

# SENATE BILL REPORT

## SB 5903

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As Reported By Senate Committee On:  
Ways & Means, March 1, 1999

**Title:** An act relating to authorizing tax, levy, and execution exemptions for properties of Indian housing authorities designated for low-income housing program uses.

**Brief Description:** Authorizing tax, levy, and execution exemptions for properties of Indian housing authorities for low-income housing programs.

**Sponsors:** Senators Prentice, Rasmussen and B. Sheldon.

**Brief History:**

**Committee Activity:** Ways & Means: 2/24/99, 3/1/99 [DPS].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5903 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Fairley, Fraser, Kline, Kohl-Welles, Long, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau and Winsley.

**Staff:** Terry Wilson (786-7433)

**Background:** Under the Native American Housing Assistance and Self-Determination Act, 25 U.S.C. Section 4111, the federal government provides grants to Indian tribes for low-income housing. As a condition to receiving the grant, the housing must be exempt from all real and personal property taxes, and the recipient of the grant must compensate the taxing districts for the costs of providing governmental services, including police and fire protection, roads, water and sewerage, and utilities. The grants must be expended within two years; however, it takes two to three years after the purchase of the property for it to be granted trust land status and be exempt from property taxes.

Under current law, city and county housing authorities and their property are exempt from all taxes and special assessments. Reimbursements for the cost of improvements or services provided may be made to any city, county, state, or political subdivision. Reimbursement cannot exceed the last annual tax levied by the taxing district. Real property of city and county housing authorities is exempt from levy and sale by virtue of an execution, and is not subject to judicial process except for mortgages and remedies to enforce any pledge or lien given on its rents, fees, or revenues.

**Summary of Substitute Bill:** Real property of tribal governments, tribal housing authorities, and intertribal housing authorities, including real property held in fee on trust land or within an Indian reservation or Indian housing service area, which has been expressly designated for use in tribal low-income housing, and personal property used in the operation and administration of tribal housing programs, are exempt from property taxes.

Reimbursements for the cost of improvements or services provided must be made to any city, county, state, or political subdivision. Reimbursement cannot exceed the tax that would otherwise be levied by the city, county, state, or political subdivision or payments made by other individual low-income users for the same services.

**Substitute Bill Compared to Original Bill:** The original bill provided the same treatment to tribal housing authorities as city and county housing authorities.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This is very helpful for small tribes and tribes with checkerboard reservations.

**Testimony Against:** None.

**Testified:** Diane Nelson, Suquamish Tribe (pro).