

SENATE BILL REPORT

SB 6516

As Passed Senate, February 11, 2004

Title: An act relating to tax exemptions for church and church camp property.

Brief Description: Increasing the acreage limitations for church-owned property exempt from property taxes.

Sponsors: Senators Zarelli, Mulliken, Kastama, Hargrove, Swecker, Schmidt, Benton, Honeyford, Sheahan, Stevens, Prentice, Roach and Rasmussen.

Brief History:

Committee Activity: Ways & Means: 2/4/04 [DP].

Passed Senate: 2/11/04, 40-9.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Zarelli, Chair; Hewitt, Vice Chair; Carlson, Fraser, Honeyford, Johnson, Pflug, Rasmussen, Roach and Sheahan.

Staff: Catherine Suter (786-7442)

Background: All 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. Taxable property includes both real property and personal property. 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.

Several exemptions from the property tax exist in statute, including for churches, their grounds, and church camps. Up to five acres of churches and their grounds are exempt. To be exempt, a church's parcel may have no more than 120 feet by 120 feet (1/3 acre) of undeveloped, unused land. In addition, church camps facilities may claim an exemption on up to 200 acres of camp property.

Summary of Bill: Maximum sizes of church properties are increased for property tax exemption. Churches, their personal property, and their grounds are exempt up to 20 acres, no more than one and one-third acres may be undeveloped and unused, and church camps facilities may claim an exemption on up to 400 acres of camp property.

Appropriation: None.

Fiscal Note: Requested on January 22, 2004.

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

Testimony For: The Washington State Catholic Conference represents the largest social service agency in the state and the fourth largest school district. Its churches are parish-based in local neighborhoods, and are currently being designed at 80,000 square foot buildings for parishes of 75,000. In the last 10-25 years, their land needs have grown due to parish growth and city and environmental requirements. In most cases, most of a church's land is left as open space. The Legislature needs to change a bad law that has been in statute for years: other nonprofits don't have such limits.

Testimony Against: None.

Testified: Ed Foster, WA State Catholic Conference; Bob Higley, WA Evangelicals for Responsible Government.