

# Chapter 17

## Property Tax

# Property Tax Exemptions – General Information

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## Property taxation

Washington taxes all property unless the law specifically exempts the property. County treasurers collect property taxes for all taxing districts on a calendar year basis. Property taxes include:

- State property taxes, which help fund public schools.
- Local property taxes, which fund services and programs provided by counties, cities, and various districts, such as fire, school, and library.

The assessed value of real and personal property is public information. Estimates relying only on public information will show an impact even if fewer than three taxpayers are using an exemption. However, the department cannot release confidential income data and personal property asset lists. Estimates using confidential income data or asset lists with fewer than three taxpayers are confidential and will have a “CTI” for the impact.

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## Maximum tax rates

The law sets maximum tax rates for state and local property taxes, but usually, the taxing district’s budget creates limitations on total property taxes. For this reason, Washington’s property tax system is a budget-based property tax system for both state and local property taxes. Under a budget-based system, a property tax exemption shifts the tax to other property owners.

County assessors spread property taxes across the taxable property in the district based on the total value of taxable property in the district. This establishes the taxing district’s property tax rate. However, taxing districts overlap, so the law also limits an area's total property tax rate. The assessor decreases rates in a specific order based on the total rate for a given area.

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## Tax shifts

Exempting property from taxes results in a tax shift because the total property value in a district decreases by the value of the exempted property. This causes the property tax rate to increase when the assessor spreads the taxes across the remaining taxable property in a district. While the exempt taxpayer now pays no property taxes, the taxes shift to other taxpayers who pay more due to the increase in the rate. However, when the rate increases, it can hit the district's maximum allowable rate or the area's maximum allowable property tax rate. This results in a tax loss to the taxing districts because the rate cannot increase beyond the rate limitations.

When the Legislature repeals a property tax exemption, the total taxable property value increases, causing the property tax rate to decrease. This shifts taxes back to the exempt property owner, causing other taxpayers to pay less. If rate limitations reduced the rate prior to the removal of the exemption, repealing the property tax exemption may increase taxing district revenues.

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## Taxpayer Savings

Taxpayer savings, as shown in this report, represent the amount a taxpayer receiving an exemption saves by being exempt from the tax. Under a budget-based system, these taxes shift to other taxpayers; therefore, the taxpayer savings do not equal the revenue gain from a repeal of the exemption.

# Property Tax Exemptions – General Information

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## Assumptions

The property tax exemptions analyzed in this report use the following assumptions unless otherwise noted:

- The Economic and Revenue Forecast Council forecasts state property taxes to remain below the maximum tax rate. So, a repeal of a property tax exemption shifts state property taxes to exempt property owners and results in no potential revenue gain.
- Analyses of local property taxes show that with a repeal of a property tax exemption, 90% of local taxes would shift to exempt property owners, and 10% of local taxes would increase revenues for local taxing districts.
- Unless otherwise stated, the total value exempted grows at the same rate as the statewide market value as forecasted by the Economic and Revenue Forecast Council in the March 2023 forecast.
- Based on five years of state property tax collections, 52.36% occur in April, and 47.64% occur in October. When converting from calendar year to fiscal year, estimates assume taxpayer savings and potential revenue gains follow this trend.
- For local potential revenue gains, the Legislature repeals the property tax exemption beginning with property taxes due for calendar year 2025, so the estimated local potential revenue gains for fiscal year 2025 include only the increase in April 2025 collections.

# 35.21.755 - Public corporations

**Description** Public corporations, commissions, and authorities must pay an in-lieu excise tax equal to what the property tax would be if a private owner owned the property.

- Certain properties are exempt from this in-lieu tax including property:
- Located in a special review district established prior to January 1, 1976.
  - Listed on a federal or state register of historical sites.
  - Used primarily for low-income housing, as a convention center, performing arts center, public assembly hall, public meeting place, public esplanade, street, public way, public open space, park, public utility corridor, or public view corridor.
  - Considered blighted property acquired by a public corporation for remediation purposes.
  - Used for transit purposes by a regional transit authority.

Certain historical properties are exempt from leasehold excise taxes.

**Purpose** Supports social benefits provided by community resources and encourages owners to retain historical property.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions** The law no longer requires county assessors to assess government owned property; therefore, these estimates are indeterminate.

**Data Sources** Survey of county assessor offices

## 35.21.755 - Public corporations

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1974
<b>Primary Beneficiaries:</b>	Public Housing Authorities, Preservation and Development Authorities, Meydenbauer Convention Center in Bellevue, Thea Foss Esplanade in Tacoma, and the Regional Transit Authority
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2016

## 82.48.110 - General aviation

**Description** Provides a property tax exemption for general aviation aircraft when aircraft excise tax is paid.

**Purpose** To eliminate double taxation.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$3.931	\$4.026	\$4.123	\$4.223
Local Taxes	\$11.627	\$12.278	\$12.967	\$13.696

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.360	\$0.705	\$0.740

**Assumptions**

- The total estimated exempt value is \$1.8 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$4.3 million in state property taxes to exempt property owners and shifts an estimated \$12.3 million in local property taxes in fiscal year 2026.

**Data Sources**

- Department of Transportation, Aircraft registration data
- Yahoo Finance, Aviation Year-Over-Year Value Increases Cooling Off
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1949
<b>Primary Beneficiaries:</b>	Owners of general aviation aircraft registered with the Department of Transportation
<b>Taxpayer Count:</b>	7,395
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2009 and expedited review completed in 2019

# 84.14.020 - Multi-unit urban housing

**Description** Real property associated with the construction, conversion or rehabilitation of qualified, multi-unit residential structures located in targeted residential areas contained within an urban center or urban growth area are exempt from property tax for up to 8, 12, or 20 years, depending on qualifications. Cities with a population of 5,000 or more are eligible to establish the target areas; smaller cities may participate if they are the largest city or town located in a county that is required to plan under the Growth Management Act. Or, until December 31, 2026, in any city where certain minimum building density requirements are met.

For properties that received and satisfied the conditions of an 8- or 12-year exemption may qualify for an extension for an additional 12 years, following the initial exemption period.

The value of the land and any improvements constructed prior to the submission of the exemption application are not exempt.

At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction as though the property was not exempt under this chapter.

**Purpose** Encourages the development of multiple-unit housing including creating additional affordable housing, encouraging urban development and density, increasing market rate workforce housing, developing permanently affordable housing opportunities, promoting economic investment and recovery, and creating family-wage jobs.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$33.759	\$34.573	\$35.406	\$36.271
Local Taxes	\$99.865	\$105.454	\$111.367	\$117.623

**Repeal of exemption** Under a budget-based system, repealing a property tax exemption would normally not increase revenue. The repeal would just shift the property tax to the currently exempt taxpayers. However, portions of the currently exempt value were never added to the property tax roll. If this exemption was repealed, the value not yet added to the property tax roll would be added as new construction thereby increasing revenue. Any exempt value already added to the property tax roll would result in a shift of property taxes to the property owners currently receiving this exemption.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$3.090	\$6.055	\$6.356

# 84.14.020 - Multi-unit urban housing

### Assumptions

- Total estimated exempt value is \$15.5 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$36.6 million in state property taxes to exempt property owners and shifts an estimated \$105.3 million in local property taxes in fiscal year 2026.
- Assessors would add a portion of the currently exempt property to the tax roll as new construction, adding to the levy capacity for both state and local property tax levies. The amount of value added to the tax roll is unknown and therefore the revenue gains are indeterminate and excluded from these estimates.

### Data Sources

- Survey of county assessor offices
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1995
<b>Primary Beneficiaries:</b>	The owners of qualifying multi-unit residential structures
<b>Taxpayer Count:</b>	1,300
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2019



# 84.14.021 - Multi-family housing in urban area

**Description**

Real property associated with the construction, conversion or rehabilitation of qualified, multi-unit residential structures may be exempt from property tax for 20 years. For the property to qualify for the exemption, at least 25% of the units must be sold to a qualified nonprofit or local government partner that will assure permanent affordable homeownership. The remaining 75% of units may be rented or sold at market rates. The property must also be located in a targeted residential area contained within an urban growth centers Cities with a population of 5,000 or more are eligible to establish the target areas; smaller cities may participate if they are the largest city or town located in a county that is required to plan under the Growth Management Act. Or, until December 31, 2026, in any city where certain minimum building density requirements are met.

The value of the land and any improvements constructed prior to the submission of the exemption application are not exempt.

At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction as though the property was not exempt under this chapter.

**Purpose**

Encourages the development of multiple-unit housing including creating additional affordable housing, encouraging urban development and density, increasing market rate workforce housing, developing permanently affordable housing opportunities, promoting economic investment and recovery, and creating family-wage jobs.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Under a budget-based system, repealing a property tax exemption would normally not increase revenue. The repeal would just shift the property tax to the currently exempt taxpayers. However, portions of the currently exempt value were never added to the property tax roll. If this exemption was repealed, the value not yet added to the property tax roll would be added as new construction thereby increasing revenue. Any exempt value already added to the property tax roll would result in a shift of property taxes to the property owners currently receiving this exemption.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

## 84.14.021 - Multi-family housing in urban area

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- Assumptions**
- There are no known properties receiving this exemption.
  - No one completes a project and applies for this exemption during the period of this study.
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- Data Sources**
- Survey of county assessor offices
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**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2021
<b>Primary Beneficiaries:</b>	The owners of qualifying multi-unit residential structures
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

# 84.25.040 - Targeted urban industrial or manufacturing new construction

**Description** The new construction value of qualifying industrial or manufacturing facilities is exempt from certain levies. This exemption does not apply to the state property tax levy. It only applies to county property taxes with the approval of the governing body of that county. The exemption is valid for 10 years and no new application may be made after December 31, 2030.

At the conclusion of the exemption period, the new industrial/manufacturing facilities cost must be considered as new construction for the purposes of levy calculations.

**Purpose** To promote new manufacturing and industrial uses on undeveloped or underutilized lands zoned for industrial and manufacturing uses.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.066	\$0.067	\$0.067	\$0.068

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.067	\$0.067	\$0.068

- Assumptions**
- Total estimated exempt value is \$12.0 million.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - This exemption does not apply to state property taxes.
  - No additional properties will use this exemption during the forecasted period.
  - Since these improvements were never added to the tax roll, if the exemption were repealed it will result in a revenue gain for local districts.

- Data Sources**
- Survey of county assessor offices
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.25.040 - Targeted urban industrial or manufacturing new construction

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### Additional Information

Additional Information	
<b>Category:</b>	Industrial
<b>Year Enacted:</b>	2015
<b>Primary Beneficiaries:</b>	Businesses building industrial or manufacturing facilities
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None known
<b>JLARC Review:</b>	Full review completed in 2021

# 84.26.070 - Historic property rehabilitation

**Description** Eligible historic property may receive a special valuation upon approval of the owner’s application. The property may have a 10-year special valuation by subtracting rehabilitation costs that exceed 25% of historic property from the assessed value.

A historic property is also eligible for two seven-year extensions of the special valuation if located in a county that is listed as a distressed area and in a city with less than 20,000 in population, and if the property continues to meet the special valuation criteria.

**Purpose** Encourages the renovation of historic buildings while preserving their architectural and cultural value.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.530	\$2.557	\$2.583	\$2.611
Local Taxes	\$7.485	\$7.798	\$8.125	\$8.466

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.227	\$0.442	\$0.457

- Assumptions**
- The total estimated exempt value is \$1.2 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$2.7 million in state property taxes to exempt property owners and shifts an estimated \$7.7 million in local property taxes in fiscal year 2026.

- Data Sources**
- Joint Legislative Audit and Review Committee
  - Survey of county assessor offices
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.26.070 - Historic property rehabilitation

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1985
<b>Primary Beneficiaries:</b>	Owners of historic property who rehabilitate the structure
<b>Taxpayer Count:</b>	400
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2023

## 84.33.040 - Timber

**Description** Timber is exempt from property tax.

**Purpose** Simplifying the taxation of timber.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.690	\$2.755	\$2.821	\$2.890
Local Taxes	\$7.958	\$8.403	\$8.874	\$9.374

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.246	\$0.483	\$0.507

**Assumptions**

- The total estimated exempt value is \$1.2 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the timber excise tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$2.9 million in state property taxes to exempt property owners and shifts an estimated \$8.4 million in local property taxes in fiscal year 2026.

**Data Sources**

- Department of Revenue, Timber excise tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	Owners of timber and those with contracts to harvest timber
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2010 and 2023

# 84.33.140 - Forest land, statutory values

**Description** This law provides a statutory formula to calculate the taxable value for forest lands as bare timber land without considering the highest and best use of the land or the standing timber.

**Purpose** Encourages the retention of private land in timber production and provides uniformity in the valuation of forest land.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$11.667	\$11.788	\$11.911	\$12.037
Local Taxes	\$34.509	\$35.952	\$37.461	\$39.029

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.047	\$2.037	\$2.109

- Assumptions**
- The total estimated exempt value is \$5.4 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$12.3 million in state property taxes to exempt property owners and shifts an estimated \$35.4 million in local property taxes in fiscal year 2026.

- Data Sources**
- Department of Revenue, Property tax data
  - Survey of county assessor offices
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023



## 84.33.140 - Forest land, statutory values

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### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	Owners of designated forest land
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.33.140(13,14) - Forest land compensating tax

### Description

When removing forest land from the designated forest land program, landowners must pay a compensating tax due to the lower land valuations associated with this program. This statute waives the compensating tax for removing forest land in the following situations:

- Transferring the land to a government entity in exchange for other forest land in Washington.
- Taking the land through eminent domain or threat of eminent domain.
- Donating the title, development rights, or right to harvest to a government agency or organization.
- Selling or transferring the land to a government entity or nonprofit nature conservancy for conservation purposes, such as state natural area preserve purposes.
- Transferring the land to the parks and recreation commission.
- Official action by a Washington state agency or the county or city in which the land is located that disallows the present use of the land,
- Creating or transferring a forestry riparian easement.
- Creating or transferring a conservation easement of private forest lands within a migration zone or containing critical habitat for threatened or endangered species.
- Transferring the land within two years of the death of the owner of at least 50% interest in the land and if the land was classified continuously since 1993.
- Discovering that the land designation is in error through no fault of the owner.

This statute also waives the compensating tax for removing forest land from the designated forest land program in a county with a population of more than 600,000 or in a county with a population of at least 245,000 that borders Puget Sound if the land transfers to a government entity or nonprofit historic preservation or nature conservancy organization. The organization must use the land to protect or enhance public resources, or preserve, maintain, improve, restore, limit the future use of, or otherwise conserve for public use or enjoyment.

### Purpose

Encourages land transfers for conservation purposes and avoids penalizing owners for events that occur outside of their control under certain circumstances.

### Taxpayer savings

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.254	\$0.266	\$0.287	\$0.306
Local Taxes	\$0.648	\$0.680	\$0.735	\$0.782

### Repeal of exemption

Normally a repeal of a property tax exemption results in a shift of property taxes. However, this is a repeal of a compensating tax exemption, which results in a revenue gain for both state and local taxes.

## 84.33.140(13,14) - Forest land compensating tax

Potential revenue gains from full repeal

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.127	\$0.287	\$0.306
Local Taxes	\$0.000	\$0.324	\$0.735	\$0.782

### Assumptions

- The total estimated exempt value is \$9.7 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption does not shift state or local taxes.

### Data Sources

- Survey of county assessor offices
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	Owners of property that has been removed from the designated forest land classification
<b>Taxpayer Count:</b>	30
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2010 and 2023

## 84.33.140(15) - Designated forest land removal due to natural disaster

**Description** The compensating tax authorized in this section may not be imposed on land removed from designation as forestland solely as a result of a natural disaster such as a flood, windstorm, earthquake, wildfire, or other such calamity rather than by virtue of the act of the landowner changing the use of the property.

**Purpose** Provides economic relief to property owners when their real property has been removed from designation as forestland due to a natural disaster.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Normally a repeal of a property tax exemption results in a shift of property taxes. However, this is a repeal of a compensating tax exemption, which results in a revenue gain for both state and local taxes.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

Of the counties responding to our survey, none reported use of this exemption. Taxpayers may use this exemption in the future, but the impact to state revenue is likely minimal and the impact to local revenue would depend on the size of the disaster.

**Data Sources**

Survey of county assessor offices

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	2017
<b>Primary Beneficiaries:</b>	Forest property owners suffering a natural disaster
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.33.210(1) - Forest land special assessments

**Description** Special benefit assessments do not apply to designated forest lands. This exemption applies to assessments by local improvement districts that may include forest land, as well as special benefit assessments for projects such as sewer systems, domestic water supply and road improvements. Neither local jurisdictions nor improvement districts are obligated to provide these services to the exempt forest land. However, the landowner may waive the exemption, pay the assessment, and receive the services.

**Purpose** To exclude designated forest land from special benefit assessments. To reduce the obligation of local jurisdictions and improvement districts to provide services to exempt forest land.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this exemption would increase local revenues. Improvement districts levy only at the local level, so there would be no revenue change to the state.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Minimal	Minimal	Minimal

**Assumptions**

Of the counties responding to our survey, none reported use of this exemption. Any impacts to local revenue are likely minimal.

**Data Sources**

Survey of county assessor offices

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1992
<b>Primary Beneficiaries:</b>	Owners of designated forest land
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

## 84.34.020(2) - Qualifying land used for growing plants in containers

**Description** In 2014, the definition of “farm and agricultural land” expanded the current use program to include qualifying land used for horticultural purposes to allow the growing of plants in containers.

**Purpose** Supports plant nurseries that are increasingly growing plants in containers.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. A repeal may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** Qualifying land used for growing plants in containers is defined as farm and agricultural land, which is assessed at its current use value. This impact is part of the impact of assigning current use value to farm and agricultural land.

**Data Sources** Department of Revenue, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	1973
<b>Primary Beneficiaries:</b>	Owners of qualifying nurseries that grow plants primarily in containers.
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

# 84.34.060 - Open space land, current use

**Description** Open space land and timber land in the current use program are valued based only on the use of the property and does not include potential uses of the property. Open space land in the current use program is valued using either a public benefit rating system (PBRS) no lower than the lowest per acre value of farm and agricultural land in the county if a PBRS does not exist. Timber land in the current use program is valued in the same way as designated forest land, using land grades and operability classes.

**Purpose** Encourages the owners of open space and timber lands to keep the property in its natural state by valuing the land as it is currently being used rather than its highest and best use.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$5.503	\$5.586	\$5.672	\$5.760
Local Taxes	\$16.289	\$17.076	\$17.905	\$18.776

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.493	\$0.958	\$0.992

- Assumptions**
- The total estimated exempt value is \$2.5 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption results in a state levy shift of an estimated \$5.9 million and a local levy shift of an estimated \$17 million in fiscal year 2026.

- Data Sources**
- Department of Revenue, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.34.060 - Open space land, current use

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1970
<b>Primary Beneficiaries:</b>	Owners of open space and timberlands
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	Land preservation could be considered inconsistent with economic development and urban renewal programs
<b>JLARC Review:</b>	No review completed



# 84.34.065 - Farm lands, current use

**Description** Productive capacity determines the taxable value of farm and agricultural land in the current use program. Productive capacity is defined as the net cash rental capitalized at a rate of interest charged on a farm mortgage plus a component for property taxes. While market value based on highest and best use determines the taxable value of most other property, farm and agricultural land has a reduced taxable value in Washington.

The current use value of the land where the farm owner or employees reside is based on the prior year’s average value of farm and agricultural land in the current use program for the county plus the value of land improvements that serve the residence.

**Purpose** Encourages owners of farm and agricultural land to continue using the land for agricultural purposes.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$47.014	\$48.148	\$49.309	\$50.513
Local Taxes	\$139.077	\$146.860	\$155.095	\$163.808

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$4.304	\$8.433	\$8.851

- Assumptions**
- The total estimated exempt value is \$21.6 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$51.0 million in state property taxes to exempt property owners and shifts an estimated \$146.7 million in local property taxes in fiscal year 2026.

- Data Sources**
- Survey of county assessor offices
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.34.065 - Farm lands, current use

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### Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1973
Primary Beneficiaries:	Owners of farm and agricultural lands
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	No review completed

# 84.34.108(6) - Open space land classification removal - additional tax, interest, and penalty

**Description** Landowners pay additional tax when removing land from the current use program to reimburse the county for past taxes lost due to the low land value associated with the program. This statute waives the additional tax for removing land from current use in the following situations:

- Transferring to a government entity in exchange for other land in Washington.
- Taking the land through eminent domain.
- Natural disaster- flood, windstorm, earthquake, wildfire, or other such calamity- changing the use of the property.
- Official action by a Washington agency or the county or city in which the land is located that disallows the present use of the land.
- Transferring to a church.
- Transferring to a government agency or organization in order to conserve the land for future use.
- Removing land classified as farm and agricultural land that houses farm employees or the principal residence of the farmer.
- Removing land if a new statute qualifies it for exemption.
- Creating or transferring a forestry riparian easement.
- Creating or transferring a conservation easement of private forest lands within a migration zone or containing critical habitat for threatened or endangered species.
- Selling the land within two years of the death of the owner if the land was classified as timber land continuously since 1993.
- Discovering that the land designation is in error through no fault of the owner.

**Purpose** Avoids penalizing landowners in the current use program for a change in use under certain circumstances, with the exception of an error through no fault of the owner, change in uses compatible with the purpose of the current use program, or where the property becomes fully exempt upon transfer to a church or upon qualifying under a new exemption.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.723	\$0.782	\$0.833	\$0.880
Local Taxes	\$3.472	\$3.758	\$4.004	\$4.227

**Repeal of exemption** Normally a repeal of a property tax exemption results in a shift of property taxes. However, this is a repeal of a compensating tax exemption, which results in a revenue gain for both state and local taxes.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$3.758	\$4.004	\$4.227

# 84.34.108(6) - Open space land classification removal - additional tax, interest, and penalty

- Assumptions**
- The total estimated exempt value is \$39.8 million.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.

- Data Sources**
- Survey of county assessor offices
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1973
<b>Primary Beneficiaries:</b>	Owners of open space lands sold under certain circumstances
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011

## 84.36.010(1) - Second Narrows bridge

**Description** A property tax exemption is provided for state route 16 corridor transportation systems and facilities constructed.

**Purpose** This exemption is intended to exempt any private property used in conjunction with construction and operation of the second Narrows bridge in Pierce County which will span Puget Sound. When adopted, the exemption was predicated upon the assumption that the bridge would be built with private funding until construction was complete and subsequently deeded to the state. This exemption was therefore intended to lower the overall cost of the project to enhance the likelihood of private investors funding the cost of construction.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing this property tax exemption would not increase revenues. There is no private property in use on the second Narrows Bridge Project at this time.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

There is no private property in use on the second Narrows Bridge. We expect no usage during the forecasted period of this study.

**Data Sources**

Department of Revenue, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1998
<b>Primary Beneficiaries:</b>	None
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 84.36.010(1) - Cities and towns

**Description** Real and personal property owned by municipalities is exempt from property taxation.

**Purpose** Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$173.860	\$175.670	\$177.504	\$179.374
Local Taxes	\$514.258	\$535.764	\$558.261	\$581.629

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$15.604	\$30.355	\$31.430

**Assumptions**

- The total estimated exempt value is \$80.6 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption results in a state levy shift of an estimated \$183.6 million and a local levy shift of an estimated \$527.9 million in fiscal year 2026.
- If this exemption is repealed the Constitution will be amended.
- The value of city and town government facilities per general employee is the same as the State of Washington facility value per general employee.
- Of county and municipal timber and forest land, 95% is owned by the county and 5% by cities and towns.

**Data Sources**

- U.S. Forest Service, Forest inventory by state
- Employment Security Department, Covered employment
- Department of Transportation, Annual mileage and travel information
- Office of the State Auditor, Local Government Financial Reporting System, Total financial summary
- Office of Financial Management, Comprehensive annual financial report
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023
- County Assessor, Abstract data

## 84.36.010(1) - Cities and towns

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### Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Cities and towns
Taxpayer Count:	300
Program Inconsistency:	None evident
JLARC Review:	No review completed

## 84.36.010(1) - Community centers, nonprofits

**Description** Property tax does not apply, for 40 years, to surplus property and buildings of a school district acquired by a nonprofit organization that uses the property as a community center.

**Purpose** Supports the social benefits these nonprofit organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.105	\$0.108	\$0.110	\$0.113
Local Taxes	\$0.311	\$0.328	\$0.347	\$0.366

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.009	\$0.019	\$0.020

**Assumptions**

- The total estimated exempt value is \$48.4 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$115,000 in state property taxes to exempt property owners and shifts an estimated \$330,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	2007
<b>Primary Beneficiaries:</b>	Nonprofit community centers
<b>Taxpayer Count:</b>	4
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed



## 84.36.010(1) - County government

**Description** Real and personal property owned by county government is exempt from property taxation.

**Purpose** Property of a county government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$198.147	\$200.210	\$202.300	\$204.431
Local Taxes	\$586.097	\$610.606	\$636.245	\$662.878

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$17.784	\$34.596	\$35.820

**Assumptions**

- The total estimated exempt value is \$91.8 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption results in a state levy shift of an estimated \$209.2 million and a local levy shift of an estimated \$601.7 million in fiscal year 2026.
- If this exemption is repealed the state constitution will also be amended.
- The value of county government facilities per general employee is the same as the state's facility value per general employee.
- Dirt roads make up a large share of county road miles, so the value of county roads per mile is half the value of state-owned roads per mile.
- Of county and municipal timber and forest land, 95% is owned by the county and 5% by cities and towns.

## 84.36.010(1) - County government

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- Data Sources**
- U.S. Forest Service, Forest inventory by state
  - Employment Security Department, Covered employment
  - Department of Transportation, Annual mileage and travel information
  - Office of the State Auditor, Local Government Financial Reporting System, Total financial summary
  - Office of Financial Management, Comprehensive annual financial report
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
  - County Assessor, Abstract data
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**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1889
<b>Primary Beneficiaries:</b>	Counties
<b>Taxpayer Count:</b>	39
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Federal government

**Description** Real and personal property owned by the federal government is exempt from property taxation.

**Purpose** Property of the federal government is exempt under the Washington Constitution, except to the extent that Congress specifically allows such taxation, which it has rarely done. The federal government does make certain payments in lieu of property taxes, e.g., for federal forest lands.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$138.444	\$139.885	\$141.345	\$142.834
Local Taxes	\$409.501	\$426.625	\$444.539	\$463.147

**Repeal of exemption**

Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- Total estimated exempt value is \$63.3 billion.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.
- The value of federal government facilities per federal general employee is the same as the Washington facility value per Washington general employee.

**Data Sources**

- U.S. Forest Service, Forest inventory by state
- Employment Security Department, Covered employment
- Department of Transportation, Other public and lane road miles
- Office of Financial Management, Comprehensive annual financial report
- U.S. Department of Defense, Base structure report
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023
- County Assessor, Abstract data

## 84.36.010(1) - Federal government

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1854
<b>Primary Beneficiaries:</b>	The U.S. government and its agencies and instrumentalities
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Fire districts

**Description** Real and personal property owned by fire districts is exempt from property taxation.

**Purpose** Property of municipal corporations, such as fire districts, is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.789	\$0.808	\$0.828	\$0.848
Local Taxes	\$1.024	\$1.035	\$1.044	\$1.051

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.214	\$0.419	\$0.440

**Assumptions**

- The total estimated exempt value is \$1.17 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$2.4 million in state property taxes to exempt property owners and shifts an estimated \$625,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Fire district valuation data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.010(1) - Fire districts

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1933
<b>Primary Beneficiaries:</b>	Fire protection districts
<b>Taxpayer Count:</b>	348
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Foreign consulates

**Description** Property owned by a foreign national government, or an international commission is exempt from property taxation. To qualify, the property must serve exclusively as an office or residence for a consul or official representative of that nation and the consul or representative must be a citizen of that nation.

**Purpose** Follows the principle of reciprocity, whereby a foreign nation will not tax the property of a U.S. consulate if it is used and maintained by U.S. nationals.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.075	\$0.076	\$0.077	\$0.078
Local Taxes	\$0.223	\$0.232	\$0.242	\$0.252

**Repeal of exemption** Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- Total estimated exempt value is \$34.4 million.
- Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.

**Data Sources**

- Survey of county assessor offices
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1967
<b>Primary Beneficiaries:</b>	Foreign governments
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Port districts

**Description** Real and personal property owned by port districts is exempt from property taxation.

**Purpose** Property of a municipal corporation, such as a port district, is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$34.066	\$34.420	\$34.780	\$35.146
Local Taxes	\$100.762	\$104.976	\$109.384	\$113.962

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$3.057	\$5.948	\$6.159

**Assumptions**

- The total estimated exempt value is \$15.6 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$36.0 million in state property taxes to exempt property owners and shifts an estimated \$103.4 million in local property taxes in fiscal year 2026.
- If this exemption is repealed the Constitution will be amended.
- The relationship between revenue and expenditures to property value of Tacoma and Seattle ports are similar for all other Washington ports.



## 84.36.010(1) - Port districts

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- Data Sources**
- Washington Public Ports Association
  - Port of Seattle, Comprehensive annual financial report
  - Port of Tacoma, Annual financial report
  - Office of the State Auditor, Local Government Financial Reporting System, Total financial summary
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1911
<b>Primary Beneficiaries:</b>	Public port districts
<b>Taxpayer Count:</b>	81
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Public colleges & universities

**Description** Real and personal property owned by public colleges and universities is exempt from property taxation. In addition, property leased to an institution of higher education by a nonprofit foundation established for the exclusive support of the institution is exempt.

**Purpose** Property of the state government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$55.704	\$56.284	\$56.872	\$57.471
Local Taxes	\$164.766	\$171.657	\$178.864	\$186.352

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$4.999	\$9.726	\$10.070

**Assumptions**

- Total estimated exempt value is \$25.8 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$58.9 million in state property taxes to exempt property owners and shifts an estimated \$169.1 million in local property taxes in fiscal year 2026.
- If this exemption is repealed the Constitution will be amended.
- The estimated assessed value is the estimated land value plus the book building value plus the book equipment value.

**Data Sources**

- National Center for Education Statistics - Integrated Postsecondary Education Data System
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.010(1) - Public colleges & universities

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1889
<b>Primary Beneficiaries:</b>	Colleges and universities
<b>Taxpayer Count:</b>	42
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Public K-12 schools

**Description** Real and personal property owned by school districts is exempt from property taxation.

**Purpose** Property of school districts is exempt under the Washington Constitution. This reflects a longstanding legislative policy not to tax publicly owned property.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$240.265	\$242.766	\$245.301	\$247.885
Local Taxes	\$710.675	\$740.395	\$771.485	\$803.778

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$21.563	\$41.950	\$43.434

- Assumptions**
- Total estimate exempt value is 109.8 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$253.6 million in state property taxes to exempt property owners and shifts an estimated \$729.5 million in local property taxes in fiscal year 2026.
  - If this exemption is repealed the Constitution will be amended.

- Data Sources**
- Office of Superintendent of Public Instruction, Information and conditions of schools
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.36.010(1) - Public K-12 schools

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1889
<b>Primary Beneficiaries:</b>	Approximately 2,100 campuses of the 295 public school districts
<b>Taxpayer Count:</b>	295
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Public utility districts

**Description** Real and personal property owned by public utility districts, which are municipal corporations, is exempt from property taxation. However, public utility districts must pay a privilege tax in lieu of property tax based on the electricity they generate and distribute or based on the water and/or sewer services they provide.

**Purpose** Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$37.982	\$38.377	\$38.778	\$39.187
Local Taxes	\$112.346	\$117.044	\$121.959	\$127.065

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$3.409	\$6.631	\$6.866

**Assumptions**

- Total estimated exempt value is \$17.6 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$40.2 million in state property taxes to exempt property owners and shifts an estimated \$115.3 million in local property taxes in fiscal year 2026.
- Assume utility plant value per gallon is the same for both water & sewer.
- If this exemption is repealed the Constitution will be amended.

**Data Sources**

- Washington Public Utility Districts Association, 2022 Sourcebook
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.010(1) - Public utility districts

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1931
<b>Primary Beneficiaries:</b>	Nonprofit utilities that provide electricity, water, wastewater services, and wholesale telecommunications
<b>Taxpayer Count:</b>	28
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - State government

**Description** Real and personal property owned by the state is exempt from property taxation.

**Purpose** Property of the state government is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$106.569	\$107.678	\$108.803	\$109.949
Local Taxes	\$315.219	\$328.401	\$342.191	\$356.514

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase. A repeal of this exemption would require an amendment to Article VII of the Washington State Constitution.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$9.565	\$18.607	\$19.265

**Assumptions**

- Total estimated exempt value is \$49.4 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$112.6 million in state property taxes to exempt property owners and shifts an estimated \$323.6 million in local property taxes in fiscal year 2026.
- If this exemption is repealed the Constitution will be amended.

**Data Sources**

- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023
- Office of Financial Management, Comprehensive annual financial report



## 84.36.010(1) - State government

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1889
<b>Primary Beneficiaries:</b>	The state of Washington
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.010(1) - Tribal property - Essential government services

**Description** Property belonging to any federally recognized Indian tribe is exempt from property tax if the property is used exclusively for essential government services including economic development services.

**Purpose** This statute is directed toward tribal owned property which is located off the tribe's reservation. The purpose is to treat all tribes alike and to treat all property used for government services in the same manner. The governmental facilities of most tribes are sited on tribal lands which are exempt from property tax, just as the land owned by local governments is exempt. However, at least one tribe has little land held in trust and must therefore purchase non-tribal land for governmental facilities. Also, as "economic development" is recognized as an essential government service for purposes of qualifying tribally owned property for property tax exempt status and it is defined as including commercial activities, tribes that operate facilities located off the reservation must negotiate and make a payment in lieu of leasehold excise tax (PILT) and other operators of these properties are subject to leasehold excise tax (LET).

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.251	\$2.579	\$2.956	\$3.388
Local Taxes	\$6.664	\$7.875	\$9.307	\$10.998

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.243	\$0.506	\$0.594

**Assumptions**

- Total estimated exempt value is \$975 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$3.0 million in state property taxes to exempt property owners and shifts an estimated \$8.8 million in local property taxes in fiscal year 2026.
- Market value of properties receiving this exemption mirror the past value growth of other real property.
- Market value of properties receiving this exemption will mirror the forecasted growth rate going forward.
- Additional properties will receive the exemption in the future at the same rate as the past.

## 84.36.010(1) - Tribal property - Essential government services

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### Data Sources

- Department of Revenue, Exempt property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	2004
<b>Primary Beneficiaries:</b>	Indian tribes whose governmental services utilize facilities on non-tribal land
<b>Taxpayer Count:</b>	24
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2016

## 84.36.010(1); 84.36.040(2) - Hospital districts

**Description** Real and personal property owned by public hospital districts is exempt from property taxation. Additionally, property leased to and used by a hospital district or to Harborview Medical Center for hospital purposes, is eligible for the exemption so long as the benefit of the exemption transfers to the hospital.

**Purpose** Property of municipal corporations is exempt under the Washington Constitution. This reflects a long-standing legislative policy not to tax publicly owned property.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$3.922	\$4.017	\$4.114	\$4.214
Local Taxes	\$11.602	\$12.252	\$12.938	\$13.666

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.359	\$0.704	\$0.739

**Assumptions**

- The total estimated exempt value is \$1.8 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$4.3 million in state property taxes to exempt property owners and shifts an estimated \$12.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- Washington Department of Health, Hospital financial data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.010(1); 84.36.040(2) - Hospital districts

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1945
<b>Primary Beneficiaries:</b>	Hospitals operated by public hospital districts or hospitals owned by a county
<b>Taxpayer Count:</b>	41
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.015 - Low value parcels

**Description** Each parcel of real property and each personal property account that individually has an assessed value of less than \$500 is exempt from property tax.

**Purpose** Avoids the administrative expense of listing, valuing, and collecting property tax on very small accounts.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.102	\$0.104	\$0.107	\$0.109
Local Taxes	\$0.300	\$0.317	\$0.336	\$0.355

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.009	\$0.019	\$0.020

**Assumptions**

- The total estimated exempt value is \$14.4 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$34,000 in state property taxes to exempt property owners and shifts an estimated \$98,000 in local property taxes in fiscal year 2026.
- The average personal property account value is \$400.
- Only 25% of the businesses under \$500 are reported to the county.
- Assessed value of exempt property will remain constant.

**Data Sources**

- County Assessor, Abstract data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

# 84.36.015 - Low value parcels

**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1997
<b>Primary Beneficiaries:</b>	Small property owners
<b>Taxpayer Count:</b>	Approximately 41,000 small property owners
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014

## 84.36.020 - Cemeteries

**Description** Land, buildings and personal property required for the administration and maintenance of public burying grounds or cemeteries are exempt from property tax. The exemption requires that such entities do not discriminate on the basis of race, color, national origin or ancestry.

**Purpose** Supports the social benefits provided by burying grounds and cemeteries.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.508	\$0.520	\$0.533	\$0.546
Local Taxes	\$1.503	\$1.587	\$1.676	\$1.770

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.047	\$0.091	\$0.096

**Assumptions**

- The total estimated exempt value is \$234 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$550,000 in state property taxes to exempt property owners and shifts an estimated \$1.6 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023



## 84.36.020 - Cemeteries

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### Additional Information

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1989
<b>Primary Beneficiaries:</b>	404 parcels owned by cemeteries
<b>Taxpayer Count:</b>	142
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

# 84.36.020 - Nonprofit churches, parsonages, and convents

**Description** Property tax does not apply to churches and grounds not exceeding five acres. This includes parsonages and convents of nonprofit recognized religious denominations, and buildings and personal property required for administration and maintenance of a church.

The property may be used for prescribed and limited instances of pecuniary or non-exempt purposes, including use as a farmers market for up to 53 days per year. Rental income from non-exempt activities must be applied to capital improvements, maintenance and operation expenses, or exempt purposes.

**Purpose** Recognizing the social benefits of religious organizations.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$13.461	\$13.786	\$14.118	\$14.463
Local Taxes	\$39.821	\$42.049	\$44.407	\$46.901

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.232	\$2.414	\$2.534

- Assumptions**
- The total estimated exempt value is \$6.4 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$15.2 million in state property taxes to exempt property owners and shifts an estimated \$43.7 million in local property taxes in fiscal year 2026.

- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.36.020 - Nonprofit churches, parsonages, and convents

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	2004
<b>Primary Beneficiaries:</b>	6637 parcels owned by churches
<b>Taxpayer Count:</b>	2,818
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2007 and an expedited review completed in 2023

## 84.36.030(1)(a,c) - Nonsectarian organizations

**Description** Property used for character-building, benevolent, protective, or rehabilitative social service owned by nonreligious, nonprofit organizations is exempt from property tax.

**Purpose** Supporting the social programs provided by these nonprofit organizations.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$6.300	\$6.452	\$6.607	\$6.769
Local Taxes	\$18.636	\$19.679	\$20.782	\$21.949

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.576	\$1.130	\$1.186

**Assumptions**

- The total estimated exempt value is \$2.9 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$6.8 million in state property taxes to exempt property owners and shifts an estimated \$19.7 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.030(1)(a,c) - Nonsectarian organizations

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1915
<b>Primary Beneficiaries:</b>	1,714 parcels owned by nonprofit nonsectarian organizations
<b>Taxpayer Count:</b>	363
<b>Program Inconsistency:</b>	None Evident
<b>JLARC Review:</b>	Full review completed in 2007 with an expedited review in 2024

## 84.36.030(1)(b) - Nonprofit merchandise sales

**Description** Selling donated merchandise on exempt property does not nullify the property tax exemption for character-building, benevolent, protective, or rehabilitative social services owned by nonreligious, nonprofit organizations if they use the proceeds to continue the mission of their organization.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.378	\$0.387	\$0.396	\$0.406
Local Taxes	\$1.117	\$1.180	\$1.246	\$1.316

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.035	\$0.068	\$0.071

**Assumptions**

- The total estimated exempt value is \$174 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$400,000 in state property taxes to exempt property owners and shifts an estimated \$1.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.030(1)(b) - Nonprofit merchandise sales

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1989
<b>Primary Beneficiaries:</b>	106 parcels owned by nonprofit thrift shops
<b>Taxpayer Count:</b>	46
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.030(2) - Nonprofit church camps

**Description** Camp facilities up to 200 acres, and owned by nonprofit churches, groups of churches, or an association of churches are exempt from property tax.

**Purpose** Supports the programs provided by church-owned camps.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.638	\$0.653	\$0.669	\$0.685
Local Taxes	\$1.886	\$1.992	\$2.104	\$2.222

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.059	\$0.115	\$0.120

**Assumptions**

- The total estimated exempt value is \$293.5 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$690,000 in state property taxes to exempt property owners and shifts an estimated \$2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	395 parcels owned by church camps
<b>Taxpayer Count:</b>	61
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011



## 84.36.030(3) - Nonprofit youth organizations

**Description** Property owned by nonprofit, character-building organizations serving boys and girls under the age of 18 is exempt from property tax. The exemption extends to organizations with existing charters that serve youth up to the age of 21.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.772	\$0.791	\$0.810	\$0.830
Local Taxes	\$2.284	\$2.412	\$2.547	\$2.690

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.071	\$0.139	\$0.146

**Assumptions**

- The total estimated exempt value is \$355 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$840,000 in state property taxes to exempt property owners and shifts an estimated \$2.4 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1933
<b>Primary Beneficiaries:</b>	252 parcels owned by nonprofit youth organizations
<b>Taxpayer Count:</b>	58
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007

## 84.36.030(4) - Veterans organizations

**Description** Property owned by veterans' organizations or societies that are recognized as such by the Department of Defense and have national chapters can qualify for a property tax exemption.

**Purpose** Supports patriotism and the activities of veteran's organizations.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.130	\$0.133	\$0.137	\$0.140
Local Taxes	\$0.385	\$0.407	\$0.430	\$0.454

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.012	\$0.024	\$0.025

**Assumptions**

- The total estimated exempt value is \$60 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$140,000 in state property taxes to exempt property owners and shifts an estimated \$400,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1929
<b>Primary Beneficiaries:</b>	155 parcels owned by veterans' organizations.
<b>Taxpayer Count:</b>	91
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007 and 2020

## 84.36.030(5) - Federal instrumentalities furnishing aid and relief

**Description** A property tax exemption exists for corporations created by Congress that provide the following:

- Volunteer aid to the armed forces.
- A system of national and international disaster relief.

**Purpose** Supports the social benefits provided by federal instrumentalities furnishing aid and relief.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption**

Repealing this exemption would not increase revenues. Constitutional case law makes federal instrumentalities immune from state and local taxes.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions**

- This exemption impacts fewer than three taxpayers; any impacts are confidential.
- Constitutional case law makes federal instrumentalities immune from state and local taxes.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1945
<b>Primary Beneficiaries:</b>	Federal instrumentalities furnishing aid and relief
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.030(6) - Student loan organizations

**Description** Property owned by nonprofit organizations, exempt from federal income tax, that guarantee federal student loans or issue debt to provide student loans is exempt from property tax.

**Purpose** Supporting the benefits these organizations provide to college students.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.
- Repealing this exemption results in no levy shifts.

**Data Sources**

- County Assessor, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1989
<b>Primary Beneficiaries:</b>	Nonprofit student loan organizations
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012 and 2019

## 84.36.031(2) - Nonprofit character building leases

**Description** Property tax does not apply to property owned by churches and nonprofit character-building organizations that lease out or rent the property to another nonprofit, character-building organization.

Property tax also doesn't apply to property owned by an organization formed exclusively to lease the property to a nonprofit, character-building organization. The property has to have been exempt from property tax under the previous owner and the organization leasing the land gets the benefit of the exemption.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.031	\$0.032	\$0.033	\$0.034
Local Taxes	\$0.093	\$0.098	\$0.103	\$0.108

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.003	\$0.006	\$0.006

**Assumptions**

- The total estimated exempt value is \$14.4 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$34,000 in state property taxes to exempt property owners and shifts an estimated \$97,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.031(2) - Nonprofit character building leases

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	2012
<b>Primary Beneficiaries:</b>	3 parcels leased by community service organizations
<b>Taxpayer Count:</b>	3
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.032 - Church administrative offices

**Description** Property tax does not apply to real and personal property of the administrative offices of nonprofit recognized religious organizations. The real and personal property must be used in the administration of the religious programs of the organization and other programs exempt under property used for churches or character building to qualify for the property tax exemption.

**Purpose** Supports nonprofit religious organizations by providing a reduction in property tax.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.138	\$0.141	\$0.145	\$0.148
Local Taxes	\$0.409	\$0.431	\$0.455	\$0.481

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.013	\$0.025	\$0.026

**Assumptions**

- The total estimated exempt value is \$63.5 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$150,000 in state property taxes to exempt property owners and shifts an estimated \$430,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.032 - Church administrative offices

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1975
<b>Primary Beneficiaries:</b>	34 parcels owned by religious organizations
<b>Taxpayer Count:</b>	18
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011 with an upcoming review in 2024



## 84.36.035 - Nonprofit blood and tissue banks

**Description** Real and personal property owned or leased by nonprofit organizations and used for blood banks, tissue banks, or blood and tissue banks is exempt from property tax.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.180	\$0.184	\$0.189	\$0.193
Local Taxes	\$0.532	\$0.562	\$0.593	\$0.627

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.016	\$0.032	\$0.034

**Assumptions**

- The total estimated exempt value is \$82.8 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$195,000 in state property taxes to exempt property owners and shifts an estimated \$560,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.035 - Nonprofit blood and tissue banks

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	20 parcels owned by blood and tissue banks
<b>Taxpayer Count:</b>	4
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011 and expedited review completed in 2021

## 84.36.037 - Nonprofit public assembly halls and meeting places

**Description** Property tax does not apply to real or personal property owned by a nonprofit public assembly hall or meeting place. The property must be used exclusively for public gatherings and must be available to everyone. A public assembly hall may be exempt up to one acre. Property that is mostly unimproved and used for annual community celebrations may be eligible for an exemption up to 29 acres. The property may be used for prescribed and limited instances of pecuniary or non-exempt purposes, including use as a farmers market for up to 53 days per year. Organizations providing dance lessons, art classes, or music lessons may also use the property if the property is in a county with a population of less than 20,000. Rents from non-exempt activities must be applied to capital improvements or maintenance and operation expenses or applied to exempt purposes of the nonprofit when used as a farmers market.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.185	\$0.190	\$0.195	\$0.199
Local Taxes	\$0.549	\$0.579	\$0.611	\$0.646

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.017	\$0.033	\$0.035

**Assumptions**

- The total estimated exempt value is \$85.4 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$200,000 in state property taxes to exempt property owners and shifts an estimated \$580,000 in local property taxes in fiscal year 2026.

# 84.36.037 - Nonprofit public assembly halls and meeting places

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- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1981
<b>Primary Beneficiaries:</b>	249 parcels owned by nonprofit public assembly halls
<b>Taxpayer Count:</b>	172
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011 with an upcoming review in 2024

## 84.36.040(1)(a) - Nonprofit day care centers

**Description** Nonprofit child day care centers are exempt from property taxes on real and personal property.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$1.763	\$1.806	\$1.849	\$1.894
Local Taxes	\$5.216	\$5.508	\$5.817	\$6.143

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.161	\$0.316	\$0.332

**Assumptions**

- The total estimated exempt value is \$811 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$1.9 million in state property taxes to exempt property owners and shifts an estimated \$5.5 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1973
<b>Primary Beneficiaries:</b>	198 parcels owned by nonprofit daycare centers
<b>Taxpayer Count:</b>	28
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011 and expedited review completed in 2019

## 84.36.040(1)(b) - Nonprofit libraries

**Description** Nonprofit free public libraries are exempt from property taxes on real and personal property.

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**Purpose** Supporting the social benefits that nonprofit public libraries provide.

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**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.038	\$0.038	\$0.039	\$0.040
Local Taxes	\$0.111	\$0.117	\$0.124	\$0.131

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**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

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**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.004	\$0.007	\$0.007

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**Assumptions**

- The total estimated exempt value is \$17.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$40,000 in state property taxes to exempt property owners and shifts an estimated \$120,000 in local property taxes in fiscal year 2026.

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**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

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## 84.36.040(1)(b) - Nonprofit libraries

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1854
<b>Primary Beneficiaries:</b>	14 parcels owned by nonprofit organizations operating libraries
<b>Taxpayer Count:</b>	10
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007 with an upcoming review in 2024

## 84.36.040(1)(c) - Nonprofit orphanages

**Description** Nonprofit orphanages are exempt from property taxes on real and personal property.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.
- Repealing this exemption results in no state levy shifts.

**Data Sources**

- County Assessor, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1891
<b>Primary Beneficiaries:</b>	Nonprofit orphanages
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007 with an upcoming review in 2026



## 84.36.040(1)(d) - Nonprofit homes for the sick or infirm

**Description** Nonprofit nursing homes are exempt from property taxes on real and personal property.

**Purpose** Supporting the social benefits these organizations provide.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$3.175	\$3.252	\$3.330	\$3.412
Local Taxes	\$9.393	\$9.919	\$10.475	\$11.063

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.291	\$0.570	\$0.598

**Assumptions**

- The total estimated exempt value is \$1.46 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$3.4 million in state property taxes to exempt property owners and shifts an estimated \$9.9 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1891
<b>Primary Beneficiaries:</b>	384 parcels owned by homes for the sick or infirm
<b>Taxpayer Count:</b>	18
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007 and 2021

## 84.36.040(1)(e) - Nonprofit hospitals

**Description** Nonprofit hospitals are exempt from property taxes on real and personal property.

**Purpose** Supporting the social benefits that nonprofit hospitals provide.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$37.691	\$38.600	\$39.530	\$40.496
Local Taxes	\$111.497	\$117.736	\$124.337	\$131.323

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$3.451	\$6.761	\$7.097

**Assumptions**

- The total estimated exempt value is \$17.3 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$41 million in state property taxes to exempt property owners and shifts an estimated \$118 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1886
<b>Primary Beneficiaries:</b>	793 parcels owned by nonprofit hospitals
<b>Taxpayer Count:</b>	25
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2007 and 2022

## 84.36.040(1)(f) - Nonprofit outpatient dialysis facilities

**Description** Nonprofit outpatient dialysis treatment facilities are exempt from property taxes on real and personal property.

**Purpose** Supporting the social benefits that outpatient dialysis facilities provide.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.182	\$0.186	\$0.190	\$0.195
Local Taxes	\$0.537	\$0.567	\$0.598	\$0.632

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.017	\$0.033	\$0.034

**Assumptions**

- The total estimated exempt value is \$83.6 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$200,000 in state property taxes to exempt property owners and shifts an estimated \$570,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1987
<b>Primary Beneficiaries:</b>	32 parcels owned by outpatient dialysis centers
<b>Taxpayer Count:</b>	2
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 and full review completed in 2021

# 84.36.041 - Nonprofit homes for the aging

**Description** Real and personal property owned or leased by a nonprofit home for the aging is exempt if one of the following met:

- Residents occupy at least 50% of the dwellings.
- The federal department of housing and urban development program subsidizes the home.
- The home for the aging is financed in part by tax exempt bonds.

Property taxes do not apply if home financing is 75% tax exempt bonds and the financing requires a certain percentage of dwellings for low-income residents. The exemption lasts as long as the bonds or the requirement for low-income resident dwellings, whichever is shorter. A partial exemption applies if the home fails to qualify in its entirety. A partial exemption applies for areas jointly used by a home for the aging and a nonprofit organization that is also exempt from property taxes.

**Purpose** Providing equal treatment of senior citizens who own their own homes and qualify for the senior citizen property tax exemption and those residing in homes for the aging.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$7.658	\$7.842	\$8.031	\$8.227
Local Taxes	\$22.653	\$23.921	\$25.262	\$26.681

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.701	\$1.374	\$1.442

**Assumptions**

- The total estimated exempt value is \$3.5 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$8.3 million in state property taxes to exempt property owners and shifts an estimated \$23.9 million in local property taxes in fiscal year 2026.

# 84.36.041 - Nonprofit homes for the aging

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- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1989
<b>Primary Beneficiaries:</b>	449 parcels owned by retirement homes
<b>Taxpayer Count:</b>	85
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 with an upcoming review in 2026

## 84.36.042 - Nonprofit developmentally disabled housing

**Description** Property tax does not apply to the real and personal property owned or leased by a nonprofit organization and used to provide housing and a level of care for persons with developmental disabilities.

**Purpose** Supporting the social benefits provided by these organizations.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.175	\$0.179	\$0.183	\$0.188
Local Taxes	\$0.517	\$0.546	\$0.577	\$0.609

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.016	\$0.032	\$0.033

**Assumptions**

- The total estimated exempt value is \$80 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$190,000 in state property taxes to exempt property owners and shifts an estimated \$550,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.042 - Nonprofit developmentally disabled housing

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1998
<b>Primary Beneficiaries:</b>	157
<b>Taxpayer Count:</b>	14
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014 with an upcoming review in 2026

## 84.36.043 - Nonprofit homeless shelters

**Description** Property taxes do not apply to real and personal property used by a nonprofit organization providing emergency or transitional housing for low-income homeless persons or victims of domestic violence who are homeless for personal safety reasons. An approved registered recovery residence does not require a limited length-of-stay policy. In addition, the home must:

- Register as a recovery residence with the Washington Health Care Authority.
- Involve peers in the governance of the recovery residence.
- Integrate recovery support into the daily activities.
- Maintain an environment that is home-like, promotes healthy recovery, and is free from alcohol and illicit drugs.
- Not charge more for the housing than the actual cost of operating and maintaining the housing.
- Ensure the property tax exemption benefits the nonprofit organization when the nonprofit organization is leasing the property.

**Purpose** Supporting the social services provided by these organizations.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.970	\$0.994	\$1.018	\$1.043
Local Taxes	\$2.871	\$3.031	\$3.202	\$3.381

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.089	\$0.174	\$0.183

**Assumptions**

- The total estimated exempt value is \$447 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$1.1 million in state property taxes to exempt property owners and shifts an estimated \$3 million in local property taxes in fiscal year 2026.



## 84.36.043 - Nonprofit homeless shelters

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- Data Sources**
- Washington Center for Real Estate Research, University of Washington, 3Q2022 median resale price by county
  - Washington State Health Care Authority, Registered Recovery Residences
  - County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1983
<b>Primary Beneficiaries:</b>	707 parcels owned by homeless shelters
<b>Taxpayer Count:</b>	64
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 with an upcoming review in 2026

## 84.36.045 - Nonprofit medical research facilities

**Description** Property taxes do not apply to real and personal property owned or used by a nonprofit corporation or association that provides facilities for medical research and training free of charge.

**Purpose** Supporting nonprofit medical research and training facilities.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$8.719	\$8.929	\$9.145	\$9.368
Local Taxes	\$25.793	\$27.236	\$28.763	\$30.379

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.798	\$1.564	\$1.641

**Assumptions**

- The total estimate exempt value is \$4 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$9.5 million in state property taxes to exempt property owners and shifts an estimated \$27.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1975
<b>Primary Beneficiaries:</b>	71 parcels owned by medical research centers
<b>Taxpayer Count:</b>	14
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 and 2021

## 84.36.046 - Nonprofit cancer treatment clinics

**Description** Property tax does not apply to real and personal property used by nonprofit cancer prevention, detection, or treatment facilities. The property tax exemption also applies to real and personal property used by a municipal hospital corporation for cancer prevention, detection, or treatment.

**Purpose** Providing equal taxation treatment for nonprofit cancer treatment clinics as for nonprofit hospitals.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.669	\$0.685	\$0.702	\$0.719
Local Taxes	\$1.980	\$2.091	\$2.208	\$2.332

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.061	\$0.120	\$0.126

**Assumptions**

- The total estimated exempt value is \$308 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$730,000 in state property taxes to exempt property owners and shifts an estimated \$2.1 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.046 - Nonprofit cancer treatment clinics

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1997
<b>Primary Beneficiaries:</b>	21 parcels owned by cancer clinics
<b>Taxpayer Count:</b>	2
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 and a full review completed in 2022

## 84.36.047 - Nonprofit radio and TV broadcast facilities

**Description** Property tax does not apply to real and personal property used by nonprofit organizations that rebroadcast or amplify the transmission or reception of free radio or television signals broadcast by foreign or domestic government agencies.

**Purpose** Supporting the activities of nonprofit broadcasters.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.
- =Repealing this exemption results in no levy shifts.

**Data Sources**

- County Assessor, Property tax data
- Department of Revenue, Excise tax return data

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1977
<b>Primary Beneficiaries:</b>	Nonprofit radio and TV broadcast facilities
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None Evident
<b>JLARC Review:</b>	Expedited review completed in 2011 and 2022

## 84.36.049 - Nonprofit low-income housing development

**Description** All real property owned by a nonprofit entity or qualified cooperative association for the purpose of developing or redeveloping on the real property one or more residences to be sold to low-income households, including certain land leases, is exempt from state and local property taxes.

**Purpose** To reduce the cost of developing low-income housing.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.104	\$0.107	\$0.109	\$0.112
Local Taxes	\$0.308	\$0.325	\$0.343	\$0.363

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.009	\$0.019	\$0.020

**Assumptions**

- The total estimated exempt value is \$47.9 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$110,000 in state property taxes to exempt property owners and shifts an estimated \$330,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.049 - Nonprofit low-income housing development

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1854
<b>Primary Beneficiaries:</b>	219 parcels owned by a nonprofit entity or qualified cooperative association for the purpose of low-income housing development
<b>Taxpayer Count:</b>	51
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.050(1) - Nonprofit private colleges

**Description** Property taxes do not apply to real and personal property used by private, nonprofit colleges and universities for educational or cultural purposes. The exemption applies to buildings and grounds used for educational, athletic, or social programs and housing of students and faculty. The maximum amount of real property exempted is 400 acres.

**Purpose** Supporting the college education provided by nonprofit organizations.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$3.439	\$3.522	\$3.607	\$3.695
Local Taxes	\$10.175	\$10.744	\$11.346	\$11.983

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.315	\$0.617	\$0.648

**Assumptions**

- The total estimated exempt value is \$1.6 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$3.7 million in state property taxes to exempt property owners and shifts an estimated \$10.7 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023



## 84.36.050(1) - Nonprofit private colleges

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1925
<b>Primary Beneficiaries:</b>	607 parcels owned by nonprofit colleges
<b>Taxpayer Count:</b>	18
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2008 and an expedited review completed in 2019

## 84.36.050(1) - Nonprofit private K-12 schools

**Description** Property taxes do not apply to real and personal property used by private, nonprofit schools offering education from kindergarten through high school. The exemption applies to buildings and grounds used for educational, athletic, or social programs and housing of students and faculty. The maximum amount of real property exempted is 400 acres.

**Purpose** Supporting the K-12 education provided by nonprofit organizations.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$2.387	\$2.445	\$2.503	\$2.565
Local Taxes	\$7.061	\$7.456	\$7.874	\$8.317

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.218	\$0.428	\$0.450

**Assumptions**

- The total estimated exempt value is \$1.1 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$2.6 million in state property taxes to exempt property owners and shifts an estimated \$7.4 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.050(1) - Nonprofit private K-12 schools

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1925
<b>Primary Beneficiaries:</b>	377 parcels owned by nonprofit K-12 schools
<b>Taxpayer Count:</b>	106
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2008 and expedited review completed in 2019

## 84.36.050(2) - Nonprofit educational foundations

**Description** Real and personal property owned by a nonprofit foundation that supports an institution of higher education is exempt from property tax. The tax exemption applies only to the property actively used by currently enrolled students.

**Purpose** Supporting nonprofit organization providing support to higher education institutions.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.086	\$0.088	\$0.090	\$0.092
Local Taxes	\$0.253	\$0.268	\$0.283	\$0.298

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.008	\$0.016	\$0.017

**Assumptions**

- The total estimated exempt value is \$39.5 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$90,000 in state property taxes to exempt property owners and shifts an estimated \$270,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.050(2) - Nonprofit educational foundations

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	2001
<b>Primary Beneficiaries:</b>	28 parcels owned by institutions of higher learning with an educational foundation
<b>Taxpayer Count:</b>	7
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015 and 2019

## 84.36.060(1)(a) - Nonprofit art collections & museums

**Description** Property tax does not apply to the real or personal property of a nonprofit organization maintaining and exhibiting art, scientific, or historical collections. The collections must be open to the public. The exemption also applies to property used exclusively for safekeeping and maintaining the collections. To receive a property tax exemption the nonprofit organization must:

- Operate exclusively for artistic, scientific, historical, or educational purposes.
- Receive a substantial part of its support from the federal, state, or local government or public contributions.

If the property is not currently exhibiting, safe keeping, or maintaining, the collections, but will in the future, the nonprofit organization must submit proof they are constructing, remodeling, or otherwise enabling the property for exempted use.

**Purpose** Supporting nonprofit museums that display art, scientific, or historical materials for the public.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.880	\$0.901	\$0.923	\$0.945
Local Taxes	\$2.602	\$2.748	\$2.902	\$3.065

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.158	\$0.166

**Assumptions**

- The total estimated exempt value is \$405 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$960,000 in state property taxes to exempt property owners and shifts an estimated \$2.7 million in local property taxes in fiscal year 2026.

# 84.36.060(1)(a) - Nonprofit art collections & museums

- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1915
<b>Primary Beneficiaries:</b>	304 parcels owned by museums
<b>Taxpayer Count:</b>	94
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007

## 84.36.060(1)(b) - Nonprofit performing arts

**Description** Property tax does not apply to the real or personal property owned or leased by a nonprofit organization producing and performing musical, dance, artistic, dramatic, or literary works for the general public. To receive a property tax exemption the nonprofit organization must:

- Operate exclusively for artistic, literary, musical, dance, dramatic, or educational purposes.
- Receive a substantial part of its support from the federal, state, or local government or public contributions.

**Purpose** Supporting nonprofit artistic, literary, musical, dance or dramatic organizations and recognizing the education and artistic contributions they make to society.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.372	\$0.381	\$0.390	\$0.399
Local Taxes	\$1.099	\$1.161	\$1.226	\$1.295

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.034	\$0.067	\$0.070

**Assumptions**

- The total estimated exempt value is \$171 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$400,000 in state property taxes to exempt property owners and shifts an estimated \$1.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023



## 84.36.060(1)(b) - Nonprofit performing arts

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1981
<b>Primary Beneficiaries:</b>	105 parcels owned by performing arts organizations
<b>Taxpayer Count:</b>	31
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2013 and 2022

## 84.36.060(1)(c) - Fire companies

**Description** Fire engines, buildings, and other equipment of fire companies of any city, town or privately owned fire company are exempt from property tax.

**Purpose** Extends the property tax exemption municipal fire districts receive to cover privately-owned land on which fire districts maintain fire stations.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
Local Taxes	Minimal	Minimal	Minimal	Minimal

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Minimal	Minimal	Minimal

**Assumptions**

- The total estimated exempt value is \$300,000.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this results in no state levy shift and shifts an estimated \$2,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1890
<b>Primary Beneficiaries:</b>	One known fire district owning a fire station on privately-owned land.
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007

## 84.36.060(1)(d) - Humane societies

**Description** Property owned and used by humane societies is exempt from property tax.

**Purpose** Supports the social benefits that humane societies provide. Also, provides the same tax-exempt status granted to animal shelters operated by local governments.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.142	\$0.145	\$0.149	\$0.152
Local Taxes	\$0.420	\$0.443	\$0.468	\$0.494

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.013	\$0.026	\$0.027

**Assumptions**

- The total estimated exempt value is \$65.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$150,000 in state property taxes to exempt property owners and shifts an estimated \$440,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1915
<b>Primary Beneficiaries:</b>	62 parcels owned by humane societies
<b>Taxpayer Count:</b>	31
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007

## 84.36.070 - Intangibles

**Description** Intangible personal property receives an exemption from property tax. The definition of intangible personal property includes:

- All money and credits, such as mortgages, cash, deposits, loans, and securities.
- Private personal service contracts and athletic franchises or agreements.
- Other intangible personal property including but not limited to trademarks, trade names, trade secrets, patents, copyrights, franchise agreements, customer lists, licenses and permits.

The law specifically excludes characteristics and attributes of real property (e.g., zoning, location, view, geographic features, etc.) from the definition of intangible personal property.

**Purpose** Avoids the double taxation of tangible assets underlying certain intangible assets. The exemption also recognizes the administrative difficulty of locating and valuing such mobile assets.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$7,986.600	\$7,964.910	\$7,651.780	\$7,577.700
Local Taxes	\$23,632.230	\$24,278.470	\$24,059.450	\$24,569.320

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$683.910	\$1,308.300	\$1,327.670

**Assumptions**

- The total estimated exempt value is \$3.74 trillion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption results in a state levy shift of an estimated \$7.6 billion and a local levy shift of an estimated \$22.7 billion in fiscal year 2026.
- Intangible value of state assessed property will remain stable over the study period.
- The proportion of intangible property in Washington equals the share of Washington income to national income.

## 84.36.070 - Intangibles

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- Data Sources**
- Sibilis Research, Total market capitalization of public U.S. companies
  - Bureau of Economic Analysis, Gross domestic product and personal income data
  - Report: "What Ideas are Worth: The Value of Intellectual Capital and Intangible Assets in the American Economy". By Kevin A. Hassett and Robert J. Shapiro (Sonecon)
  - S&P Global Market Intelligence, Household financial assets
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1931
<b>Primary Beneficiaries:</b>	Holders of intangible assets, both individuals and businesses
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

## 84.36.079 - Ships under construction

**Description** Vessels able to carry more than 1,000 tons that are under construction and materials and parts held by the builder at the construction site for use in these vessels are exempt from property tax.

**Purpose** Improves the competitive position of shipyards in Washington.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** A full repeal of this exemption would have no fiscal impact or shift on state or local property taxes as everything covered under this exemption is also exempt as business inventory.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** - All assets exempt under this statute are also exemption as business inventory.

**Data Sources**

- Internet search for ship builders in Washington
- Survey of county assessor offices

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1959
<b>Primary Beneficiaries:</b>	Owners of vessels under construction
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 84.36.080(1) - Commercial vessels

**Description** Vessels used for commercial fishing or for transportation of persons or freight in interstate commerce are subject to the state property tax only and are exempt from all local tax levies.

**Purpose** Promotion of ocean-going commerce and commercial fishing in Washington.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$2.529	\$2.852	\$2.284	\$2.761

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.080	\$0.151	\$0.149

**Assumptions**

- The total estimated exempt value is \$440 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$2.6 million in local property taxes to exempt property owners in fiscal year 2026.
- The apportioned value of commercial vessels is exempt from local property tax levies.
- The apportioned value of commercial vessels will remain stable over the period of this estimate.

**Data Sources**

- Department of Revenue, State property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.080(1) - Commercial vessels

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1931
<b>Primary Beneficiaries:</b>	Owners of about 1,700 commercial vessels
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017



## 84.36.080(2) - Historic vessels

**Description** Ships and vessels listed on the state or federal register of historic places are exempt from all property tax.

**Purpose** Encourages retention and restoration of historic boats.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.021	\$0.020	\$0.019	\$0.019
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- The total exempt value is \$9.6 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- The value of historic vessels remains constant.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption results in a state levy shift of an estimated \$20,000 in fiscal year 2026.

**Data Sources**

- Joint Legislative Audit and Review Committee
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1986
<b>Primary Beneficiaries:</b>	Owners of vessels listed in the state or federal register of historical places
<b>Taxpayer Count:</b>	11
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2023

# 84.36.090 - Other ships and vessels

**Description** All ships and vessels, other than commercial vessels and vessels under construction, are exempt from property tax.

**Purpose** Protects the owners of pleasure boats and other vessels from paying both the personal property tax and the 0.5% state watercraft excise tax.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$6.256	\$5.582	\$5.313	\$5.140
Local Taxes	\$18.480	\$17.150	\$16.703	\$16.662

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.480	\$0.908	\$0.900

- Assumptions**
- The total estimated exempt value is \$3.1 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption results in a state levy shift of an estimated \$5.5 million and a local levy shift of an estimated \$15.8 million in fiscal year 2026.
  - The estimated value of vessels is based on vessels paying the watercraft excise tax. This excludes human powered crafts and boats under 16 feet in length. The value of human powered crafts and boats under 16 feet likely represents a small percent of the total value of vessels in the state. It is also unlikely county assessors would discover and list many of these vessels. Thus, the value of vessels paying the watercraft excise tax best represents the total value of exempted vessels.
  - Repealing this exemption would result in taxpayers owing both watercraft excise tax and property tax.

- Data Sources**
- Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.36.090 - Other ships and vessels

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1931
<b>Primary Beneficiaries:</b>	Owners of pleasure boats
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 84.36.105 - Cargo containers

**Description** Cargo containers principally used in ocean commerce are exempt from property tax.

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**Purpose** To help Washington ports compete with other West Coast ports.

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**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.427	\$0.430	\$0.419	\$0.416
Local Taxes	\$1.264	\$1.311	\$1.319	\$1.348

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**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

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**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

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**Assumptions**

- The total estimated exempt value is \$193 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$400,000 in state property taxes to exempt property owners and shifts an estimated \$1.2 million in local property taxes in fiscal year 2026.
- The quantity of cargo containers moving through Washington's ports grows at a 3% rate.
- Eighty-five percent of containers moving through Washington ports move through Port of Tacoma and Port of Seattle.

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**Data Sources**

- Northwest Seaport Alliance
- Sea Container Sales
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

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## 84.36.105 - Cargo containers

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### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1975
<b>Primary Beneficiaries:</b>	Owners of cargo containers
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012 and 2019

## 84.36.110(1) - Household goods

**Description** Household items and furnishings in actual use and personal effects held by the owner for personal use are exempt from property tax.

**Purpose** Avoids the administrative difficulty of locating and listing household items and establishing values for used items.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$268.291	\$270.719	\$264.951	\$263.548
Local Taxes	\$793.827	\$825.387	\$833.136	\$854.511

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$23.579	\$45.304	\$46.176

**Assumptions**

- The total estimated exempt value is \$121.6 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$274.1 million in state property taxes to exempt property owners and shifts an estimated \$787.8 million in local property taxes in fiscal year 2026.
- Washington's share of the national value of household goods and personal effects equals Washington's share of national population, which is approximately 2.23%.
- Washington population will grow near 0.8% annually.
- The value of household goods and personal effects will grow approximately 3.4% per year.

**Data Sources**

- Bureau of Economic Analysis, Current-cost net stock of consumer durable goods
- U.S. Census Bureau, Population by state
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.110(1) - Household goods

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1871
<b>Primary Beneficiaries:</b>	Households
<b>Taxpayer Count:</b>	Approximately 3.1 million households
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.110(2) - Personal property up to \$15,000

**Description** In addition to the complete exemption of household goods and personal effects, the first \$15,000 of taxable personal property for a head of family is exempt from property tax, excluding private motor vehicles and mobile homes.

**Purpose** Provides property tax relief to heads of families who have taxable personal property used in a business activity (essentially sole proprietors).

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.404	\$0.403	\$0.389	\$0.382
Local Taxes	\$1.120	\$1.229	\$1.223	\$1.238

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.009	\$0.019	\$0.020

- Assumptions**
- The total estimated exempt value is \$184.0 million.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Repealing this exemption shifts an estimated \$112,000 in state property taxes to exempt property owners and shifts an estimated \$323,000 in local property taxes in fiscal year 2026.
  - County assessors do not list all sole proprietor personal property accounts of businesses owning less than \$15,000. Since owners of personal property self-report, county assessors would have to discover and audit non-reporting businesses that own less than \$15,000. This is a costly exercise since assessors are not required to list these accounts, and these accounts have no taxable value. Accounts currently on the rolls would become taxable the following year if this exemption is repealed. Other, currently non-reporting accounts would have a low compliance rate in the first few years after the repeal.
  - The average value of personal property owned by non-reporting sole proprietors is \$1,500.
  - The value of this exempt property grows 2% annually.



# 84.36.110(2) - Personal property up to \$15,000

- Data Sources**
- County Assessor, Abstract data
  - Department of Revenue, Excise tax return data
  - Economic and Revenue Forecast Council’s March 2023 forecast
  - State property tax levy model, March 2023

**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1890
<b>Primary Beneficiaries:</b>	Sole proprietor business owners
<b>Taxpayer Count:</b>	100,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

# 84.36.130 - Airports owned by cities in other states

**Description** Real and personal property located in Washington that is exclusively owned by a municipal corporation of an adjoining state that is used primarily as an airport facility is exempt from property taxation, as long as the size of the airport does not exceed 500 acres.

**Purpose** While reciprocity is not mentioned in this statute, it is assumed that should a similar situation occur in Oregon or Idaho, those states would enact similar exemptions.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** Currently, there are no out-of-state municipalities that own airport property in Washington. There is one airport jointly owned by a Washington municipality and an Idaho municipality. Property at this airport is already exempt as government property under other Washington laws.

**Data Sources** Survey of county assessor offices

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1941
<b>Primary Beneficiaries:</b>	None, there are no out-of-state municipalities that solely own airport property
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 84.36.133 - Commuter air carriers paying excise tax

**Description** An aircraft owned and operated by a commuter air carrier is exempt from property tax for the calendar year if the owner has paid aircraft excise tax on the aircraft for that year.

**Purpose** Recognizes the difficulty in providing accurate aircraft values for property tax purposes.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.030	\$0.031	\$0.032	\$0.032
Local Taxes	\$0.089	\$0.094	\$0.100	\$0.106

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.003	\$0.006	\$0.006

**Assumptions**

- The total estimated exempt value is \$14 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$10,000 in state property taxes to exempt property owners and shifts an estimated \$95,000 in local property taxes in fiscal year 2026.

**Data Sources**

- Department of Revenue, State assessed valuation data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.133 - Commuter air carriers paying excise tax

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### Additional Information

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2013
<b>Primary Beneficiaries:</b>	Owners of commuter air carriers
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2019

## 84.36.135 - Housing Finance Commission

**Description** Real and personal property owned by the Washington State Housing Finance Commission is exempt from property tax.

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**Purpose** Reflects the legislative policy not to tax property owned by governmental-type operations.

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**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
Local Taxes	Minimal	Minimal	Minimal	Minimal

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**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

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**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Minimal	Minimal	Minimal

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**Assumptions**

- The total estimated exempt value is \$223,000.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The Housing Finance Commission only owns personal property. The value of this property remains constant through the estimation period.
- Repealing this exemption shifts a minimal amount of state and local property taxes to exempt property owners

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**Data Sources**

- Washington Housing Finance Commission
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

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## 84.36.135 - Housing Finance Commission

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1983
<b>Primary Beneficiaries:</b>	State Housing Finance Commission
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.210 - Public right-of-way easements

**Description** Easement rights obtained by government entities over private property are exempt from property taxation. Additionally, property over which the easement permits use is exempt from general tax foreclosure, and property taxes on the sale of delinquent property. Easement refers to the legal right to cross or otherwise use land for a specific purpose. To receive the exemption, the taxpayer must have written documentation of the easement on file with the county auditor's office. However, that some jurisdictions do negotiate payments in lieu of property taxes with local taxing jurisdictions.

**Purpose** Since publicly owned property is exempt from taxation, it follows that the value of easements obtained by government agencies for public purposes on privately owned land should be similarly exempt.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

- No source of information could be located which indicates the total number of easements, their size, or their value, so these estimates are indeterminate.
- An easement may add to the value of a parcel, or it may detract from the value, depending upon the activity that the easement grants.

**Data Sources**

- Department of Transportation, Real Estate Services Office

## 84.36.210 - Public right-of-way easements

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1947
<b>Primary Beneficiaries:</b>	Governmental jurisdictions
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed



## 84.36.230 - Interstate bridges

**Description** Bridges and their approaches that cross state boundaries and owned and operated by a bordering state or local government are exempt from property taxation within Washington. To qualify, the state owning the bridge or approach must likewise exempt all taxation of any bridges and their approaches owned and operated by the state of Washington or a local government within Washington.

**Purpose** To remain consistent with the taxation of government property and to avoid retaliatory taxation by adjoining states.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$6.531	\$6.688	\$6.849	\$7.017
Local Taxes	\$19.319	\$20.400	\$21.544	\$22.754

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.598	\$1.171	\$1.229

**Assumptions**

- The total estimated exempt value is \$3 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$7.1 million in state property taxes to exempt property owners and shifts an estimated \$20.4 million in local property taxes in fiscal year 2026.

**Data Sources**

- Washington State Department of Transportation structure data
- Economic and Revenue Forecast Council's March 2023 forecast
- Interstate Bridge Replacement Program
- State property tax levy model, March 2023

## 84.36.230 - Interstate bridges

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### Additional Information

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1949
<b>Primary Beneficiaries:</b>	Neighboring states
<b>Taxpayer Count:</b>	Fewer than three
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011 and an expedited review completed in 2020

## 84.36.240 - Soil & water conservation districts

**Description** Personal property belonging solely to soil and water conservation districts is exempt from property tax unless a district engages in contract work for parties other than landowners or cooperators of the district.

**Purpose** Assists what is essentially a quasi-governmental activity.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.007	\$0.007	\$0.007	\$0.007
Local Taxes	\$0.020	\$0.021	\$0.023	\$0.024

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.001	\$0.001	\$0.001

**Assumptions**

- The total estimated exempt value is \$3.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$8,000 in state property taxes to exempt property owners and shifts an estimated \$22,000 in local property taxes in fiscal year 2026.

**Data Sources**

- Washington State Conservation Commission
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	1963
<b>Primary Beneficiaries:</b>	45 soil and water conservation districts
<b>Taxpayer Count:</b>	45
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.250 - Nonprofit water cooperatives

**Description** Property tax does not apply to real and personal property owned by a nonprofit corporation or cooperative association that distributes water to shareholders or members.

**Purpose** Providing equal treatment for private, nonprofit, and public work distributors and districts.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.185	\$0.190	\$0.194	\$0.199
Local Taxes	\$0.548	\$0.579	\$0.611	\$0.645

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.017	\$0.033	\$0.035

**Assumptions**

- The total estimated exempt value is \$85.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$200,000 in state property taxes to exempt property owners and shifts an estimated \$580,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.250 - Nonprofit water cooperatives

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1965
<b>Primary Beneficiaries:</b>	535 parcels owned by water corporations or cooperatives
<b>Taxpayer Count:</b>	168
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.255 - Habitat and water quality improvements

**Description** Taxpayers may apply for a property tax exemption for improvements to real and personal property devoted to fish and wildlife habitat restoration and protection and to water quality and quantity improvements. To qualify, the improvements must be in accordance with a local conservation district's written plan for best management practices.

**Purpose** Encourages improvement of fish and wildlife habitat and water quality/quantity.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.023	\$0.023	\$0.024	\$0.024
Local Taxes	\$0.067	\$0.071	\$0.075	\$0.080

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.002	\$0.004	\$0.004

**Assumptions**

- The total estimated exempt value is \$10.5 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$25,000 in state property taxes to exempt property owners and shifts an estimated \$70,000 in local property taxes in fiscal year 2026.

**Data Sources**

- Survey of county assessor offices
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

# 84.36.255 - Habitat and water quality improvements

**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Other
<b>Year Enacted:</b>	1997
<b>Primary Beneficiaries:</b>	Parcels owned by landowners who invest in habitat improvements.
<b>Taxpayer Count:</b>	70
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014

## 84.36.260 - Nonprofit conservation and open space lands

**Description** Property tax does not apply to real property owned by nonprofit corporations or associations used exclusively for the conservation of ecological systems, natural resources, or open space, including park lands. The primary purpose of the nonprofit organization is conducting or facilitating scientific research or conserving natural resources or open space for the general public. The land must be dedicated to these purposes or be subject to an option to purchase by a governmental entity.

**Purpose** Encouraging the preservation of open space land and supporting the activities of nature preservation and conservation organizations.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.595	\$0.609	\$0.624	\$0.639
Local Taxes	\$1.758	\$1.857	\$1.961	\$2.071

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.054	\$0.107	\$0.112

**Assumptions**

- The total estimated exempt value is \$274 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$650,000 in state property taxes to exempt property owners and shifts an estimated \$1.9 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023



## 84.36.260 - Nonprofit conservation and open space lands

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1967
<b>Primary Beneficiaries:</b>	1,659 public parks
<b>Taxpayer Count:</b>	47
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2010

## 84.36.300 - Goods in transit

**Description** Merchandise, goods, wares, and materials are exempt from property tax if either of the following is met:

- They are manufactured outside Washington by the current owner and shipped into the state.
- They are acquired by the current owner from another in-state manufacturer, and subsequently exported in substantially the same form they were brought into the state (although repackaging, relabeling, etc. may take place here).

Items exempted include aircraft parts and accessories, but not engines or major structural components, installed in Washington.

**Purpose** Encourages trade and promotes economic growth.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** Goods in transit are exempt under the business inventory exemption.

**Data Sources** Department of Revenue, Property tax data

**Additional Information**

<b>Category:</b>	Business
<b>Year Enacted:</b>	1961
<b>Primary Beneficiaries:</b>	Wholesalers of goods passing through the state and manufacturers of aircraft
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2023

## 84.36.350 - Nonprofit sheltered workshops

**Description** Property tax does not apply to real or personal property used by a nonprofit corporation to operate a sheltered workshop for individuals with disabilities, including property used for manufacturing and handling, selling, or distributing goods constructed, processed, or repaired in the workshop and any inventory and raw materials.

**Purpose** Supporting the social benefits and rehabilitative opportunities provided by the workshops.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.400	\$0.410	\$0.420	\$0.430
Local Taxes	\$1.184	\$1.251	\$1.320	\$1.394

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.037	\$0.072	\$0.075

**Assumptions**

- The total estimated exempt value is \$184 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$435,000 in state property taxes to exempt property owners and shifts an estimated \$1.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.350 - Nonprofit sheltered workshops

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1970
<b>Primary Beneficiaries:</b>	68 parcels owned by sheltered workshops
<b>Taxpayer Count:</b>	16
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011 with an upcoming review in 2026

# 84.36.381 - Senior and disabled homeowners exemption

**Description** An exemption from property tax applies to retired senior citizens (aged 61 or more), disabled homeowners, and veterans entitled to and receiving compensation from the U.S. Department of Veterans Affairs.

The income thresholds necessary to qualify in the exemption program are as follows:

- Income threshold 1 is the greater of \$30,000, or 50% of the median household income for the county.
- Income threshold 2 is the greater of \$35,000, or 60% of the median household income for the county.
- Income threshold 3 is the greater of \$40,000, or 70% of the median household income for the county.

The valuation of qualified homeowners remains unchanged as of January 1, 1995, or January 1 of the first assessment year, the homeowner qualifies for the property tax exemption. To qualify for the valuation freeze, homeowners must have household income equal to or less than Income threshold level 1.

Income thresholds are based on a percentage of the county’s median household income and adjusted every three years.

Any surviving spouse, surviving domestic partner, heir, or devisee of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse, surviving domestic partner, heir, or devisee is 57 years of age or older and otherwise meets the requirements.

**Purpose** Provide property tax relief to low-income, retired, or disabled homeowners.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$90.527	\$96.536	\$93.743	\$95.473
Local Taxes	\$277.459	\$304.764	\$304.584	\$319.849

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$7.325	\$14.296	\$14.976

# 84.36.381 - Senior and disabled homeowners exemption

- Assumptions**
- The total estimated exempt value is \$39.5 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$97 million in state property taxes to exempt property owners and shifts an estimated \$290 million in local property taxes in fiscal year 2026.
  - The average frozen value of homes qualifying for this exemption will grow at 1.5% annually.

- Data Sources**
- County Assessor, Abstract data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1967
<b>Primary Beneficiaries:</b>	Homeowners who are senior citizens, disabled veterans, surviving spouses and partners who qualify for this program
<b>Taxpayer Count:</b>	Approximately 110,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.400 - Home improvements

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**Description** Once every five years, a taxpayer may file for a property tax exemption on physical improvements to an existing single family residential dwelling, including constructing an accessory dwelling unit, upon completion of the improvements. The exemption is limited to improvements totaling 30% or less of the structure's original value.

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**Purpose** To encourage homeowners to upgrade or make improvements to their residences.

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**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.023	\$0.024	\$0.024	\$0.025
Local Taxes	\$0.069	\$0.072	\$0.076	\$0.080

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**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

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**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.002	\$0.004	\$0.004

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**Assumptions**

- The total estimated exempt value is \$10.6 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption results in a state levy shift of an estimated \$26,000 and a local levy shift of an estimated \$72,000 in fiscal year 2026.

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**Data Sources**

- Department of Revenue, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

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## 84.36.400 - Home improvements

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1972
<b>Primary Beneficiaries:</b>	Owners of single family dwellings who make improvements to their home
<b>Taxpayer Count:</b>	Approximately 200 homeowners
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020



## 84.36.400(2) - ADU units for low-income households

**Description** A county with a population of 1.5 million or more may exempt an accessory dwelling unit (ADU) if the owner rents the ADU to a "low-income household" that is not immediate family under the age of 60, and the ADU represents 30% or less of the value of the original structure.

Low-income household means a single person, family, or unrelated persons living together whose adjusted income is at or below 60% of the median household income adjusted for household size, for the county where the household is located, as reported by the U.S. Department of Housing and Urban Development.

**Purpose** To incentivize renting accessory dwelling units to low-income households.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

- The total estimated exempt value is unknown; therefore, these estimates are indeterminate but likely minimal.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- This exemption starts for property taxes due in 2024. Very few ADUs meet the qualifications for this exemption and even fewer will apply during the forecasted period of this study. .
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**Data Sources**

- County Assessor, Property tax data

## 84.36.400(2) - ADU units for low-income households

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### Additional Information

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2023
<b>Primary Beneficiaries:</b>	Owners of ADUs rented to low-income households.
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.36.451 - Public property leaseholds

**Description** Private rights to use or occupy property owned by the federal government, the state of Washington and its subdivisions, and federally recognized Indian tribes, is exempt from property taxation. Individuals and businesses that lease public or tribal property are instead subject to the leasehold excise tax based on the rental value of the lease.

**Purpose** To ensure that lessees of public property pay only leasehold excise tax and not personal property tax on the value of the lease.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** All of this estimate is covered elsewhere in this report under:

- A portion in the estimate for public utility properties.
- A portion in the estimate for certain public-private and tribal property.
- A portion in the estimate for certain residential and recreational lots.

**Data Sources** Department of Revenue, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	1976
<b>Primary Beneficiaries:</b>	Private lessees of publicly owned property, for example, port districts and state tidelands
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011

## 84.36.470 - Agricultural products

**Description** All agricultural products grown, or produced for sale by a person on lands owned by the person or on lands in which the person has a present right of possession are exempt from property tax. Cannabis is not an agricultural product.

**Purpose** To assist the agricultural economy.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$17.384	\$17.012	\$16.099	\$15.486
Local Taxes	\$51.426	\$51.853	\$50.611	\$50.196

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.458	\$2.752	\$2.713

**Assumptions**

- Total estimated exempt value is \$8.0 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- The value of agricultural products will remain stable; therefore, these estimates assume no growth.
- Repealing this exemption shifts an estimated \$16.7 million in state property taxes to exempt property owners and shifts an estimated \$47.9 million in local property taxes in fiscal year 2026.

**Data Sources**

- U.S. Department of Agriculture, Selected crop acreage, yield, production, and value
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.470 - Agricultural products

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### Additional Information

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	1984
<b>Primary Beneficiaries:</b>	Agricultural producers, processors, and shippers
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2018

## 84.36.477 - Business inventories

**Description** Business inventories, including most products held, acquired, or produced solely for: sale or lease, or for consumption of property that becomes an ingredient or component of property produced for sale or lease, are exempt from property tax.

**Purpose** To stimulate the economy and help to make Washington competitive with neighboring states that eliminated personal property taxes on business inventories.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$119.639	\$118.508	\$114.227	\$112.175
Local Taxes	\$353.935	\$361.268	\$359.151	\$363.677

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to those taxpayers currently receiving this exemption and reduces the tax burden of other taxpayers. The repeal may decrease the local rate, and local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$10.237	\$19.530	\$19.652

**Assumptions**

- Total estimated exempt value is \$54.8 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Market value of business inventories in Washington will grow at the forecasted rate of national business inventories.
- Repealing this exemption shifts an estimated \$118.4 million in state property taxes to exempt property owners and shifts an estimated \$339.6 million in local property taxes in fiscal year 2026.

**Data Sources**

- U. S. Economic Census, 2017
- S&P Global Market Intelligence, March 2023
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.477 - Business inventories

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### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1974
<b>Primary Beneficiaries:</b>	Manufacturers, wholesalers, and retailers
<b>Taxpayer Count:</b>	38,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2012

## 84.36.480 - Nonprofit fair associations

**Description** Property taxes do not apply to real and personal property owned by a nonprofit fair association eligible to receive support from the fair fund that sponsors or conducts a county fair.

The exemption also applies to nonprofit fair associations organized under the nonprofit miscellaneous and mutual corporations act, if the nonprofit purchased or acquired the majority of the property from a county or city between 1995 and 1998.

The exemption applies to properties valued at no more than \$15 million. Loaning or renting the property to private concessionaires in conjunction with a fair does not nullify the exemption if the rental charges are reasonable and used for operating and maintaining the property. If any portion of the property is rented for more than 50 days during a calendar year, the rental income becomes subject to leasehold excise tax beginning January 1, 2019.

**Purpose** To support county agricultural fairs.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.039	\$0.040	\$0.041	\$0.042
Local Taxes	\$0.117	\$0.123	\$0.130	\$0.137

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.004	\$0.007	\$0.008

**Assumptions**

- The total estimated exempt value is \$18.1 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$40,000 in state property taxes to exempt property owners and shifts an estimated \$120,000 in local property taxes in fiscal year 2026.



# 84.36.480 - Nonprofit fair associations

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- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1975
<b>Primary Beneficiaries:</b>	26 parcels owned by fair associations
<b>Taxpayer Count:</b>	8
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2011

## 84.36.487 - Air pollution control facilities

**Description** Air pollution control equipment constructed or installed at a thermal electric generating facility after May 15, 1997, is exempt from property tax. To qualify, the generating facility must have begun operation between January 1, 1970, and June 30, 1975.

**Purpose** To encourage thermal electric generating facilities to reduce air pollution emissions.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	CTI	CTI	CTI	CTI
Local Taxes	CTI	CTI	CTI	CTI

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	CTI	CTI	CTI

**Assumptions** This exemption impacts fewer than three taxpayers; any impacts are confidential.

**Data Sources** Department of Revenue, Property Tax Division

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1997
<b>Primary Beneficiaries:</b>	Thermal electric generating facility
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2017

## 84.36.500 - Conservation futures on agricultural land

**Description** Property tax does not apply to conservation futures of unlimited duration on farm and agricultural lands owned by certain nonprofit corporations or associations. To qualify, the primary purpose of the nonprofit corporations or associations must be to conserve agricultural lands and prevent them from being converted to nonagricultural uses, and the conservation futures must be effectively restricted to prevent nonagricultural uses on the land.

**Purpose** Encouraging the retention of farmlands in urban transitional areas.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** County Assessor, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1984
<b>Primary Beneficiaries:</b>	Nonprofit organizations that acquire development rights to agricultural lands and owners of the agricultural lands.
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012 and 2018

## 84.36.510 - Mobile homes in dealer's inventory

**Description** Property tax does not apply to mobile homes in a dealer's inventory and held solely for sale in the ordinary course of the dealer's business. The exemption does apply to taxes already levied or delinquent on the mobile home when it becomes part of a dealer's inventory.

**Purpose** Helps make Washington competitive with neighboring states that eliminated personal property taxes on business inventories.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.054	\$0.057	\$0.061	\$0.064
Local Taxes	\$0.159	\$0.174	\$0.191	\$2.090

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.005	\$0.011	\$0.012

**Assumptions**

- Total estimated exempt value is \$24.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption results in a state levy shift of an estimated \$63,000 and a local levy shift of an estimated \$180,000 in fiscal year 2026.
- Inventory as a percentage of shipments of mobile homes to Washington, is similar to when tracking of inventory stopped in 2013.

**Data Sources**

- U. S. Census data for inventory and average sales price
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.510 - Mobile homes in dealer's inventory

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**Additional  
Information**

<b>Additional Information</b>	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1985
<b>Primary Beneficiaries:</b>	Mobile home dealers
<b>Taxpayer Count:</b>	100
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017

## 84.36.550 - Nonprofit fund-raising

- Description** Property tax does not apply to real and personal property owned by nonprofit organizations that solicit gifts, donations, or grants if:
- The organization is nonsectarian.
  - A state or national group that authorizes, approves, or sanctions volunteer charitable fund-raising efforts affiliates with the nonprofit organization.
  - The organization is exempt from federal income tax.
  - The organization has a volunteer board of directors.

The organization uses gifts, donations, and grants for character-building, benevolent, protective, or rehabilitative social services to people of all ages for distribution to at least five other nonprofit organizations or associations that are organized and conducted for the same purposes listed above.

**Purpose** Supporting the fund-raising activities of these nonprofit organizations.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.181	\$0.186	\$0.190	\$0.195
Local Taxes	\$0.536	\$0.566	\$0.598	\$0.632

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.017	\$0.033	\$0.034

- Assumptions**
- The total estimated exempt value is \$83.5 million.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$200,000 in state property taxes to exempt property owners and shifts an estimated \$570,000 in local property taxes in fiscal year 2026.

- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.36.550 - Nonprofit fund-raising

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### Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1993
Primary Beneficiaries:	13 parcels owned by nonprofit fund-raising organizations
Taxpayer Count:	4
Program Inconsistency:	None Evident
JLARC Review:	Expedited review completed in 2013

# 84.36.560 - Nonprofit low-income rental housing

**Description**

Property tax does not apply to real and personal property owned or used by a “nonprofit entity” that provides rental housing for qualifying households, or mobile home spaces rented to qualifying households within a mobile home park, or mobile home park cooperative.

The exemption’s must benefit the nonprofit entity, and at least 75% of the dwelling units must be occupied by households with incomes at or below 60% of the median income, adjusted for household size, for the county where the property is located.

If the dwelling units are occupied by less than 75% of qualifying households, the nonprofit entity may receive a partial exemption.

The housing must be insured, financed, or assisted in whole, or in part, by one or more of the following sources:

- A federal or state housing program administered by the Department of Commerce.
- A federal housing program administered by a city or county government.
- A local affordable housing property tax levy.
- Certain authorized affordable housing and homeless housing and assistance surcharges.
- Financing by the Washington State Housing Finance Commission.

**Purpose**

Encouraging the construction and use of housing for low-income households.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$20.182	\$20.669	\$21.167	\$21.683
Local Taxes	\$59.702	\$63.042	\$66.577	\$70.317

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.847	\$3.620	\$3.799



## 84.36.560 - Nonprofit low-income rental housing

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- Assumptions**
- The total estimated exempt value is \$9.3 billion.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this exemption shifts an estimated \$22 million in state property taxes to exempt property owners and shifts an estimated \$63 million in local property taxes in fiscal year 2026.
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- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1999
<b>Primary Beneficiaries:</b>	1755 parcels of rental housing
<b>Taxpayer Count:</b>	161
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015 with an upcoming review in 2026

## 84.36.570 - Nonprofit demonstration farms

**Description** Property tax does not apply to all real and personal property of a demonstration farm used by a research and education program of a state university and owned by a nonprofit organization, corporation, or association if:

- The property is no more than 50 acres.
- The nonprofit organization, corporation, or association is a 501(c)(3).
- The farm includes research and extension facilities, a public agricultural museum and an educational tour site used by a state university for agricultural research and education programs.
- Income from the sale of agricultural products furthers the purpose of the nonprofit organization.
- Exempted property must be used exclusively for the purposes of the exemption.

**Purpose** Supporting the continued operation of a demonstration farm by a state university for agricultural research and education programs.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

- There are currently two organizations claiming this exemption.
- The exempted value for the organizations is unknown, therefore these estimates are indeterminate.

**Data Sources**

- Department of Revenue, Exempt property tax data

## 84.36.570 - Nonprofit demonstration farms

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	1999
<b>Primary Beneficiaries:</b>	4 parcels owned by demonstration farms
<b>Taxpayer Count:</b>	2
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015

## 84.36.590 - Vitrification equipment

**Description** Personal property located on land owned by the U.S. government at the Hanford reservation is exempt from property tax if it is used exclusively in the performance of a privatization contract to pre-treat, treat, vitrify or immobilize tank waste. The personal property must be used by the person who has a privatization contract to perform tank waste clean-up operations at the Hanford Reservation.

**Purpose** Supports nuclear waste clean-up activities at Hanford.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

- No equipment currently located at the Hanford site qualifies for this exemption.
- It is unknown if any qualifying equipment will be located at the Hanford site during the forecasted period of this study, so these estimates are indeterminate.

**Data Sources**

- Benton County assessor, Property tax data
- The Hanford Site, Waste treatment and immobilization plant

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2000
<b>Primary Beneficiaries:</b>	Persons with privatization contract to assist clean-up at Hanford Reservation
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015

## 84.36.595 - Motor vehicles, trailers, and campers

**Description** Motor vehicles, travel trailers, and campers are exempt from property tax.

**Purpose** Ensures that property tax does not apply to vehicles.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$114.135	\$116.888	\$119.705	\$122.628
Local Taxes	\$337.633	\$356.527	\$376.517	\$397.670

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$10.448	\$20.472	\$21.489

**Assumptions**

- The total estimated exempt value is \$52.5 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The Department of Licensing's database contains all registered vehicles in Washington.
- Repealing this exemption shifts an estimated \$124 million in state property taxes to exempt property owners and shifts an estimated \$356 million in local property taxes in fiscal year 2026.

**Data Sources**

- Bureau of Transportation Statistics, Average age of automobiles and trucks in operation in the United States
- Department of Licensing database
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.595 - Motor vehicles, trailers, and campers

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### Additional Information

Additional Information	
<b>Category:</b>	Tax base
<b>Year Enacted:</b>	2000
<b>Primary Beneficiaries:</b>	Individuals and businesses who own vehicles
<b>Taxpayer Count:</b>	7,800,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2015 and 2019

## 84.36.597 - Heavy equipment rental property

**Description** All heavy equipment rental property owned by a heavy equipment rental property dealer is exempt from property tax. A claim must be filed annually with the dealer's personal property listing to the county assessor for an exemption from taxes payable the following year.

**Purpose** To reduce costs for owners of heavy equipment rental property.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	(\$2.467)	(\$2.453)	(\$2.615)	(\$2.799)
Local Taxes	\$2.171	\$2.544	\$2.581	\$2.655

**Repeal of exemption**

Repealing a property tax exemption would increase state revenues. The repeal also shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate, and local taxing districts which are at their statutory maximum rate may therefore experience a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	(\$3.013)	(\$3.436)	(\$3.618)
Local Taxes	\$0.000	\$0.000	\$0.141	\$0.144

**Assumptions**

- The total estimated exempt value is \$286.3 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax and industrial equipment growth rates reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- The value of those counties responding to our survey represents those counties not responding to our survey.
- Exempt value will grow at a rate consistent with the growth rate of industrial equipment.
- 25% more heavy rental businesses will take the exemption in fiscal year 2023, with an additional 5% more each year after.
- Repealing this exemption results in a state levy shift of an estimated \$848,000 and a local levy shift of an estimated \$2.44 million in fiscal year 2026.

**Data Sources**

- Survey of county assessor offices
- Department of Revenue, Excise tax data
- S&P Global Market Intelligence, March 2023 forecast
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax forecast model, March 2023

## 84.36.597 - Heavy equipment rental property

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### Additional Information

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	2020
<b>Primary Beneficiaries:</b>	Businesses that rent heavy equipment
<b>Taxpayer Count:</b>	60
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed



## 84.36.600 - Custom computer software

**Description** Custom computer software, except for embedded software, is exempt from property tax. Custom software is software designed for a specific need for a single person or group of persons. Also exempt are master or golden copies of software, retained rights in computer software and modifications to prewritten software.

**Purpose** To recognize the administrative difficulties in valuing such software and to achieve uniform tax treatment in all counties.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

The value of custom computer software is unknown; therefore these estimates are indeterminate.

**Data Sources**

County Assessor, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1991
<b>Primary Beneficiaries:</b>	Businesses that own custom computer software
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014 and 2023

# 84.36.605 - Regional Transit Authority Sales and Leasebacks

**Description** Property tax does not apply to the real and personal property of a regional transit authority (RTA) subject to sale and leaseback arrangements. An RTA may sell facilities, trains, and buses, then lease them back from the investor.

**Purpose** Provides the RTA with assistance in acquiring and financing trains, buses, and facilities.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** Sound Transit

**Additional Information**

Additional Information	
<b>Category:</b>	Government
<b>Year Enacted:</b>	2000
<b>Primary Beneficiaries:</b>	Sound Transit
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 84.36.630 - Farm machinery (state levy)

**Description** Personal property in the form of machinery and equipment owned by a farmer and used in growing and producing agricultural products is exempt from both parts of the state property tax levies. Qualifying farm machinery is still subject to local property tax levies.

**Purpose** Reduces the property tax burden for farmers.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$3.026	\$3.057	\$3.089	\$3.122
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- The total estimated exempt value is \$1.4 billion.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$3.2 million in state property taxes to exempt property owners in fiscal year 2026.

**Data Sources**

- Survey of county assessor offices
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.36.630 - Farm machinery (state levy)

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### Additional Information

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	2001
<b>Primary Beneficiaries:</b>	Owners of farm machinery used to produce agricultural products
<b>Taxpayer Count:</b>	5,000
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2018

# 84.36.635 - Anaerobic digesters

**Description** All buildings, machinery, equipment, and other personal property which are used primarily for the operation of an anaerobic digester, the land upon which this property is located, and land that is reasonably necessary in the operation of an anaerobic digester are exempt from property tax. Applications for anaerobic digesters must be filed by December 31, 2024. The exemption is valid for six years and may not be renewed.

**Purpose** Encourages the use of anaerobic digesters to promote renewable natural gas.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

- Data Sources**
- Survey of county assessor offices
  - Department of Ecology, Organic waste data

**Additional Information**

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	2003
<b>Primary Beneficiaries:</b>	Operators of an anaerobic digester
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

# 84.36.645 - Semiconductor Materials Manufacturing After \$1 Billion Investment - Machinery and Equipment

**Description** Machinery and equipment exempt from sales and use taxes used in manufacturing semiconductor materials is exempt from property tax. The exemption is contingent upon the siting of a significant semiconductor fabrication facility with an investment of at least \$1 billion in buildings and equipment in Washington. The exemption expires January 1, 2024, unless a signed contract for construction of a significant fabrication facility occurs before the expiration.

**Purpose** Encourages the retention of existing semiconductor businesses in Washington and attracts similar businesses to Washington.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** County Assessor, Property tax data

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2003
<b>Primary Beneficiaries:</b>	Semiconductor fabrication facility
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2016 with an expedited review in 2021

# 84.36.650 - Nonprofit fund-raising to support artists

**Description** Property tax does not apply to real and personal property owned by a nonprofit organization that raises funds to support individual artists if:

- The organization is nonsectarian.
- The organization is a 501(c)(3).
- The organization has at least 8 board members.
- The organization uses funds for grants, fellowships, information services, or education resources for individual artists.
- If the property is leased, the exemption’s benefit is realized by the lessee.

**Purpose** Assisting nonprofit organizations that support artists.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
Local Taxes	Minimal	Minimal	Minimal	Minimal

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Minimal	Minimal	Minimal

- Assumptions**
- The total estimated exempt value is \$150,000.
  - This repeal takes effect beginning with property taxes due for calendar year 2025.
  - Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
  - Repealing this results in a minimal state and local levy shift.

- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023

## 84.36.650 - Nonprofit fund-raising to support artists

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### Additional Information

Additional Information	
<b>Category:</b>	Nonprofit
<b>Year Enacted:</b>	2003
<b>Primary Beneficiaries:</b>	Nonprofit supporting artists
<b>Taxpayer Count:</b>	1
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2016 with an upcoming review in 2024



# 84.36.655 - Aircraft facilities, port property

**Description** Facilities used to manufacture superefficient airplanes which are located on property owned by a port district are exempt from property tax. The exemption covers buildings, machinery, equipment, and other personal property owned by a lessee of port district property. The exemption expires July 1, 2040.

The exemption is not available if the manufacturer takes the B&O tax credit for property and leasehold taxes paid on property used to manufacture commercial airplanes.

**Purpose** Encourages establishment of a superefficient airplane manufacturing facility in Washington. This exemption requires that such a facility would be located on port district property. As such, it addresses the personal property component of the facility as the real property is likely to be publicly owned.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions** No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.

**Data Sources** Department of Revenue, Annual tax performance report data

## 84.36.655 - Aircraft facilities, port property

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### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2003
<b>Primary Beneficiaries:</b>	Any manufacturer of a super-efficient airplane that locates a facility on port district property.
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None evident.
<b>JLARC Review:</b>	Full review completed in 2019 with an upcoming review in 2024

## 84.36.665 - Military housing

**Description** Qualifying privately owned military housing is exempt from property tax.

**Purpose** Supports privatization of military housing on federal land.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.697	\$0.714	\$0.731	\$0.749
Local Taxes	\$2.062	\$2.177	\$2.299	\$2.428

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.064	\$0.125	\$0.131

**Assumptions**

- The total estimated exempt value is \$321 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$760,000 in state property taxes to exempt property owners and shifts an estimated \$2.2 million in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2008
<b>Primary Beneficiaries:</b>	2 owners of military housing projects awarded under the military housing privatization initiative
<b>Taxpayer Count:</b>	20
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020

## 84.36.670 - Multipurpose senior citizen centers

**Description** One or more contiguous real property parcels and personal property owned by a senior citizen organization are exempt from taxation if the property is used for the actual operation of a multipurpose senior citizen center. This includes property loaned or rented to the multipurpose senior center. The exempt property may be used for fund-raising events and activities.

**Purpose** To provide tax relief to senior citizen organizations.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.014	\$0.014	\$0.014	\$0.015
Local Taxes	\$0.041	\$0.043	\$0.045	\$0.048

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.001	\$0.003	\$0.003

**Assumptions**

- Total estimated exempt value is \$6.3 million.
- Exempt value will grow at a rate consistent with the growth rate of the market value of real property.
- Repealing this exemption shifts an estimated \$15,000 in state property taxes to exempt property owners and shifts an estimated \$43,000 in local property taxes in fiscal year 2026.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2017
<b>Primary Beneficiaries:</b>	18 parcels owned by a senior citizen organization
<b>Taxpayer Count:</b>	14
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review scheduled in 2025

## 84.36.675 - Limited equity cooperative housing

**Description** Limited equity cooperatives (LEC) receive a property tax exemption for real property owned by LEC that provides owned housing for low-income households if the following is met:

- The LEC and its members receive the benefit of the exemption.
- At least 85% of units are occupied by members of the LEC by January 1 of the assessment year.
- At least 95% of property for which the exemption is sought must be used for housing units or other noncommercial uses.
- The housing was insured, financed, or assisted by certain federal or state housing programs.

**Purpose** To provided permanent and affordable housing to low and middle-income residents.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- No taxpayers currently use this exemption. We expect no usage during the forecasted period of this study.
- Repealing this exemption results in no levy shifts.

**Data Sources**

- County Assessor, Property tax data

## 84.36.675 - Limited equity cooperative housing

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### Additional Information

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2022
<b>Primary Beneficiaries:</b>	Limited equity cooperatives
<b>Taxpayer Count:</b>	0
<b>Program Inconsistency:</b>	None Evident
<b>JLARC Review:</b>	No review completed

## 84.36.680 - Renewable energy systems

### Description

Qualified personal property used exclusively for the generation or storage of renewable energy is eligible for an exemption from property taxes levied for any state purpose. The exemption is available for 10 or 15 years following the date on which the facility where the property is located first becomes operational. Qualified personal property is personal property used exclusively for the generation or storage of renewable energy in a facility, the construction of which began on or after July 1, 2023. Renewable energy is energy produced by a solar or wind facility with nameplate capacity sufficient to generate at least 10 megawatts of alternating current power.

To receive this exemption the property owner must pay a renewable energy excise tax.

### Purpose

To encourage renewable energy facilities to locate in Washington while supporting local governments, schools, and communities.

### Taxpayer savings

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.396	\$0.967
Local Taxes	\$0.000	\$0.000	(\$0.098)	(\$0.471)

### Repeal of exemption

Under a budget-based system, repealing a property tax exemption would normally not increase revenue. The repeal would just shift the property tax to the currently exempt taxpayers. However, portions of the currently exempt value were never added to the property tax roll. If this exemption was repealed, the value that was not yet added to the property tax roll would be added as new construction thereby increasing revenue. Any exempt value that was already added to the property tax roll would result in a shift of property taxes to the property owners currently receiving this exemption.

### Potential revenue gains from full repeal

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	0.086	\$0.246
Local Taxes	\$0.000	\$0.000	(\$0.098)	(\$0.471)

### Assumptions

- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption shifts an estimated \$310,000 in state property taxes to exempt property owners in fiscal year 2026.
- Approximately 150 megawatts, nameplate capacity, of renewable energy will be added each year of this estimate.
- Added capacity will be an equal split between wind and solar.

## 84.36.680 - Renewable energy systems

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- Approximately 200 megawatt hours of renewable energy storage will be added each year of this estimate.
- The average cost of qualifying personal property for a solar facility is approximately \$1 million per megawatt of nameplate capacity in 2025 and will decrease approximately 2% per year each year of this estimate period.
- The average cost of qualifying personal property for a wind facility is approximately \$1.3 million per megawatt of nameplate capacity in 2025 and will decrease approximately 2% per year each year of this estimate period.
- The average cost of qualifying personal property for a renewable energy storage facility is approximately \$360,000 per megawatt hour of nameplate capacity in 2025 and will decrease approximately 2% per year each year of this estimate period.
- Because of construction time, the first facility begins production in calendar year 2026.
- Half the taxpayers will select the 10-year exemption and half will select the 15-year exemption.
- Approximately two-thirds of the exempt property would have been added to the tax roll prior to receiving the property tax exemption and approximately one-third of the exempt property would not have been added to the tax roll prior to receiving the property tax exemption. Therefore a repeal of this exemption will result in both a shift and gain in state revenue.
- Repealing this exemption shifts an estimated \$310 thousand in state property taxes to exempt property owners.
- If this property tax exemption is repealed the excise tax owed in lieu property tax, will no longer be owed. Resulting in a loss of revenue to local governments and schools.

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### Data Sources

- U.S. Energy Information Administration, Energy data
- Solar Reviews website
- Cost Projection for Utility-Scale Battery Storage: 2021 - Update National Renewable Energy Laboratory
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

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### Additional Information

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	2023
<b>Primary Beneficiaries:</b>	Renewable energy companies
<b>Taxpayer Count:</b>	3
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed



## 84.37.030 - Low-income homeowners tax deferral

- Description** A homeowner may defer 50% of special assessments and real property taxes if the homeowner:
- Owns the house for more than five years and lived in the house as of January 1 of the year taxes are due.
  - Has a combined disposable income of \$57,000 or less in the calendar year prior to filing.
  - Total amount deferred cannot exceed 40% of the amount of the claimant's equity value in the residence.
  - Already paid half of the taxes due for the year.
  - Has enough fire and casualty insurance to protect the interests of the state.

The homeowner can't defer special assessments or property taxes under the conditions and qualifications for claiming the deferral and can only defer up to 40% of his or her equity in the property. The state reimburses local taxing districts for the local property taxes deferred under this program.

**Purpose** Relieving the property tax burden of persons with limited incomes.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.032	\$0.034	\$0.036	\$0.038
Local Taxes	\$0.083	\$0.087	\$0.092	\$0.097

**Repeal of exemption**

Repealing this property tax exemption would increase state revenues. Unlike most property tax exemptions, it would not shift property taxes to the currently exempt taxpayers and reduce the tax burden of other taxpayers since the state reimburses local taxing districts for the local property taxes deferred under this program.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.121	\$0.128	\$0.135
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- The number of participants taking the deferral remains constant.
- Estimated growth in the average deferral is 5.5% annually.
- Repealing this exemption results in no levy shifts.

**Data Sources**

- County Assessor, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.37.030 - Low-income homeowners tax deferral

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	2007
<b>Primary Beneficiaries:</b>	Low income homeowners
<b>Taxpayer Count:</b>	32
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Full review completed in 2011

# 84.38.030 - Senior and disabled homeowners tax deferral

**Description** A homeowner may defer 80% of special assessments and real property taxes if the homeowner:

- Meets all requirements for an exemption for the residence under the senior exemption program.
- Is 60 or older by December 31 of the deferral claim year, or is retired due to physical disability.
- Has a combined disposable income of 75% or less of the county median household income.
- Has enough fire and casualty insurance to protect the interests of the state.
- Owned, at the time of filing, the residence upon which the special assessment and/or real property taxes are imposed.
- If claiming a special assessment deferral, opted for installment payments if available.
- Any surviving spouse, surviving domestic partner, heir, or devisee of a person who was receiving a deferral at the time of the person's death qualifies if the surviving spouse or surviving domestic partner is fifty-seven years of age or older and otherwise meets these requirements.

The state reimburses local taxing districts for the local property taxes deferred under this program.

**Purpose** Relieve the property tax burden of low-income, elderly, or disabled persons.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.409	\$0.409	\$0.409	\$0.409
Local Taxes	\$1.053	\$1.053	\$1.053	\$1.053

**Repeal of exemption** Repealing this property tax deferral would increase state revenues. Unlike most property tax exemptions, it would not shift property taxes to the currently exempt taxpayers and reduce the tax burden of other taxpayers since the state reimburses local taxing districts for the local property taxes deferred under this program.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$1.462	\$1.462	\$1.462
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

**Assumptions**

- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts as the state reimburses local taxing districts for the local property taxes deferred under this program.

## 84.38.030 - Senior and disabled homeowners tax deferral

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- Data Sources**
- County Assessor, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

<b>Additional Information</b>	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1975
<b>Primary Beneficiaries:</b>	Senior and disabled homeowners
<b>Taxpayer Count:</b>	620
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	No review completed

## 84.39.010 - Veteran widows and widowers

- Description** Widows or widowers of a veteran qualify for a property tax exemption, in the form of a grant, if they:
- Meet all requirements under the senior citizens exemption program, other than the income limits.
  - Are 62 or older by December 31 of the exemption claim year or retired due to physical disability and the veteran:
    - Died from a service-related disability.
    - Was 100% disabled by the U.S. Veterans Administration for at least the last 10 years prior to the veteran's death.
    - Was a prisoner of war and rated 100% disabled for at least one year prior to the veteran's death, or died while on active duty or in active military status.

In addition, the widow or widower of a veteran must not have remarried or have a combined disposable income of more than \$40,000.

The grant equals the amount of regular and special property tax levies imposed on the difference between the value of the residence that is eligible under the senior citizens exemption program and the following:

- If disposable income is less than \$30,000, the first \$100,000 of residential value.
- If disposable income is between \$30,000 and \$35,000, the first \$75,000 of residential value.
- If disposable income is between \$35,000 and \$40,000, the first \$50,000 of residential value.

**Purpose** Providing property tax relief to survivors of deceased veterans.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Minimal	Minimal	Minimal	Minimal
Local Taxes	Minimal	Minimal	Minimal	Minimal

**Repeal of exemption**

Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts, as the state provides a grant to the taxpayer for the state and local property taxes deferred under this program.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	Minimal	Minimal	Minimal
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

## 84.39.010 - Veteran widows and widowers

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- Assumptions**
- Repealing this exemption results in no state levy shift, no local levy shift, and no potential revenue gain to local taxing districts as the state provides a grant to the taxpayer for the state and local property taxes deferred under this program.
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- Data Sources**
- Department of Revenue, Property tax data
  - Economic and Revenue Forecast Council, March 2023 forecast
  - State property tax levy model, March 2023
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**Additional Information**

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	2005
<b>Primary Beneficiaries:</b>	Widows or widowers of veterans
<b>Taxpayer Count:</b>	19
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited completed review in 2020

## 84.40.030(3) - Growing crops

**Description** The value of agricultural land on January 1 does not include growing crops for property tax purposes. This exemption does not apply to cannabis.

**Purpose** The harvesting of most crops prior to January 1 prevents them from being subject to property tax. This exemption provides equal treatment for the few crops that may still be growing in the ground, principally winter wheat and fall barley.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.247	\$0.247	\$0.238	\$0.233
Local Taxes	\$0.732	\$0.752	\$0.748	\$0.756

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.021	\$0.041	\$0.041

**Assumptions**

- The total estimated exempt value is \$113 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Farmers incur 40% of costs - excluding seed costs - by January 1 for crops in the ground on January 1. The value of these crops equals the market value of the finished crop less the estimated remaining cost.
- Repealing this exemption shifts an estimated \$250,000 in state property taxes to exempt property owners and shifts an estimated \$710,000 in local property taxes in fiscal year 2026.

**Data Sources**

- Oregon State University, Cost of onion production in Eastern Oregon and Idaho
- State property tax levy model, March 2023
- USDA Economics Research Service: Economics of Food, Farming, Natural Resources, and Rural America
- USDA National Agricultural Statistics Service
- Economic and Revenue Forecast Council March 2023 Forecast
- State property tax levy model, March 2023

## 84.40.030(3) - Growing crops

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### Additional Information

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	1890
<b>Primary Beneficiaries:</b>	Farmers who have crops growing on January 1
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2007 and 2018



## 84.40.037 - Prewritten computer software

**Description** Computer software, except embedded software, is subject to property tax on 100% of the purchase price in the first year following purchase and on 50% of the cost in the second year. Thereafter, it is exempt from property tax.

**Purpose** Recognizes the rapid obsolescence of software and the difficulty of establishing accurate depreciation schedules for the myriad of software programs. Also, it helps provide uniformity of taxation throughout the state.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions** The value of prewritten software currently in use is unknown, therefore these estimates are indeterminate.

**Data Sources** Survey of county assessor offices

**Additional Information**

Additional Information	
<b>Category:</b>	Business
<b>Year Enacted:</b>	1991
<b>Primary Beneficiaries:</b>	Businesses owning canned software
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2014 and 2023

## 84.40.220 - Nursery stock

**Description** Nursery stock not grown in the ground (e.g. pots/bags) is exempt from property tax.

**Purpose** To provide tax treatment for nursery stock that is equivalent to growing crops.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.239	\$0.234	\$0.221	\$0.213
Local Taxes	\$0.707	\$0.713	\$0.696	\$0.690

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.020	\$0.037	\$0.037

**Assumptions**

- The total estimated exempt value is \$110 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$230,000 in state property taxes to exempt property owners and shifts an estimated \$660,000 in local property taxes in fiscal year 2026.

**Data Sources**

- U.S. Department of Agriculture, National Agricultural Statistics Service
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

**Additional Information**

Additional Information	
<b>Category:</b>	Agriculture
<b>Year Enacted:</b>	1971
<b>Primary Beneficiaries:</b>	Owners of nurseries
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2010 and 2018

# 84.56.020(19) - Waiver of interest and penalties for qualified taxpayers subject to foreclosure

**Description** A county treasurer must provide a one-time only waiver on all outstanding interest and penalties on delinquent taxes on a property subject to foreclosure action, no earlier than 60 days prior to being three years delinquent if:

- The taxpayer meets the minimum income threshold requirement for the senior citizen and disabled persons exemption program.
- The taxpayer occupies the property as their principal place of residence.

**Purpose** Provides relief for residential property owners to avoid foreclosure.

**Taxpayer savings** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing this exemption would not impact the state school levy as the state does not receive interest and penalty payments on delinquent property taxes. Repealing this exemption would increase local revenue as interest and penalties are retained by local government. Repealing this exemption does not shift the property tax on to others.

**Potential revenue gains from full repeal** *(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions**

- This exemption results in no revenue impact to the state property tax levy.
- The local estimates are indeterminate. Data on interest and penalty payments received on delinquent property taxes is unavailable. Any taxpayer savings or revenue impacts are likely minimal.

**Data Sources**

- County assessors and treasurers

## 84.56.020(19) - Waiver of interest and penalties for qualified taxpayers subject to foreclosure

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### Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2020
Primary Beneficiaries:	Residential property owners delinquent on property tax
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	No review completed

## 84.56.025 - Delinquency penalty and interest waivers

**Description** County treasurers must waive interest and penalties on delinquent property taxes when one of the following occurs:

- Notice was not sent to the taxpayer due to an error by the county. Interest and penalties are reinstated if the taxpayer fails to pay delinquent taxes within 30 days of receiving proper notice.
- The taxpayer fails to make one payment on their personal residence due to hardship caused by the death of their spouse.
- The taxpayer fails to make one payment on their parent's or stepparent's personal residence due to hardship caused by the death of their parent or stepparent.

County treasurers may, at their discretion, waive interest and penalties on delinquent property taxes when the taxpayer pays an erroneous amount due to an error made by the taxpayer.

**Purpose** Provides relief for taxpayers in cases of errors or hardships.

**Taxpayer savings**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.160	\$0.160	\$0.160	\$0.160

**Repeal of exemption**

Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal**

*(\$ in millions):*

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.160	\$0.160	\$0.160

**Assumptions**

- Total number of households claiming this waiver is 370 per year.
- Average property tax owed for households claiming this waiver is approximately \$5,200.
- Repealing this exemption will not result in a state or local levy shift.
- No growth in the number of penalties and interest waived each year.

**Data Sources**

- County Assessor, Abstract data

## 84.56.025 - Delinquency penalty and interest waivers

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1984
<b>Primary Beneficiaries:</b>	Property owners who may owe interest and penalties in these circumstances
<b>Taxpayer Count:</b>	370
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2012 and 2020

## 84.56.335 - Mobile Homes Possessed by Landlords

**Description** Property tax does not apply to a manufactured home or park model trailer worth less than \$8,000 if the landlord of the manufactured home park takes ownership and submits a signed affidavit to the assessor indicating an intent to resell or rent the home and either:

- The manufactured home or park model trailer has been abandoned.
- A final judgment regarding the manufactured home or park model trailer for restitution of the premises is executed in favor of the landlord and the title transfers to the landlord.

All future taxes are the responsibility of the owner of the manufactured, mobile home or park model trailer.

**Purpose** Allows manufactured home park owners to renovate and rent or sell abandoned homes without the responsibility of back property taxes, interest, and penalties owed by the previous owner.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Local Taxes	Indeterminate	Indeterminate	Indeterminate	Indeterminate

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. A repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. It may decrease the local rate and possibly result in local taxing districts at their statutory maximum rate experiencing a revenue increase.

**Potential revenue gains from full repeal** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Indeterminate	Indeterminate	Indeterminate

**Assumptions** These estimates are indeterminate but likely minimal.

**Data Sources** County assessors and treasurers

## 84.56.335 - Mobile Homes Possessed by Landlords

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### Additional Information

Additional Information	
<b>Category:</b>	Other
<b>Year Enacted:</b>	2013
<b>Primary Beneficiaries:</b>	Manufactured home park owners
<b>Taxpayer Count:</b>	Unknown
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2017



## 84.70.010 - Destroyed property

**Description** Property damaged in whole or in part, or located in a disaster as declared by the Governor or county legislative authority that has been reduced in value by more than 20%, may have its value reduced by the difference in fair market value before and after the destruction or natural disaster.

**Purpose** To provide relief for owners of destroyed property or losses of property value resulting from natural disasters.

**Taxpayer savings** (\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.024	\$0.024	\$0.025	\$0.025
Local Taxes	\$0.070	\$0.073	\$0.078	\$0.083

**Repeal of exemption** Repealing a property tax exemption would not increase state revenues. The repeal shifts the state property tax to the currently exempt taxpayers and reduces the tax burden of other taxpayers. The repeal may decrease the local rate. Local taxing districts at their statutory maximum may experience a revenue increase.

**Potential revenue gains from full repeal**

(\$ in millions):

	FY 2024	FY 2025	FY 2026	FY 2027
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.002	\$0.004	\$0.005

**Assumptions**

- The total estimated exempt value is \$10.9 million.
- This repeal takes effect beginning with property taxes due for calendar year 2025.
- Growth rate mirrors the property tax growth rate reflected in the Economic and Revenue Forecast Council's March 2023 forecast.
- Repealing this exemption shifts an estimated \$26,000 in state property taxes to exempt property owners and shifts an estimated \$74,000 in local property taxes in fiscal year 2026.

**Data Sources**

- Department of Revenue, Property tax data
- Economic and Revenue Forecast Council, March 2023 forecast
- State property tax levy model, March 2023

## 84.70.010 - Destroyed property

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### Additional Information

Additional Information	
<b>Category:</b>	Individuals
<b>Year Enacted:</b>	1974
<b>Primary Beneficiaries:</b>	Owners of property impacted by a natural disaster
<b>Taxpayer Count:</b>	35
<b>Program Inconsistency:</b>	None evident
<b>JLARC Review:</b>	Expedited review completed in 2020