

HOUSE BILL REPORT

SSB 5134

As Passed House

April 15, 1993

Title: An act relating to property taxation of real or personal property owned by nonprofit organizations, associations, and corporations in connection with a public assembly hall or meeting place or in connection with property owned by veterans and societies of veterans.

Brief Description: Allowing property owned by nonprofit organizations to be used for certain activities without loss of property tax exemption.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Haugen, Barr, Snyder, Oke, Winsley, Roach and Erwin).

Brief History:

Reported by House Committee on:
Revenue, April 5, 1993, DP;
Passed House, April 15, 1993, 96-0.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Cothorn; Leonard; Morris; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

Staff: Rick Peterson (786-7150).

Background: Nonprofit public assembly halls or meeting places and the property of veterans' organizations are exempt from property taxes.

The assembly hall or meeting place exemption is restricted to the buildings, the land under the buildings, and up to one acre of parking area. For essentially unimproved property, the exemption is limited to 29 acres. To qualify for exemption, the property must be used for public gatherings and be available to all organizations or persons desiring to use the property.

Neither exemption allows the property to be used for pecuniary gain or to promote business activities except for fund-raising activities of a nonprofit organization.

Summary of Bill: The property tax exemption for nonprofit public assembly halls and meeting places and property of veterans organizations is not lost by:

1. The use for pecuniary gain for periods of not more than three days in a year.
2. An inadvertent use of the property which is inconsistent with the purpose of the exemption if the use is not part of a pattern of use. An inadvertent use that is repeated in the same assessment year or in successive assessment years is presumed to be part of a pattern of use.

Fiscal Note: Available.

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

Testimony For: Community halls are gathering places in rural areas but it is hard to maintain the halls without the ability to generate a little money. Also, the inadvertent use of the hall in a manner inconsistent with the exemption should not disqualify it from exemption if it is done without knowledge of the rules.

Testimony Against: None.

Witnesses: Elsie Olkonen, Clinton Progressive Association; Melvin H. Olsen; and Marilyn Laubach, Harstine Island Women's Club and Community Club (all in favor).