

# FINAL BILL REPORT

## HB 2001

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Synopsis as Enacted

**Brief Description:** Providing property tax exemptions for nonprofit organizations supporting artists.

**Sponsors:** By Representatives Murray, Skinner and Hudgins.

**House Committee on Finance**  
**Senate Committee on Ways & Means**

### **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 of nonprofit property tax exemptions are: character building, benevolent, protective or rehabilitative social service organizations; churches and church camps; youth character building organizations; war veterans organizations; national and international relief organizations; federal guaranteed student loan organizations; blood, bone and tissue banks; public assembly halls; medical research or training facilities; art, scientific, and historical collections; sheltered workshops; fair associations; humane societies; water distribution property; schools and colleges; radio/television rebroadcast facilities; fire company property; day-care centers; free public libraries; orphanages; nursing homes; hospitals; outpatient dialysis facilities; homes for the aging; day care centers; performing arts properties; homeless shelters; and blood banks.

Property tax exempt property must be used exclusively for the actual operation of the activity for which exemption was granted. The property may be loaned or rented if: (a) the rent received for the use of the property is reasonable and does not exceed maintenance and operation expenses; and (b) except for public assembly halls and war veterans organizations, the organization renting the property would be exempt from tax if it owned the property.

### **Summary:**

The real and personal property of non-profit organizations that use the property for soliciting gifts, donations, and grants for individual artists is exempt from property tax. The organization must be nonsectarian, exempt under 501(c)(3) of the Internal Revenue Code, governed by a volunteer board of at least eight members, and use the gifts,

donations, and grants to support individual artists in the production or performance of musical, dance, artistic, dramatic, or literary works.

**Votes on Final Passage:**

House 92 3

Senate 48 0 (Senate amended)

House 91 0 (House concurred)

**Effective:** July 27, 2003