify for the exemption.

(4) The joint legislative audit and review committee must perform an economic impact report to the legislature as required in RCW 43.136.090 to provide the information necessary to measure the effectiveness of this act.

**Sec.**  RCW 84.36.010 and 2014 c 207 s 5 are each amended to read as follows:

(1) All property belonging exclusively to the United States, the state, or any county or municipal corporation; all property belonging exclusively to any federally recognized Indian tribe, if (a) the tribe is located in the state, and (b) the property is used exclusively for essential government services; all state route number 16 corridor transportation systems and facilities constructed under chapter 47.46 RCW; all property under a financing contract pursuant to chapter 39.94 RCW or recorded agreement granting immediate possession and use to the public bodies listed in this section or under an order of immediate possession and use pursuant to RCW 8.04.090; and, for a period of forty years from acquisition, all property of a community center; is exempt from taxation. All property belonging exclusively to a foreign national government is exempt from taxation if that property is used exclusively as an office or residence for a consul or other official representative of the foreign national government, and if the consul or other official representative is a citizen of that foreign nation.

(2) Property owned by a federally recognized Indian tribe((~~, which~~))that is used for economic development purposes((~~, may only qualify~~))qualifies for the exemption from taxes in this section ((~~if the property was owned by the tribe prior to March 1, 2014~~)).

(3) For the purposes of this section the following definitions apply unless the context clearly requires otherwise.

(a) "Community center" means property, including a building or buildings, determined to be surplus to the needs of a district by a local school board, and purchased or acquired by a nonprofit organization for the purposes of converting them into community facilities for the delivery of nonresidential coordinated services for community members. The community center may make space available to businesses, individuals, or other parties through the loan or rental of space in or on the property.

(b) "Essential government services" means services such as tribal administration, public facilities, fire, police, public health, education, sewer, water, environmental and land use, transportation, utility services, and economic development.

(c) "Economic development" means commercial activities, including those that facilitate the creation or retention of businesses or jobs, or that improve the standard of living or economic health of tribal communities.

NEW SECTION. **Sec.**  This act expires January 1, 2022.

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