

# 2010 Property Tax Legislation

Bills became effective June 10, 2010, unless otherwise stated.

## **SHB 2402**                      **Property tax exemption for nonprofit organizations** **(Chapter 186, Laws of 2010)**

This bill allows tax exempt property belonging to churches and nonprofit public assembly halls or meeting places to be used for farmers markets for up to 53 days each year. The bill establishes standards for qualifying farmers markets, requiring that they promote the sale of agricultural products as determined by the proportion of sales by farmers in relation to other types of vendors. Imported or secondhand products are prohibited, as are any franchises. Rental income must be used for maintenance of the property. Public assembly halls or meeting places may also use the income for capital improvements or for exempt purposes.

The bill expires December 31, 2020, and applies to property taxes levied for collection in 2011 through 2020.

## **HB 2428**                      **Fees for locating surplus funds** **(Chapter 29, Laws of 2010)**

This bill, requested by the Attorney General, amends the Washington Uniform Unclaimed Property Act (Chapter 63.29 RCW). Current law limits the fee a person may charge an owner of unclaimed property for locating that unclaimed property held by the Department of Revenue. The maximum finder's fee is five percent of the value of the property that is returned to the owner.

This bill applies the 5.0 percent finder's fee limitation to unclaimed funds held by a county that are proceeds from a foreclosure for delinquent property taxes or funds that are otherwise held by a county because of a person's failure to claim funds held as reimbursement for unowed taxes, fees, or other government charges.

A business that exceeds the fee limitation is in violation of Washington's Consumer Protection Act.

## **SHB 2776**                      **Funding distribution formulas for K-12 education** **(Chapter 236, Laws of 2010)**

This bill directs the Office of Financial Management and the Office of the Superintendent of Public Instruction to periodically reconvene a technical working group to monitor and provide advice on further development and implementation of the funding formulas for allocating basic education funds and to provide technical assistance to the ongoing work of the quality education council. The Department of Revenue is a member of that working group.

**SHB 2893****School levies  
(Chapter 237, Laws of 2010)**

This bill revises requirements governing school district levies.

The following changes apply to levies to be collected in calendar years 2011 to 2017:

- The maximum levy amount is increased by 4 percent, including districts with “grandfathered” status. For non-grandfathered districts, this increase is from 24 percent to 28 percent.
- The Local Effort Assistance payments for qualified districts are increased from 12 percent to 14 percent.
- The levy base continues to include amounts that the districts would have received under I-728 and I-732, if funding for these initiatives had not been reduced.
- The enhanced allocation for grades K-4 is included in districts' levy bases, in the event that it is reduced in the future.

School districts with an approved maintenance and operations levy are authorized to ask voters to approve an additional levy, if legislation enacted after the existing levy was approved would permit a higher levy.

The bill is effective March 29, 2010.

**SHB 2962****Allowing county treasurers to use electronic bill presentment and payment  
(Chapter 200, Laws of 2010)**

This bill authorizes, but does not require, county treasurers to collect taxes, assessments, fees, rates and charges by electronic bill presentation and payment. Electronic bill presentment and payment is optional for the taxpayer. The electronic bill presentment and payment may be monthly or on some other periodic basis as determined by the county treasurer. The county treasurer must electronically provide a payment agreement, which must be signed by the taxpayer and treasurer before an electronic bill is sent to the taxpayer.

**ESB 6287****Disposition of existing indebtedness at the time of an annexation  
(Chapter 63, Laws of 2010)**

This bill creates an express exemption from any pre-existing fire district levy for fire protection facilities, if a city is annexed to a fire district and property in the city is already subject to a pre-existing city levy for fire protection facilities. Under current law, if a city is annexed to a fire district, property owners in the city continue to pay any pre-existing city levy for fire protection facilities, along with any such pre-existing fire district levy.

The bill takes effect March 15, 2010.

**SB 6418****Cities and towns annexed to fire protection districts  
(Chapter 136, Laws of 2010)**

This bill provides that a city or town with a population of no more than 300,000 may be annexed into an adjacent fire protection district. Currently, only those cities or towns with a population of no more than 100,000 may be annexed into an adjacent fire district.

**ESSB 6737**

**Exemption from property tax for aircraft used as air ambulance services  
(Chapter 12, Laws of 2010 1st Special Session)**

This bill provides exemption from aircraft excise tax and property tax for aircraft that are owned by a nonprofit organization exempt from federal income tax under 26 U.S.C Sec. 501(c)(3) and are used exclusively to provide emergency medical transportation services.

The bill takes effect July 13, 2010, and expires January 1, 2020. The property tax exemption applies beginning with property taxes levied for collection in 2011.

**SB 6855**

**Exempting community centers from property taxation  
(Chapter 281, Laws of 2010)**

This bill provides a 40-year property tax exemption for surplus school district property that is acquired by a tax-exempt nonprofit organization and used as a community center. Any leases of community center property by parties who are not tax exempt are made subject to state and local leasehold excise taxes.