

FINAL BILL REPORT

HB 1073

C 169 L 03

Synopsis as Enacted

Brief Description: Modifying the collection of property taxes on land subleased for residential and recreational purposes.

Sponsors: By Representatives Haigh and Eickmeyer.

House Committee on Finance
Senate Committee on Ways & Means

Background:

Property owned by federal, state, or local governments is exempt from the property tax. Most private lessees of government property are subject to the leasehold excise tax. The purpose of the leasehold excise tax is to impose a tax burden on persons using publicly-owned, tax-exempt property similar to the property tax that they would pay if they owned the property.

Private leases of publicly owned land consisting of 3,000 or more lots that are or may be subleased for residential and recreational purposes are exempt from leasehold excise tax and are subject to property taxation. Property values are determined in the same manner as for privately owned property.

The sublessee of each lot pays the property tax on the lot and any buildings on the lot. Property taxes unpaid for more than three years are delinquent. The collection of delinquent property taxes proceeds in the same manner as for ordinary delinquent property taxes except that foreclosure proceedings take place only against the improvements on the lot.

Summary:

Foreclosure proceedings for delinquent property taxes against lots that are private leases of publicly owned land will take place against the sublease in addition to the improvement on the lot.

Votes on Final Passage:

House 85 0
Senate 43 0

Effective: July 27, 2003