

HB 1756

Bill Analysis

March 4, 1997

Brief Description: Exempting nonprofit cancer centers from property tax.

Bill Sponsors: Representatives Delvin, Koster, Mitchell, Robertson, McMorris, Sheahan, Zellinsky, Smith, Van Luven, Thompson, O'Brien and Dunn.

Staff: Linda Brooks (786-7153)

Background: All property in this state is subject to the property tax each year based on the property's value unless a specific exemption is provided by law.

Several property tax exemptions exist for nonprofit organizations. Some exemptions apply only to property owned by a nonprofit organization, and other exemptions apply to property either owned or leased by a nonprofit. Examples of some nonprofit property tax exemptions are:

Character Building, Benevolent, Protective or Rehabilitative Social Service Organizations	Free Public Libraries
Churches and Church Camps	Orphanages
Youth Character Building Organizations	Nursing Homes
War Veterans' Organizations	Hospitals
Water Distribution Property	Homes for the Aging
Nonprofit Nature Conservancy Organization	Schools and Colleges
Public Assembly Halls	Day Care Centers
Medical Research or Training facilities	Radio/TV Rebroadcast Facilities
Art, Scientific, or Historical Collections or Facilities	Performing Arts Property
Sheltered Workshops	Homeless Shelters
Fair Associations	Outpatient Dialysis Facilities
Humane Societies	Blood Banks

Summary of Bill: All real or personal property owned or leased by a nonprofit organization in connection with a nonprofit cancer clinic is exempt from property tax. To receive an exemption, the following conditions must be met:

- 1) The clinic must be comprised of or have been formed by an organization qualified for exemption under section 501(c)(3) of the federal Internal Revenue Code, by a municipal hospital corporation, or by both;
- 2) The clinic must be operated by an organization qualified for exemption under section 501(c)(3) of the federal Internal Revenue Code; and
- 3) The property must be used primarily in connection with the prevention, detection, and treatment of cancer.
- 4) If the property is leased, the nonprofit organization must receive the benefit of the exemption (instead of the property owner.)

This property tax exemption applies not only to the medical facilities but also to administrative offices located within a clinic that are used exclusively in conjunction with the cancer treatment services provided.

The bill is effective for taxes levied for collection in 1998 and thereafter.

Fiscal Note: Available

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