

SENATE BILL REPORT

SHB 2346

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1992

Brief Description: Allowing use of real or personal property owned by nonprofit organizations for pecuniary gain or to promote business activities for periods of three days in any month.

SPONSORS: House Committee on Revenue (originally sponsored by Representatives Haugen, Ballard, Wang, Chandler, Peery, Rayburn, Rasmussen, Riley, Forner, Basich, Spanel, Morris, Grant, Lisk, Kremen, Fuhrman, Paris and Zellinsky)

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Bauer, Bluechel, Cantu, Gaspard, M. Kreidler, Metcalf, Murray, Newhouse, Saling, L. Smith, Talmadge, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 24, 1992; February 25, 1992

BACKGROUND:

Nonprofit public assembly halls or meeting places and the property of veterans' organizations are exempt from property taxes.

The assembly hall or meeting place exemption is restricted to the buildings, the land under the buildings, and up to one acre of parking area. For essentially unimproved property, the exemption is limited to 29 acres. To qualify for exemption, the property must be used for public gatherings and be available to all organizations or persons desiring to use the property.

Neither exemption allows the property to be used for pecuniary gain or to promote business activities.

SUMMARY:

The prohibition against using nonprofit public assembly halls and meeting places and property of veterans organizations for pecuniary gain or to promote business activities is relaxed. Using the property for casual and isolated sales activities that are exempt from sales tax is allowed. Inadvertent use of the property for pecuniary gain or to promote business

activities is allowed unless this use is part of a pattern of use that is inconsistent with the purpose of the exemption.

Appropriation: none

Revenue: none

Fiscal Note: available

SUMMARY OF PROPOSED SENATE AMENDMENT:

Nomenclature is made consistent.

TESTIMONY FOR:

The inadvertent use of the property for gain nullifies the exemption for the whole year and requires reapplication thereafter. It creates a little leeway for nonprofits that make a mistake.

TESTIMONY AGAINST: None

TESTIFIED: Rep. Haugen