

# FINAL BILL REPORT

## HB 1905

---

C 121 L 03

Synopsis as Enacted

**Brief Description:** Providing a limited property tax exemption.

**Sponsors:** By Representatives Gombosky, Buck, Lantz, Tom, Pettigrew, Rockefeller, Skinner, Fromhold, Benson, Kagi, Kessler, Clibborn, Nixon, Kenney, Moeller, Conway, Hudgins, Santos and McDermott.

**House Committee on Finance**  
**Senate Committee on Ways & Means**

### **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 non-profit organizations. Examples of non-profit property tax exemptions are: character building, benevolent, protective or rehabilitative social service organizations; churches and church camps; youth character building organizations; war veterans organizations; national and international relief organizations; federal guaranteed student loan organizations; blood, bone, and tissue banks; public assembly halls; medical research or training facilities; art, scientific, and historical collections; sheltered workshops; fair associations; humane societies; water distribution property; schools and colleges; radio/television rebroadcast facilities; fire company property; daycare centers; free public libraries; orphanages; nursing homes; hospitals; outpatient dialysis facilities; homes for the aging; day care centers; performing arts properties; homeless shelters; and blood banks.

Property tax exempt property must be used exclusively for the actual operation of the activity for which the exemption was granted. The property may be loaned or rented if (a) the rent received for the use of the property is reasonable and does not exceed maintenance and operation expenses, and (b) except for public assembly halls and war veterans organizations, the organization renting the property would be exempt from tax if it owned the property.

### **Summary:**

Non-profit associations that maintain and exhibit historical, scientific, or artistic collections and performing arts associations may retain their property tax exemption when they allow another organization that does not qualify for the property tax exemption to

use or rent their exempt property. The property may be used or rented for artistic, scientific, or historic purposes, for the production and performance of musical, dance, artistic, dramatic, or literary works, or for community gatherings or assembly, or meetings. The property may be used for these purposes for up to 25 days per year. For seven of these days the property may be used for profit making business activities.

**Votes on Final Passage:**

House 98 0

Senate 48 1 (Senate amended)

House 97 0 (House concurred)

**Effective:** July 27, 2003