

SENATE BILL REPORT

HB 2460

As Reported By Senate Committee On:
Ways & Means, March 03, 2008

Title: An act relating to the leasehold excise tax exemption for leasehold interests in specified amphitheater property.

Brief Description: Concerning the leasehold excise tax exemption for certain amphitheater property.

Sponsors: Representative Fromhold.

Brief History: Passed House: 2/13/08, 96-0.

Committee Activity: Ways & Means: 2/29/08, 3/3/08 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Rasmussen, Roach, Rockefeller, Schoesler and Tom.

Staff: Dianne Criswell (786-7433)

Background: All real and personal property is subject to property tax, unless a specific exemption is provided by law. Property owned by the United States, the state of Washington, counties, cities, and other local governments is exempt from property tax by the State Constitution.

The leasehold excise tax applies when persons or businesses use or lease publicly owned property. Because property tax is not levied on public property, leasehold excise tax is imposed in lieu of the property tax to ensure equity in taxation of all property. In general, the tax is measured by the contract rent. The rate of leasehold excise tax is 12.84 percent.

In 2005, the Legislature enacted a leasehold excise tax exemption for the public or entertainment areas of an amphitheater located on publicly-owned land with a seating capacity of at least 17,000. A private entity must be responsible for the cost of construction of the facility, but both the private lessee and the public lessor must regularly sponsor events at the amphitheater. Further, the facility must be located in a county with a population of at least 350,000 but no greater than 425,000.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A facility eligible for this exemption exists in Clark County. The current population of Clark County is 415,000 as of April 1, 2007. The population of the county will likely exceed the 425,000 limitation by 2008 or 2009.

Summary of Bill: The leasehold excise tax exemption for certain amphitheaters is amended to specify that the county population had to be within the indicated range at the time the facility first opened to the public.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Clark County population will soon exceed 425,000. This bill provides a necessary fix.

Persons Testifying: PRO: Joe King, Quincunx.