

SENATE BILL REPORT

SHB 1526

As of March 30, 2017

Title: An act relating to exempting multipurpose senior citizen centers from property taxation.

Brief Description: Exempting multipurpose senior citizen centers from property taxation.

Sponsors: House Committee on Finance (originally sponsored by Representatives Griffey, Kilduff, MacEwen, Muri, Dent, Hayes, Haler, Smith and Pollet).

Brief History: Passed House: 2/28/17, 98-0.

Committee Activity: Ways & Means: 3/30/17.

Brief Summary of Bill

- Provides a property tax exemption for qualifying multipurpose nonprofit senior centers that currently do not qualify for tax relief.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Carrie Graf (786-7708)

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. Several property tax exemptions exist for property owned by churches and a variety of qualifying nonprofit organizations, including senior centers.

On a limited basis, nonexempt activity is allowed on tax-exempt property for nonprofit organizations. In order to qualify for the tax exemption, nonprofit organizations must satisfy the following conditions: (1) rent and donations received from the use of the property are reasonable and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented; (2) fundraising events are permitted if they are consistent with the purpose of the exempt organization; (3) exempt property may be used for nonexempt purposes for no more than 50 days within a calendar year; and (4) in most cases, exempt property may be used for pecuniary gain, or to promote business activities, including farmers markets, for no more than 15 days per calendar year. Activities related to farmers markets on exempt church property may occur no more than 53 days within each assessment year.

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If these conditions are violated, the exemption is removed for the affected portion of property for that assessment year.

Summary of Bill: Multipurpose nonprofit senior centers (senior centers) are eligible for a property tax exemption, without a limit on the number of days the exempt property may be loaned or rented, if the rents and donations received for the use of the center is reasonable, and do not exceed the maintenance and operation expenses attributable to the portion of the property loaned or rented. The senior center may operate or host a thrift store, farmers market, or similar activity year-round without nullifying the exemption.

The use of an exempt senior center, other than as specifically described in the bill, nullifies the exemption for the assessment year.

The Joint Legislative Audit and Review Committee is directed to review the number of senior citizen centers that received tax relief from the tax preference under this bill that would not have qualified for a property tax exemption prior to the enactment of this bill. The exemption is subject to the automatic ten-year expiration date for new and expanded tax preferences.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A.

Persons Signed In To Testify But Not Testifying: N/A.