

HOUSE BILL REPORT

SB 5835

As Reported By House Committee On:
Revenue

Title: An act relating to the taxation of public authorities.

Brief Description: Exempting certain public authority property from taxation.

Sponsors: Senators McAuliffe, Bluechel and McDonald.

Brief History:

Reported by House Committee on:
Revenue, April 5, 1993, DP.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass. Signed by 12 members:
Representatives G. Fisher, Chair; Holm, Vice Chair;
Anderson; Brown; Cothorn; Leonard; Morris; Romero; Rust;
Thibaudeau; Van Luven; and Wang.

Minority Report: Do not pass. Signed by 4 members:
Representatives Foreman, Ranking Minority Member; Fuhrman,
Assistant Ranking Minority Member; Silver; and Talcott.

Staff: Rick Peterson (786-7150).

Background: Public corporations, commissions, or authorities receive the same immunity or exemption from taxation as the cities or towns which form them. However, these entities must pay an in lieu excise tax on their real and personal property equal to the regular property taxes that would have been paid if the property were privately owned. Exempt from the tax is: (a) property within a special review district established by ordinance before January 1, 1976, or property listed on a state or federal register of historic sites, or property which is within a special review district listed on such a register, and (b) property owned or operated by a public corporation that is used primarily for low-income housing. Proceeds from the excise tax are distributed to the taxing districts in which the property is situated in the same manner as property taxes.

Summary of Bill: Property owned, operated, or controlled by a public corporation that is used as a convention center,

performing arts center, public assembly hall, or public meeting place is exempted from the in lieu excise tax.

Fiscal Note: Available.

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

Testimony For: The Bellevue Convention Center is the only convention center subject to tax. The center will bring visitors to the area, generate hotel/motel and sales tax revenues, and increase employment. This bill is key to the viability of the center.

Testimony Against: Bellevue residents were told by the Bellevue city council that their taxes would never be raised in support of this facility. Convention centers don't benefit the public, they only benefit the private businesses.

Witnesses: Geoffrey Bidwell, Bellevue Citizens Initiative; Jim Kenney; James Keefe; Joseph Finzimer; Cyrus Garnett; and Tom Grotte (all opposed). Robert Ford, East King County Conventions and Visitors Bureau; Chris Heaton, Bellevue City Council; Chuck Mize, City of Bellevue; and Judhi Chopping and Tom Kraft, Meydenbauer Center (all in favor).