

# FINAL BILL REPORT

## HB 1163

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Synopsis as Enacted

**Brief Description:** Providing a tax exemption for property used by nonprofit organizations for camping and recreational purposes.

**Sponsors:** Representatives Kremen, Goldsmith, Kessler, McMorris, Campbell, Basich, Thompson, Foreman, McMahan, Buck, Cooke, Mielke and Sheahan.

**House Committee on Natural Resources**

**House Committee on Finance**

**Senate Committee on Ways & Means**

**Background:** Public property is not subject to property taxes. In lieu of a property tax, a leasehold excise tax is imposed on the lease of publicly-owned property to an entity that would have to pay property taxes on the leased property if the property were privately owned. The leasehold excise tax is not imposed on the lease of public property to an entity that would not have to pay property taxes on the leased property if it were privately owned.

Property owned by nonprofit, nonsectarian organizations used for character-building, benevolent, protective or rehabilitative social services directed at persons of all ages is exempt from property tax. When these nonprofit organizations lease public property they are exempt from the leasehold excise tax as long as the property is used for character-building, benevolent, protective or rehabilitative social services. If the property is used for a different purpose, the leasehold excise tax applies.

**Summary:** A leasehold excise tax exemption is provided to nonprofit, nonsectarian organizations providing character-building, benevolent, protective or rehabilitative social services directed at persons of all ages. The exemption applies for property used to provide organized and supervised recreational activities for disabled persons in a camp facility as well as for public recreational purposes.

**Votes on Final Passage:**

House	96	0
Senate	43	0

**Effective:** April 27, 1995