

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2230

Chapter 272, Laws of 2020

66th Legislature
2020 Regular Session

INDIAN TRIBES--ECONOMIC DEVELOPMENT PROPERTY--TAX EXEMPTION

EFFECTIVE DATE: June 11, 2020

Passed by the House March 9, 2020
Yeas 84 Nays 12

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 5, 2020
Yeas 47 Nays 1

CYRUS HABIB

President of the Senate

Approved April 2, 2020 2:19 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2230** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 3, 2020

**Secretary of State
State of Washington**

HOUSE BILL 2230

AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

State of Washington

66th Legislature

2020 Regular Session

By Representatives Gregerson, Stokesbary, Entenman, Walsh, Sullivan, Leavitt, Gildon, Ormsby, Santos, Lekanoff, and Pollet

Prefiled 12/11/19. Read first time 01/13/20. Referred to Committee on Finance.

1 AN ACT Relating to subjecting federally recognized Indian tribes
2 to the same conditions as state and local governments for property
3 owned exclusively by the tribe; amending RCW 84.36.010 and
4 82.29A.055; amending 2017 c 323 s 301 (uncodified); repealing 2014 c
5 207 s 14, and 2015 3rd sp.s. c 6 s 2306 (uncodified); and creating a
6 new section.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 84.36.010 and 2014 c 207 s 5 are each amended to
9 read as follows:

10 (1) All property belonging exclusively to the United States, the
11 state, or any county or municipal corporation; all property belonging
12 exclusively to any federally recognized Indian tribe, if (a) the
13 tribe is located in the state, and (b) the property is used
14 exclusively for essential government services; all state route number
15 16 corridor transportation systems and facilities constructed under
16 chapter 47.46 RCW; all property under a financing contract pursuant
17 to chapter 39.94 RCW or recorded agreement granting immediate
18 possession and use to the public bodies listed in this section or
19 under an order of immediate possession and use pursuant to RCW
20 8.04.090; and, for a period of forty years from acquisition, all
21 property of a community center; is exempt from taxation. All property

1 belonging exclusively to a foreign national government is exempt from
2 taxation if that property is used exclusively as an office or
3 residence for a consul or other official representative of the
4 foreign national government, and if the consul or other official
5 representative is a citizen of that foreign nation.

6 ~~(2) ((Property owned by a federally recognized Indian tribe,~~
7 ~~which is used for economic development purposes, may only qualify for~~
8 ~~the exemption from taxes in this section if the property was owned by~~
9 ~~the tribe prior to March 1, 2014.~~

10 ~~(3))~~ For the purposes of this section the following definitions
11 apply unless the context clearly requires otherwise.

12 (a) "Community center" means property, including a building or
13 buildings, determined to be surplus to the needs of a district by a
14 local school board, and purchased or acquired by a nonprofit
15 organization for the purposes of converting them into community
16 facilities for the delivery of nonresidential coordinated services
17 for community members. The community center may make space available
18 to businesses, individuals, or other parties through the loan or
19 rental of space in or on the property.

20 (b) "Essential government services" means services such as tribal
21 administration, public facilities, fire, police, public health,
22 education, sewer, water, environmental and land use, transportation,
23 utility services, and economic development.

24 (c) "Economic development" means commercial activities, including
25 those that facilitate the creation or retention of businesses or
26 jobs, or that improve the standard of living or economic health of
27 tribal communities.

28 **Sec. 2.** RCW 82.29A.055 and 2014 c 207 s 8 are each amended to
29 read as follows:

30 (1) Property owned exclusively by a federally recognized Indian
31 tribe that is exempt from property tax under RCW 84.36.010 is subject
32 to payment in lieu of leasehold excise taxes, if:

33 (a) The tax exempt property is used exclusively for economic
34 development, as defined in RCW 84.36.010;

35 (b) There is no taxable leasehold interest in the tax exempt
36 property;

37 (c) The property is located outside of the tribe's reservation;
38 and

1 (d) The property is not otherwise exempt from taxation by federal
2 law.

3 (2) The amount of the payment in lieu of leasehold excise taxes
4 must be determined jointly and in good faith negotiation between the
5 tribe that owns the property and the county and any city in which the
6 property is located. However, the amount may not exceed the leasehold
7 excise tax amount that would otherwise be owed by a taxable leasehold
8 interest in the property. If the tribe and the county and any city
9 cannot agree to terms on the amount of payment in lieu of taxes, the
10 department may determine the rate, provided that the amount may not
11 exceed the leasehold excise tax amount that would otherwise be owed
12 by a taxable leasehold interest in the property.

13 (3) Payment must be made by the tribe to the county. The county
14 treasurer must distribute all such money collected solely to the
15 local taxing districts, including cities, in the same proportion that
16 each local taxing district would have shared if a leasehold excise
17 tax had been levied.

18 NEW SECTION. **Sec. 3.** 2014 c 207 s 14 (uncodified) is repealed.

19 NEW SECTION. **Sec. 4.** 2015 3rd sp.s. c 6 s 2306 (uncodified) is
20 repealed.

21 **Sec. 5.** 2017 c 323 s 301 (uncodified) is amended to read as
22 follows:

23 (1) Except as provided otherwise in this part, this act is
24 necessary for the immediate preservation of the public peace, health,
25 or safety, or support of the state government and its existing public
26 institutions, and takes effect July 1, 2015.

27 (2) Parts IV, VI, VIII, and XIX of this act are necessary for the
28 immediate preservation of the public peace, health, or safety, or
29 support of the state government and its existing public institutions,
30 and take effect September 1, 2015.

31 (3) Part X of this act takes effect October 1, 2016.

32 (4) Section 1105 of this act takes effect January 1, 2016.

33 (5) Except for section 2004 of this act, Part XX of this act
34 takes effect January 1, 2019.

35 (~~(6) Section 2004 of this act takes effect January 1, 2022.~~)

1 NEW SECTION. **Sec. 6.** The provisions of RCW 82.32.805 and
2 82.32.808 do not apply to this act.

Passed by the House March 9, 2020.

Passed by the Senate March 5, 2020.

Approved by the Governor April 2, 2020.

Filed in Office of Secretary of State April 3, 2020.

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