
Finance Committee

HB 2439

Brief Description: Exempting church property used by a nonprofit organization conducting activities related to a farmers market from property taxation.

Sponsors: Representatives Short, Ericks, Crouse, Orcutt, Johnson, Taylor, Ormsby, Angel, Chandler, Shea, Kretz, Chase, Williams, McCune, Smith and Bailey.

Brief Summary of Bill

- Exempts from property tax church property loaned or rented to a nonprofit organization for the purpose of a farmers market.

Hearing Date: 1/15/10

Staff: Susan Howson (786-7142).

Background:

All property in this state is subject to property tax each year based on the property's value unless a specific exemption is provided by law.

Several property tax exemptions exist for nonprofit organizations. Facilities of the following organizations are eligible for property tax exemptions: 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, 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.

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.

The property tax exemption available for churches is limited to five acres including grounds covered by the church, parsonage, convent, maintenance buildings, and parking. Unoccupied ground cannot exceed 1/3 acre (120 by 120 feet). Church property may be loaned or rented to nonprofit organizations for charitable purposes if the rent received for the use of the property is reasonable and does not exceed maintenance and operation expenses.

Summary of Bill:

Church property that is loaned or rented to a nonprofit organization for the purpose of a farmers market is exempt from property tax. A farmers market is a nonprofit organization that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in Washington directly to the consumer.

House Bill 2439 applies to taxes levied in 2011 and thereafter.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.