

SENATE BILL REPORT

SSB 6737

As Passed Senate, February 16, 1998

Title: An act relating to the property taxation of residential housing occupied by low-income developmentally disabled persons.

Brief Description: Regulating property taxation of residential housing occupied by low-income developmentally disabled persons.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Deccio, Wojahn, Wood, Patterson, West, Fraser, Thibaudeau, Morton, Schow, Winsley, Oke, Prentice, B. Sheldon and Rasmussen).

Brief History:

Committee Activity: Ways & Means: 2/9/98, 2/10/98 [DPS].
Passed Senate, 2/16/98, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6737 be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Long, Loveland, McDonald, Roach, Rossi, Schow, B. Sheldon, Snyder, Spanel, Swecker, Thibaudeau and Winsley.

Staff: Terry Wilson (786-7433)

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. The only class of property which is exempt by the state Constitution is that owned by the United States, the state, its counties, school districts, and other municipal corporations, but the state Constitution allows the Legislature to exempt other property from taxation.

Major property tax exemptions for nonprofit organizations include churches, hospitals, nursing homes, homes for the aging, blood banks, the Red Cross, private schools and colleges, sheltered workshops, day care centers, assembly halls and meeting places, libraries, and youth organizations.

Summary of Bill: All real and personal property owned or leased by a nonprofit organization qualified for exemption under section 501(c)(3) of the federal Internal Revenue Code to provide housing for eligible persons with developmental disabilities is exempt from property taxation.

The housing must be occupied by developmentally disabled persons whose adjusted gross incomes are 80 percent or less of the median income for the county, adjusted for family size.

For property that is leased, the benefit of the exemption must inure to the nonprofit organization.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: When Interlake Residential Center was closed, some residents went into private housing. There is a property tax exemption only if services are provided in addition to the housing. We need to provide homes for low-income developmentally disabled persons. This bill affects about 30 nonprofits serving 270 people. The budgets to build this housing are so thin that the housing trust fund is needed as a source of funds to build them, but HUD requires property tax exemption.

Testimony Against: None.

Testified: PRO: Dave Wood, Action for RHC's; Darryl Reber, Inland Empire Residential Resources; Jan Devar, CTED.