

HOUSE BILL REPORT

SB 6065

As Passed House - Amended:

April 13, 1999

Title: An act relating to providing an excise tax exemption for property owned, operated, or controlled by a public corporation if the property is used as a public esplanade, street, public way, public open space, park, public utility corridor, or view corridor for the general public or the property is used to implement an agreement or plan.

Brief Description: Providing an excise tax exemption for property owned, operated, or controlled by a public corporation.

Sponsors: Senators Wojahn and Winsley.

Brief History:

Committee Activity:

Finance: 3/30/99, 4/5/99 [DPA].

Floor Activity:

Passed House - Amended: 4/13/99, 95-0.

Brief Summary of Bill (As Amended by House Committee)

- Exempts from in-lieu property tax public development authority land that is used for public access purposes or acquired for remediation and redevelopment of blighted property.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 10 members: Representatives Dunshee, Democratic Co-Chair; Thomas, Republican Co-Chair; Carrell, Republican Vice Chair; Reardon, Democratic Vice Chair; Cairnes; Conway; Cox; Dickerson; Van Luven and Veloria.

Minority Report: Without recommendation. Signed by 2 members: Representatives Pennington and Santos.

Staff: Rick Peterson (786-7150).

Background:

Public corporations, commissions, or authorities created by counties, cities, or towns receive the same immunity or exemption from taxation as the cities or towns which form them. However, these entities must pay an excise tax on their real and personal property equal to the regular property taxes that would have been paid if the property were privately owned.

Exempt from the tax is: (a) property within a special review district established before January 1, 1976, or property listed on a state or federal register of historic sites, or property which is within a special review district listed on such a register, and (b) property owned or operated by a public corporation that is used primarily for low-income housing or that is used as a convention center, performing arts center, public assembly hall, or public meeting place.

Proceeds from the excise tax are distributed to the taxing districts in which the property is situated in the same manner as property taxes.

Summary of Amended Bill:

Exempt from the excise tax is property owned, operated, or controlled by a public corporation that:

- is used as a public esplanade, street, public way, public open space, park, public utility corridor, or view corridor for the general public, or
- is blighted property contaminated with hazardous substances that was acquired for the purpose of remediation and redevelopment of the property.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Tacoma purchased 30 acres of contaminated Foss Waterway property and created a public development authority (PDA). The PDA plan for development includes public space and private development. The property is currently exempt from tax, but the excise tax will apply when the property is

transferred to the PDA. Tacoma intends that most of the property would go back on the tax rolls. The exemption would then apply to the public areas.

Testimony Against: None.

Testified: Senator Wojahn, prime sponsor; and Randy Lewis, City of Tacoma.