

SENATE BILL REPORT

SB 6628

As Reported By Senate Committee On:
Economic Development, February 4, 2004

Title: An act relating to property tax exemptions for nonprofit organizations for small business incubators which assist in the creation and expansion of innovative small commercial enterprises.

Brief Description: Providing a property tax exemption for nonprofits that assist small businesses.

Sponsors: Senators T. Sheldon, Murray, Kastama, Esser, Winsley, Schmidt, Poulsen, Haugen, Rasmussen and Oke.

Brief History:

Committee Activity: Economic Development: 2/4/04 [DP-WM, DNP].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators T. Sheldon, Chair; Hale, Murray, Schmidt and Shin.

Minority Report: Do not pass.
Signed by Senator Benton.

Staff: Jack Brummel (786-7428)

Background: Property taxes apply to the assessed value of all taxable property, which includes all real and personal property located within the state, unless specifically exempt. Exemptions currently allowed include publicly-owned property, property owned by nonprofit organizations, household goods and personal effects.

Summary of Bill: A tax exemption is provided for real and personal property of those nonprofit organizations using the property to either: (1) assist startup and expanding businesses by providing education, training and employment of economically disadvantaged people; or (2) to provide shared equipment and work areas as well as technical assistance to entrepreneurs.

If the property ceases to be used by the nonprofit for the assistance of startup and expanding businesses, the county treasurer must collect all taxes which would have been paid had the property not been exempt during the previous three years.

The tax exemption is applied to taxes levied for collection beginning in 2005.

Appropriation: None.

Fiscal Note: Requested on February 2, 2004.

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

Testimony For: Incubators provide support and assistance to businesses. They make a big difference in business success. There is a role for a variety of incubators. Public investment generates big payoffs in new tax dollars. There are about 17 locations where new incubators are being considered in the state. Clallam County and Puyallup could both use financial help getting their incubators off the ground.

Testimony Against: None.

Testified: PRO: Lincoln Ferris, Tim Strege, WA Assoc. of Small Business Incubators; Jim Haguewood, Clallam Co. EDC; Gary Cohn, Port Angeles School District; Mike Doherty, Clallam Co. Bd. of Co. Commissioners; Audrey Chase; John Bankston, HUB Cont. Assoc.; Doug Levy, City of Puyallup.