

# HOUSE BILL REPORT

## SHB 2545

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**As Passed House:**

February 13, 1998

**Title:** An act relating to property tax exemptions for community radio stations.

**Brief Description:** Exempting community radio stations from property taxation.

**Sponsors:** By House Committee on Finance (originally sponsored by Representatives Radcliff, Dunshee, Scott, Thompson and D. Schmidt).

**Brief History:**

**Committee Activity:**

Finance: 1/28/98, 2/2/98 [DPS].

**Floor Activity:**

Passed House: 2/13/98, 98-0.

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### HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 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; Schoesler; Thompson and Van Luven.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Pennington.

**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:

#### **Property Tax Exemptions for Nonprofit Organizations**

**Exempt on Owned Property Only**

- Character Building, Benevolent, Protective or Rehabilitative Social Service Organizations
- Churches and Church Camps
- Youth Character Building Organizations
- War Veterans' Organizations
- Water Distribution Property
- Nonprofit Nature Conservancy Organization
- Public Assembly Halls
- Medical Research or Training facilities
- Art, Scientific, or Historical Collections
- Sheltered Workshops
- Fair Associations
- Humane Societies

**Exempt on Owned or Leased Property**

- Free Public Libraries
- Orphanages
- Nursing Homes
- Hospitals
- Homes for the Aging
- Schools and Colleges
- Day Care Centers
- Radio/TV Rebroadcast Facilities
- Performing Arts Properties
- Homeless Shelters
- Outpatient Dialysis Facilities
- Blood Banks

**Summary of Bill:** All real or personal property owned and used by certain nonprofit community public radio stations is exempt from property tax. A community public radio station owner must be someone other than a governmental entity or an educational institution in order to qualify for the exemption. The station must also hold a noncommercial FM broadcast license granted under federal regulations only to nonprofit educational organizations for the advancement of educational programs. A station holding one of these licenses may transmit programs directed to specific schools or school systems and educational, cultural, and entertainment programs to the public.

In order to qualify for the exemption, the community public radio station must also meet certain other nonprofit standards regarding compensation paid to officers, liquidation of assets, and other matters.

This property tax exemption applies to taxes levied in 1999 or thereafter.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill benefits three community radio stations that are located in Lynnwood, Spokane, and Granger. Commercial radio station broadcasters support this tax exemption. These community radio stations serve a need that the commercial stations do not meet.

**Testimony Against:** None.

**Testified:** Representative Renee Radcliff, sponsor; and Becky Bogard, WA State Association of Broadcasters (pro).