

SENATE BILL REPORT

HB 1324

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 22, 1993

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

**SPONSORS:** Representatives Cothorn, Wood, G. Cole, Horn, Wang, Brumsickle, Ogden, Miller, Leonard, Brough, J. Kohl, Ludwig, Dellwo, Kremen, Basich, Jones, Chappell, Shin, Johanson, Rayburn and Mielke

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Cantu, Gaspard, Jesernig, Moyer, Quigley, Roach, Snyder, Sutherland, West, and Wojahn.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** March 22, 1993

**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. However, nonprofit organizations that raise money for nonprofit charitable organizations are not exempt from property tax.

**SUMMARY:**

The property owned by nonprofit organizations which is used to solicit gifts, donations, or grants 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 exempt from income tax under Section 501(c)(3) of the federal Internal Revenue Code;
4. Be governed by a volunteer board of directors; and
5. Use the gifts, donations, and grants for character-building, benevolent, protective, or rehabilitative social services for persons of all ages or distribute the gifts, donations, or grants to at least five other

nonprofit nonsectarian organizations that provide character-building, benevolent, protective, or rehabilitative social services for persons of all ages.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

This currently applies to the facility owned by United Way.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Representative Cothorn, sponsor (pro)