

SENATE BILL REPORT

SHB 1322

As of March 5, 2004

Title: An act relating to exempting from taxation certain property belonging to any federally recognized Indian tribe located in the state.

Brief Description: Exempting from taxation certain property belonging to any federally recognized Indian tribe located in the state.

Sponsors: House Committee on Finance (originally sponsored by Representatives G. Simpson, Cairnes, McCoy and Roach).

Brief History:

Staff: Catherine Suter (786-7442)

Background: Real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. Real property is land and the buildings, structures, or other improvements made to the land. The property tax is calculated by multiplying the assessed value of real property by the tax rate for each taxing district in which the property is located.

Federal law prohibits the taxation of Indian trust land, which is land that the federal government holds in trust for recognized Indian tribes. Tribes may own non-trust land, called fee land, and this land is subject to the usual state and local property taxes.

Summary of Bill: Property belonging exclusively to a federally-recognized Indian tribe and that is used exclusively for tribal government services is exempt from the property tax. Essential government services are defined as services such as tribal administration, public facilities, fire, police, public health, education, sewer, water, environmental and land use, transportation, and utility services.

Appropriation: None.

Fiscal Note: Available.

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