
Ways & Means Committee

SSB 6600

Brief Description: Extending property tax exemptions to property used exclusively by certain nonprofit organizations that is leased from an entity that acquired the property from a previously exempt nonprofit organization.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator Eide).

Brief Summary of Substitute Bill

- Establishes a property tax exemption for property owned by a church and leased to a youth character building organization.
- Provides a property tax exemption for an entity leasing property to a youth character building organization if the immediate previous owner had received an exemption and the benefit is passed on to the lessee.

Hearing Date: 3/7/12

Staff: Jeff Olsen (786-7175).

Background:

Property taxes apply to the assessed value of all taxable property unless specifically exempted. Several property tax exemptions exist for property owned by qualifying non-profit organizations including churches, youth character building organizations, benevolent and charitable organizations, veteran's organizations, and thrift stores that sell only donated merchandise. Property leased to a nonprofit organization engaged in youth character building activities are not exempt from property tax, unless that property is owned by an organization that is otherwise exempt from the property tax for the same purposes.

Summary of Bill:

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.

Property remains eligible for a property tax exemption for youth character building activities if the property is owned by a property tax exempt church that loans, leases, or rents the property to another organization for exempt purposes.

Property also remains eligible for a property tax exemption if:

- the property is owned by an entity formed exclusively for the purpose of leasing the property to an organization that will use the property for youth character building purposes;
- the property is leased to an organization that uses the property for the exempt purposes;
- the immediate previous owner of the property had received an exemption for the property; and
- the benefits of the exemption must be passed on to the lessee of the property.

Appropriation: None.

Fiscal Note: Available.

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