

**SENATE BILL REPORT**

**HB 2892**

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

**Brief Description:** Providing property tax exemptions for charitable fund-raising organizations.

**SPONSORS:** Representatives Wang, Brumsickle, Leonard, Wynne, Day, Fraser, J. Kohl, Paris, Dellwo, D. Sommers, Kremen, Brough, Bowman, Ludwig, Ferguson, Winsley, Forner, Wood, Carlson, Silver, Hochstatter, Horn, May, Mitchell, P. Johnson and Miller

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bauer, Bluechel, Gaspard, Hayner, M. Kreidler, Metcalf, Newhouse, Saling, and L. Smith.

**Staff:** Terry Wilson (786-7715)

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

**BACKGROUND:**

The property of nonprofit charitable organizations is generally exempt from property tax if the property is used for a charitable purpose. Some of the exempt nonprofit organizations provide character-building, benevolent, protective and rehabilitative social services.

Nonprofit organizations that raise money for nonprofit charitable organizations are not exempt from property tax.

**SUMMARY:**

The property of certain volunteer nonprofit charitable fund-raising organizations is exempt from property tax. To qualify for the exemption the organization must:

1. Be organized for nonsectarian purposes;
2. Be affiliated with a state or national organization;
3. Be governed by a volunteer board of directors; and
4. Distribute donations to at least five other nonprofit nonsectarian organizations that provide character-building, benevolent, protective, or rehabilitative social services for persons of all ages.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

This bill is important to the provision of private social services. Other states do not tax United Ways. United Ways have not needed the exemption because they have not owned property before.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Rep. Wang; Ron Gibbs, United Ways of Washington; Frank Hagel, United Way of Pierce County