

HOUSE BILL REPORT

HB 1163

As Reported By House Committee On:
Natural Resources

Title: An act relating to tax exemption of public-owned property used by nonprofit organizations.

Brief Description: Providing a tax exemption for property used by nonprofit organizations for camping and recreational purposes.

Sponsors: Representatives Kremen, Goldsmith, Kessler, McMorris, Campbell, Basich, Thompson, Foreman, McMahan, Buck, Cooke, Mielke and Sheahan.

Brief History:

Committee Activity:

Natural Resources: 2/7/95, 2/8/95 [DP].

HOUSE COMMITTEE ON NATURAL RESOURCES

Majority Report: Do pass. Signed by 13 members: Representatives Fuhrman, Chairman; Buck, Vice Chairman; Pennington, Vice Chairman; Basich, Ranking Minority Member; Regala, Assistant Ranking Minority Member; Beeksma; Cairnes; Elliot; Jacobsen; Romero; Sheldon; Stevens and Thompson.

Staff: Rick Anderson (786-7114).

Background: Leasehold excise taxes are assessed to non-public entities that lease public building space. Because property taxes are not assessed on public places, the leasehold excise tax is assessed "in lieu" of a property tax.

Property owned by nonprofit, nonsectarian organizations used for character-building, benevolent, protective or rehabilitative social services directed at persons of all ages is exempt from property tax. When these nonprofit organizations lease public property they are exempt from the leasehold excise tax as long as the property is used for character-building, benevolent, protective or rehabilitative social services. If the property is used for a different purpose, the leasehold excise tax applies.

Summary of Bill: A leasehold excise tax exemption is provided to nonprofit, nonsectarian organizations providing character-building, benevolent, protective or rehabilitative social services directed at persons of all ages. The exemption applies

for property used to provide organized and supervised recreational activities for disabled persons in a camp facility as well as for public recreational purposes.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The exemption will apply to Camp Horizon in Whatcom County. This camp is on property owned by the county but the county cannot afford to operate it. The camp is leased for \$1 per year by a nonprofit foundation supported by many Lions Clubs. The camp is used for part of the year to provide recreational activities for disabled children. The rest of the year it is available to the public. The exemption is narrowly crafted because concerns have been raised over creating an exemption for public recreation purposes where there is no current exemption for these purposes.

Testimony Against: None.

Testified: Representative Pete Kremen, prime sponsor (in favor).