

HOUSE BILL REPORT

HB 2892

*As Passed House
February 14, 1992*

Title: An act relating to property tax exemptions for organizations distributing funds for character-building, benevolent, protective, or rehabilitative social services directed at persons of all ages.

Brief Description: Providing property tax exemptions for charitable fund-raising organizations.

Sponsor(s): Representatives Wang, Brumsickle, Leonard, Wynne, Day, Fraser, J. Kohl, Paris, Dellwo, D. Sommers, Kremen, Brough, Bowman, Ludwig, Ferguson, Winsley, Forner, Wood, Carlson, Silver, Hochstatter, Horn, May, Mitchell, P. Johnson and Miller.

Brief History:

Reported by House Committee on:
Revenue, February 6, 1992, DP;
Passed House, February 14, 1992, 92-0.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *Do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; and Van Luven.

Staff: Rick Peterson (786-7150).

Background: The property of nonprofit charitable organizations is generally exempt from property tax if the property is used for a charitable purpose. Some of the exempt nonprofit organizations provide character-building, benevolent, protective and rehabilitative social services.

Nonprofit organizations that raise money for nonprofit charitable organizations are not exempt from property tax.

Summary of Bill: The property of certain volunteer nonprofit charitable fund-raising organizations is exempt from property tax. To qualify for the exemption the organization must:

1. Be organized for nonsectarian purposes;
2. Be affiliated with a state or national organization;
3. Be governed by a volunteer board of directors; and
4. Distribute donations to at least five other nonprofit nonsectarian organizations that provide character-building, benevolent, protective, or rehabilitative social services for persons of all ages.

Fiscal Note: Requested January 27, 1992.

Effective Date: Effective for taxes to be collected in 1993.

Testimony For: Most states exempt United Way type organizations from property tax. Passage will free up more funding for health and human services.

Testimony Against: None.

Witnesses: Rob Gibbs and Frank Hagel, United Way (both in favor).