

# HOUSE BILL REPORT

## HB 2309

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### As Passed Legislature

**Title:** An act relating to notification of denial of property tax exemption.

**Brief Description:** Revising notification of denial of property tax exemption.

**Sponsors:** Representatives Thompson and Dunshee; by request of Department of Revenue.

**Brief History:**

**Committee Activity:**

Finance: 1/14/98, 1/15/98 [DP].

**Floor Activity:**

Passed House: 2/7/98, 93-0.

Passed Legislature.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** Do pass. Signed by 15 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Boldt; Butler; Conway; Kastama; Mason; Morris; Pennington; Schoesler; Thompson and Van Luven.

**Staff:** Rick Peterson (786-7150).

**Background:** All property in this state is subject to property tax each year based on the property's value unless a specific exemption is provided by law. Many property tax exemptions exist for nonprofit organizations.

All foreign national governments, churches, cemeteries, nongovernmental nonprofit corporations, organizations, and associations, private schools or colleges, and soil and water conservation districts are required to file an exemption application with the Department of Revenue by March 31 each year. The fee for the initial application is \$35 and the fee for the annual renewal declaration is \$8.75.

The Department of Revenue is required to review each exemption application by August 1. The department must tell applicants why their exemption was denied. The denial

notice must be sent by certified mail. Certified mail provides a mailing receipt. A record of delivery is kept at the recipient's post office. The cost is an additional \$1.35.

**Summary of Bill:** Property tax exemption denial notices may be sent by regular mail rather than certified mail.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on January 1, 1999.

**Testimony For:** This bill will create savings in postage and time and effort of Department of Revenue personnel. Certified mail does not mean that the letter goes to the person that needs to take action. The nonprofit organizations contacted see no problem with this change.

**Testimony Against:** None.

**Testified:** Representative Bill Thompson, sponsor; Jim Hedrick, Department of Revenue; and Sharon Foster, YMCA's of Washington and Council of Youth Agencies.