

# SENATE BILL REPORT

## SB 5674

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 18, 1999

**Title:** An act relating to tax exemptions for community health clinics.

**Brief Description:** Authorizing tax exemptions for community health clinics.

**Sponsors:** Senators Costa, Winsley, Kline, Kohl-Welles, Wojahn and Haugen.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/18/99 [DP-WM].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Costa, Franklin, Winsley.

**Staff:** Rhoda Jones (786-7198)

**Background:** Community and migrant health centers are nonprofit private corporations providing comprehensive health care throughout the state in both rural and urban settings. The services they provide include family medicine, internal medicine, pediatrics/gynecology and preventive dental services. They also are the sites for Women, Infant and Children (WIC) and nutrition services, translations services, and mental health and social work counsel for low-income populations.

Nearly 70 percent of the people served in these centers are below the federal poverty line and receive their medical services through Medicaid, the Basic Health Plan or are uninsured. For the uninsured, these clinics offer services on a sliding scale.

**Summary of Bill:** Community and migrant health centers are exempt from business and occupation taxes.

Retail sales taxes do not apply to the sales of materials, labor, and services used in the construction of community health care clinics.

Retail sales taxes also do not apply to the sales of medical equipment to a community health clinic, nor for the installation or maintenance of the equipment, nor for parts needed to run the equipment.

Use tax does not apply to materials and labor in the construction of health care facilities of a community health clinic, or on the use of medical equipment of a community health clinic.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This will allow us to serve more low-income clients in our health centers.

**Testimony Against:** None.

**Testified:** PRO: Gloria Rodriguez, WA Assn. of Community and Migrant Health Centers; Catherine Cadoo, Community Health Centers of King County.