



Property Tax



Property Tax Exemptions – General Information

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:

- The state property tax (for public schools), and
 - Local property taxes (for services and programs provided by counties, cities, fire districts, school districts, library districts, etc.).
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Maximum tax rates

The law sets maximum tax rates for the 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 and not a rate-based property tax system.

The County Assessors spreads the 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 the total property tax rate for an area. The Assessor decreases rates in a specific order based on the total rate for a given area.

Tax shifts

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

When the Legislature repeals a property tax exemption, the total 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 the rate limitations limited the rate, repealing the property tax exemption may increase taxing district revenues.

Continued

Property Tax Exemptions – General Information

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 gains.
 - Analyses of local property taxes show that with a repeal of a property tax exemption, 80 percent of local taxes would shift to exempt property owners and 20 percent of local taxes would increase revenue for local taxing districts.
 - The total value exempted grows at the same rate as statewide market value that the Economic and Revenue Forecast Council forecasted in the February 2015 forecast.
 - Based on five years of state property tax collections, 52.24 percent of state property tax collections occur in April and 47.76 percent 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 in Calendar Year 2017, so the estimated local potential revenue gains for Fiscal Year 2017 include only the increase in April 2017 collections.
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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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$1.064	\$1.087	\$1.115	\$1.144
Local Taxes	\$4.797	\$5.038	\$5.237	\$5.445

Repeal of exemption Repealing this exemption would increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.280	\$0.550	\$0.570

Repealing this exemption results in a state levy shift of an estimated \$1.1 million and a local levy shift of an estimated \$4.7 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$491.8 million.

Data Sources

- Department of Transportation aircraft registration data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1949
Primary Beneficiaries:	Owners of general aviation aircraft registered with the Department of Transportation
Taxpayer Count:	6,800
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2009

84 - New construction of industrial/manufacturing facilities in targeted urban areas

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 ten years and no new application may be made after December 31, 2022.

Qualifying industrial manufacturing facilities must be located in counties with a population between 700,000 and 800,000. Within a qualified county, the facilities must be located in cities with a population of 18,000 or larger, and are north or east of the largest city in the county. The qualified facilities must also be located within or contiguous to an innovation partnership zone, foreign trade zone, or EB-5 regional center.

Purpose To promote new manufacturing and industrial uses on undeveloped or underutilized lands zoned for industrial and manufacturing uses in targeted urban area.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.114	\$0.130	\$0.148

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.040	\$0.045	\$0.051

Repealing this exemption results in no state levy shift and a local levy shift of an estimated \$0.085 million in Fiscal Year 2018.

Assumptions

- Qualifying new construction is exempt for a ten year period.
- Snohomish County is the only county impacted by this property tax exemption.
- The total estimated exempt value is \$12.34 million.

Continued

84 - New construction of industrial/manufacturing facilities in targeted urban areas

- Data Sources**
- Economic and Revenue Forecast Council's February 2015 forecast
 - County property tax rolls
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Additional Information

Additional Information	
Category:	Business
Year Enacted:	2015
Primary Beneficiaries:	Owners of certain manufacturing or industrial properties in Snohomish County
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Not in review schedule

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 a targeted residential areas contained within an urban growth centers are exempt from property tax for up to twelve years.

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.

Purpose Encourages the development of affordable privately-owned residential units in urban areas.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$7.423	\$7.583	\$7.781	\$7.984
Local Taxes	\$33.471	\$35.154	\$36.548	\$38.001

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.970	\$3.830	\$3.960

Repealing this exemption results in a state levy shift of an estimated \$7.8 million and a local levy shift of an estimated \$32.7 million in Fiscal Year 2018.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.
- The total estimated exempt value is \$3.43 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Continued

84.14.020 - Multi-unit urban housing

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1995
Primary Beneficiaries:	The owners of qualifying multi-unit residential structures
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

84.26.070 - Historic property rehabilitation

Description Eligible historic property receives a special valuation upon approval of the owner's application. The taxable value may have rehabilitation costs that exceed twenty-five percent of its assessed value excluded for ten years.

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

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.521	\$0.532	\$0.546	\$0.560
Local Taxes	\$2.348	\$2.466	\$2.565	\$2.667

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.140	\$0.270	\$0.280

Repealing this exemption results in a state levy shift of an estimated \$0.6 million and a local levy shift of an estimated \$2.3 million in Fiscal Year 2018.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.
- The total estimated exempt value is \$240.85 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Continued

84.26.070 - Historic property rehabilitation

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1985
Primary Beneficiaries:	Owners of historic property who rehabilitate the structure
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

84.33.040 - Timber

Description Timber is exempt from property tax.

Purpose Simplifying the taxation of timber.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.645	\$0.682	\$0.761	\$0.784
Local Taxes	\$2.905	\$3.165	\$3.573	\$3.731

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.190	\$0.370	\$0.390

Repealing this exemption results in a state levy shift of an estimated \$760,000 and a local levy shift of an estimated \$3.2 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$315.2 million.

Data Sources

- Timber excise tax data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1971
Primary Beneficiaries:	Owners of timber and those with contracts to harvest timber
Taxpayer Count:	2,200
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

84.33.140 - Forest land, statutory values

Description This law provides a statutory formula to calculate the taxable value for forest lands designated under chapter 84.33 RCW, 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 to provide uniformity in the valuation of forest land designated under chapter 84.33 RCW.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$34.854	\$35.603	\$36.532	\$37.488
Local Taxes	\$157.156	\$165.056	\$171.602	\$178.421

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 also decrease the local property tax rate which could reduce the tax burden for other taxpayers. Local taxing districts at their statutory maximum may experience a revenue increase.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$9.240	\$18.000	\$18.610

Repealing this exemption results in a state levy shift of an estimated \$36.5 million and a local levy shift of an estimated \$153.6 million in Fiscal Year 2018.

Assumptions

- The average current use value of designated forest land is about \$100 per acre, and the average market value (highest and best use) of designated forest land is approximately \$2,800 per acre.
- The total estimated exempt value is \$16.1 billion.

Data Sources

- County Assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Continued

84.33.140 - Forest land, statutory values

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1971
Primary Beneficiaries:	Owners of approximately six million acres of designated forest land
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review



84.33.140(13,14) - Compensating tax on removal of forest land

Description

When removing forest land from the designated forest land program, landowners paid a compensating tax to reimburse the counties for past tax losses 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 qualified under RCW 84.34.210 and 64.04.130,
- 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, or
- 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 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.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.227	\$0.243	\$0.262	\$0.277
Local Taxes	\$0.764	\$0.815	\$0.880	\$0.932

Repeal of exemption

Repealing this exemption would increase revenues.

84.33.140(13,14) - Compensating tax on removal of forest land

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.243	\$0.262	\$0.277
Local Taxes	\$0.000	\$0.815	\$0.880	\$0.932

Repealing this exemption does not result in a state or local levy shift. The compensating tax does not influence local or state levy calculations.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to the value of designated forest land in reporting counties.
- The total estimated exempt value is \$8.58 million.

Data Sources

- Survey to County Assessors
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1971
Primary Beneficiaries:	Owners of property that has been removed from the designated forest land classification
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

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 land owner 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.080	\$0.082	\$0.085	\$0.087

Repeal of exemption

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

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.082	\$0.085	\$0.087

Repealing this exemption will not result in a state or local levy shift.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the taxpayer savings of exempt property is equal to the ratio of taxpayer savings to acres of designated forest land for reporting counties.
- Special benefit assessments are not necessarily based on the value of a property, so the value of exempted property is not relevant.

Data Sources

- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Continued

84.33.210(1) - Forest land special assessments

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1992
Primary Beneficiaries:	Certain owners of designated forest land
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

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

Description In 2014, the definition of “farm and agricultural land” expanded to include qualifying land used for growing plants in containers.

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

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Since qualifying land used for growing plants in containers is defined as farm and agricultural land, this land is assessed at its current use value.
- This impact is part of a more comprehensive estimate of 84.34.065, the impact of assigning current use value to farm and agricultural land.

Data Sources None

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1973
Primary Beneficiaries:	Owners of qualifying nurseries that grow plants primarily in containers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Unable to find on JLARC review schedule

84.34.060 - Open space land and timber land, current use

Description Open space land and timber land are valued at lower than the highest and best use of the land. Open space land in the current use program is valued using either a public benefit rating system or the value can be no lower than the lowest per acre value of farm and agricultural land in the county. 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 at less than the highest and best use value.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.801	\$3.883	\$3.984	\$4.088
Local Taxes	\$17.139	\$18.001	\$18.715	\$19.458

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 which could reduce the tax burden of other taxpayers. Local taxing districts at their statutory maximum may experience a revenue increase.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.010	\$1.960	\$2.030

Repealing this exemption results in a state levy shift of an estimated \$4.0 million and a local levy shift of an estimated \$ 16.8 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.76 billion.

Data Sources

- County Assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Continued

84.34.060 - Open space land and timber land, current use

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1970
Primary Beneficiaries:	Owners of 1.3 million acres of open space and timberlands
Taxpayer Count:	Unknown
Program Inconsistency:	Land preservation could be considered inconsistent with economic development and urban renewal programs
JLARC Review:	Excluded from JLARC review

84.34.065 - Farm lands, current use

Description Productive capacity determines the taxable value of farm and agricultural land. 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. Market value based on highest and best use determines the taxable value of most other property in Washington. So farm and agricultural land has a reduced taxable value.

The current use value of the land where the farmer and employees reside is the prior year's average value of open space farm and agricultural land used in 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$22.527	\$23.010	\$23.611	\$24.228
Local Taxes	\$101.571	\$106.676	\$110.907	\$115.314

Repeal of exemption

Repealing a property tax value reduction would not increase state revenues. The repeal shifts the state property tax to those with the value reduction and lowers 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$5.970	\$11.640	\$12.030

Repealing this exemption results in a state levy shift of an estimated \$23.6 million and a local levy shift of an estimated \$ 99.3 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$10.41 billion.

Data Sources

- County Assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Continued

84.34.065 - Farm lands, current use

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1973
Primary Beneficiaries:	Owners of 9.8 million acres of farm and agricultural lands
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.34.108(6) - Additional tax, interest, and penalty on removal of classified land, current use

Description Landowners pay additional tax, interest, and penalty when removing land from the current use program to reimburse the county for taxes lost due to the reduced land value associated with the program. This statute waives the additional tax, interest, and penalty for removing land from the current use program in the following situations:

- Transferring the land to a government entity in exchange for other land in Washington,
- Taking the land through eminent domain or threat of eminent domain,
- Natural disaster changing the use of the property,
- 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,
- Transferring the land to a church that would qualify for certain exemptions,
- Transferring the land 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 it qualifies for a newly enacted 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,
- 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, or
- Discovering that the land classification is in error through no fault of the owner.

Purpose Avoids penalizing land owners for a change in use for circumstances beyond their control or under specific situations in which the land is transferred.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.491	\$0.524	\$0.566	\$0.599
Local Taxes	\$2.748	\$2.933	\$3.166	\$3.352

Repeal of exemption

Repealing this exemption would increase revenues.

Continued

84.34.108(6) - Additional tax, interest, and penalty on removal of classified land, current use

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.524	\$0.566	\$0.599
Local Taxes	\$0.000	\$2.933	\$3.166	\$3.352

Repealing this exemption does not result in a state or local levy shift. The compensating tax does not influence local or state levy calculations.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to the current use value of open space property of reporting counties.
- The total estimated exempt value is \$29.96 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1973
Primary Beneficiaries:	Owners of open space lands that are sold in these situations
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$149.609	\$152.821	\$156.810	\$160.912
Local Taxes	\$0.000	\$708.488	\$736.587	\$765.853

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$39.680	\$77.280	\$79.870

Repealing this exemption results in a state levy shift of an estimated \$156.8 million and a local levy shift of an estimated \$659.3 million in Fiscal Year 2018.

84.36.010(1) - Cities and towns

Continued

Assumptions

- The value of city/town government facilities per city/town general employee is the same as the State of Washington facility value per State of Washington general employee.
 - The value of city/town roads per mile is equal to the value of state owned roads per mile.
 - Of county and municipal timber and forest land, 5% is owned by cities and towns.
 - The total estimated exempt value is \$69.17 billion.
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Data Sources

- U.S. Forest Service
 - Washington State Employment Security Department
 - Washington State Department of Transportation
 - Washington State Auditor, Local Government Financial Reporting System
 - Office of Financial Management, Comprehensive Annual Financial Report
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
 - County Abstract Reports
-

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Cities and towns in Washington
Taxpayer Count:	281
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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.



"Franklin County Courthouse in Pasco, Washington" by Allen4names - Own work. Licensed under CC BY-SA 3.0 via Wikimedia Commons - https://commons.wikimedia.org/wiki/File:Franklin_County_Courthouse_in_Pasco,_Washington.JPG#/media/File:Franklin_County_Courthouse_in_Pasco,_Washington.JPG

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$152.170	\$155.436	\$159.494	\$163.667
Local Taxes	\$686.122	\$720.615	\$749.194	\$778.962

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$40.360	\$78.600	\$81.230

Repealing this exemption results in a state levy shift of an estimated \$159.5 million and a local levy shift of an estimated \$670.6 million in Fiscal Year 2018.

Continued

84.36.010(1) - County government

Assumptions

- The value of county government facilities per county general employee is the same as the State of Washington facility value per State of Washington 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.
 - The total estimated exempt value is \$70.35 billion.
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Data Sources

- U.S. Forest Service
 - Washington State Employment Security Department
 - Washington State Department of Transportation
 - Washington State Auditor, Local Government Financial Reporting System
 - Office of Financial Management, Comprehensive Annual Financial Report
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
 - County Abstract Reports
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Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Counties
Taxpayer Count:	39
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$88.998	\$90.908	\$93.281	\$95.722
Local Taxes	\$401.285	\$421.457	\$438.172	\$455.583

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$23.600	\$45.970	\$47.510

Repealing this exemption results in a state levy shift of an estimated \$88.0 million and a local levy shift of an estimated \$369.9 million in Fiscal Year 2018.

Assumptions

- The value of federal government facilities per federal general employee is the same as the state of Washington facility value per state of Washington general employee.
- The total estimated exempt value is \$38.81 billion.

Data Sources

- United States Forest Service
- Washington State Employment Security Department
- Washington State Department of Transportation
- Office of Financial Management, Comprehensive Annual Financial Report
- United States Department of Defense
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Continued

84.36.010(1) - Federal government

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1854
Primary Beneficiaries:	The United States government and its agencies and instrumentalities
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review



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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.300	\$2.350	\$2.411	\$2.474
Local Taxes	\$10.371	\$10.892	\$11.325	\$11.775

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.610	\$1.190	\$1.230

Repealing this exemption results in a state levy shift of an estimated \$3.2 million and a local levy shift of an estimated \$13.4 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.41 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Fire district valuation data
- County property tax rolls
- County levy data

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1933
Primary Beneficiaries:	Fire protection districts
Taxpayer Count:	370
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.017	\$0.017	\$0.017	\$0.018
Local Taxes	\$0.075	\$0.079	\$0.082	\$0.086

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.004	\$0.010	\$0.010

Repealing this exemption results in a state levy shift of an estimated \$0.02 million and a local levy shift of an estimated \$0.07 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$7.68 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1967
Primary Beneficiaries:	Four parcels owned by foreign governments
Taxpayer Count:	3
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$20.919	\$21.368	\$21.925	\$22.499
Local Taxes	\$94.319	\$99.061	\$102.990	\$107.082

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$5.550	\$10.810	\$11.170

Repealing this exemption results in a state levy shift of an estimated \$21.9 million and a local levy shift of an estimated \$92.2 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$9.67 billion.

Data Sources

- Washington Public Ports Association
- Port of Seattle, Comprehensive Annual Report
- Port of Tacoma, Annual Report
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1911
Primary Beneficiaries:	Public port districts
Taxpayer Count:	75
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$37.438	\$38.242	\$39.240	\$40.267
Local Taxes	\$168.807	\$177.293	\$184.324	\$191.648

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$9.930	\$19.340	\$19.990

Repealing this exemption results in a state levy shift of an estimated \$39.2 million and a local levy shift of an estimated \$165.0 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$17.31 billion.

Data Sources

- National Center For Education Statistics - Integrated Postsecondary Education Data System
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Public colleges and universities
Taxpayer Count:	44
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$119.517	\$122.083	\$125.270	\$128.547
Local Taxes	\$538.894	\$565.985	\$588.432	\$611.811

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$31.700	\$61.740	\$63.800

Repealing this exemption results in a state levy shift of an estimated \$125.3 million and a local levy shift of an estimated \$526.7 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$55.26 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Washington State Office of Superintendent of Public Instruction

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	Approximately 2,100 campuses of the 295 public school districts
Taxpayer Count:	295
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.36.010(1) - Public utility districts

Description Real and personal property owned by public utility districts 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$64.411	\$65.794	\$67.511	\$69.277
Local Taxes	\$290.425	\$305.024	\$317.121	\$329.721

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$17.080	\$33.270	\$34.380

Repealing this exemption results in a state levy shift of an estimated \$67.5 million and a local levy shift of an estimated \$283.9 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$29.78 billion.

Data Sources

- Washington Public Utility Districts Association, 2014 Sourcebook
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1931
Primary Beneficiaries:	Nonprofit utilities that provide electricity, water, wastewater services, and wholesale telecommunications
Taxpayer Count:	27
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$84.841	\$86.662	\$88.924	\$91.251
Local Taxes	\$382.541	\$401.772	\$417.706	\$434.303

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$22.500	\$43.820	\$45.290

Repealing this exemption results in a state levy shift of an estimated \$88.9 million and a local levy shift of an estimated \$373.9 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$39.23 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- 2014 Comprehensive Annual Financial Report

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1889
Primary Beneficiaries:	The state of Washington
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.36.010(1a) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.430	\$0.440	\$0.451	\$0.463
Local Taxes	\$1.940	\$2.038	\$2.118	\$2.203

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.110	\$0.220	\$0.230

Repealing this exemption results in a state levy shift of an estimated \$0.5 million and a local levy shift of an estimated \$1.9 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$198.96 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

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

Additional Information

Additional Information	
Category:	Government
Year Enacted:	2004
Primary Beneficiaries:	1,782 parcels owned by Indian tribes whose governmental services utilize facilities on non-tribal land
Taxpayer Count:	24
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2016

84.36.010(1) - Community centers, nonprofits

Description Property tax does not apply, for forty 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.086	\$0.088	\$0.090	\$0.092
Local Taxes	\$0.388	\$0.407	\$0.423	\$0.440

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.020	\$0.040	\$0.050

Repealing this exemption results in a state levy shift of an estimated \$90,000 and a local levy shift of an estimated \$380,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$39.75 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2010
Primary Beneficiaries:	8 parcels owned by nonprofit community centers
Taxpayer Count:	6
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2020

84.36.010(1) - 2nd Narrows bridge

Description A property tax exemption is provided for state route 16 corridor transportation systems and facilities constructed pursuant to Chapter 47.46 RCW.

Purpose This exemption is intended to exempt any private property used in conjunction with construction and operation of the 2nd 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 2016	FY 2017	FY 2018	FY 2019
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 2nd Narrows Bridge Project at this time.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

None

Data Sources

Not applicable

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1998
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	Not applicable
JLARC Review:	JLARC completed an expedited review in 2014

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.761	\$3.842	\$3.942	\$4.046
Local Taxes	\$16.960	\$17.813	\$18.519	\$19.255

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.000	\$1.940	\$2.010

Repealing this exemption results in a state levy shift of an estimated \$3.9 million and a local levy shift of an estimated \$16.6 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.74 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Washington Department of Health, Hospital Financial Data

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1945
Primary Beneficiaries:	Hospitals operated by public hospital districts or hospitals owned by a county
Taxpayer Count:	43
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.36.010(2) - Tribal property - Economic development

Description Federally recognized Indian tribes in Washington receive a property tax exemption for property owned by the tribe prior to March 1, 2014 and used for economic development purposes. This exemption expires January 1, 2022.

Purpose Creates jobs and improves the economic health of tribal communities. Tribal property used for economic development can be on or off the reservation. This also grants tribes a similar exemption as received by state and local governments for property owned by either the state or a local government.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.235	\$0.240	\$0.246	\$0.252
Local Taxes	\$0.869	\$0.918	\$0.957	\$0.998

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	(\$0.132)	(\$0.078)	(\$0.073)

Repealing this exemption results in a state levy shift of an estimated \$0.3 million and a local levy shift of an estimated \$1.0 million in Fiscal Year 2018.

Continued

84.36.010(2) - Tribal property - Economic development

Assumptions

- The validity of the exemption under RCW 84.36.010(2) is pending the outcome of a court case challenging the constitutionality of the payment in lieu of leasehold excise tax that may be required on certain such exempt properties.
- Two tribes are currently participating in this exemption program. Other tribes may decide to apply for this exemption if the law remains valid. If it is found to be invalid, then property tax will need to be paid on previously exempt property for the period of time the property was exempt under RCW 84.36.010(2).
- Property exempt under this statute and located outside of a reservation must make payments in lieu of taxes (PILT). Based on a known negotiated PILT payment, PILT payments are 25 percent of the property tax that would otherwise be due.
- Since PILT payments are distributed to local tax districts only, and estimated PILT payments are larger than property tax revenue gains achieved from repeal of this exemption, local jurisdictions would lose revenue if this exemption is repealed.
- The total estimated exempt value is \$108.45 million.

Data Sources

- Department of Revenue exempt property tax system
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	2014
Primary Beneficiaries:	49 parcels owned by federally recognized Indian tribes and are used for economic development purposes
Taxpayer Count:	2
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2020

84.36.015 - Parcels valued at < \$500

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.079	\$0.075	\$0.074	\$0.075
Local Taxes	\$0.353	\$0.348	\$0.348	\$0.355

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.020	\$0.040	\$0.040

Repealing this exemption results in a state levy shift of an estimated \$0.07 million and a local levy shift of an estimated \$0.3 million in Fiscal Year 2018.

Assumptions

- The assessed value of exempt property will grow at the average historical growth rate of personal property, which is 3.9 percent.
- The total estimated exempt value is \$37.88 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1997
Primary Beneficiaries:	Small property owners
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$1.105	\$1.129	\$1.159	\$1.189
Local Taxes	\$4.985	\$5.235	\$5.443	\$5.659

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.290	\$0.570	\$0.590

Repealing this exemption results in a state levy shift of an estimated \$1.2 million and a local levy shift of an estimated \$ 4.9 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$511.1 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1854
Primary Beneficiaries:	465 parcels owned by cemeteries
Taxpayer Count:	163
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed a full review in 2007

84.36.020 - Nonprofit churches, parsonages, and convents

Description Property tax does not apply to churches and grounds not exceeding five acres, or parsonages and convents of nonprofit recognized religious denominations. The tax also does not apply to lands, buildings, and personal property used for a public burying ground or cemetery that does not discriminate based on race, color, national origin, or ancestry. This includes lands, buildings, and personal property required for administration and maintenance.

Purpose Recognizing the social benefits of religious organizations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$15.465	\$15.797	\$16.209	\$16.633
Local Taxes	\$69.729	\$73.235	\$76.139	\$79.165

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$4.100	\$7.990	\$8.260

Repealing this exemption results in a state levy shift of an estimated \$16.2 million and a local levy shift of an estimated \$ 68.2 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$10.41 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1854
Primary Beneficiaries:	9655 parcels owned by churches
Taxpayer Count:	3,791
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.030(1)(a) - Nonsectarian organizations

Description Property used for character-building, benevolent, protective, or rehabilitative social services 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$4.976	\$5.083	\$5.216	\$5.352
Local Taxes	\$22.439	\$23.567	\$24.501	\$25.475

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.320	\$2.570	\$2.660

Repealing this exemption results in a state levy shift of an estimated \$5.2 million and a local levy shift of an estimated \$21.9 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$2.3 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	1,709 parcels owned by nonprofit nonsectarian organizations
Taxpayer Count:	509
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.117	\$0.120	\$0.123	\$0.126
Local Taxes	\$0.528	\$0.554	\$0.576	\$0.599

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.030	\$0.060	\$0.060

Repealing this exemption results in a state levy shift of an estimated \$120,000 and a local levy shift of an estimated \$ 520,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$54.1 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1983
Primary Beneficiaries:	58 parcels owned by nonprofit thrift shops
Taxpayer Count:	35
Program Inconsistency:	None Evident
JLARC Review:	Unable to find on JLARC review schedule

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.565	\$0.577	\$0.592	\$0.607
Local Taxes	\$2.546	\$2.674	\$2.779	\$2.890

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.150	\$0.290	\$0.300

Repealing this exemption results in a state levy shift of an estimated \$590,000 and a local levy shift of an estimated \$ 2.49 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$126.0 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1971
Primary Beneficiaries:	525 parcels owned by church camps
Taxpayer Count:	93
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed a full review 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.497	\$0.508	\$0.521	\$0.535
Local Taxes	\$2.243	\$2.356	\$2.450	\$2.547

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.130	\$0.260	\$0.270

Repealing this exemption results in a state levy shift of an estimated \$520,000 and a local levy shift of an estimated \$2.2 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$230.0 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1933
Primary Beneficiaries:	184 parcels owned by nonprofit youth organizations
Taxpayer Count:	46
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review 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 veterans organizations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.155	\$0.158	\$0.162	\$0.167
Local Taxes	\$0.698	\$0.733	\$0.762	\$0.793

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.040	\$0.080	\$0.080

Repealing this exemption results in a state levy shift of an estimated \$160,000 and a local levy shift of an estimated \$680,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$71.6 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1929
Primary Beneficiaries:	223 parcels owned by veteran's organizations.
Taxpayer Count:	136
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed a full review in 2007

84.36.030(5) - Federal instrumentalities furnishing aid and relief

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

- volunteer aid to the armed forces, and
- 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	D	D	D	D
Local Taxes	D	D	D	D

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	D	D	D	D

Assumptions

This exemption applies to less than three taxpayers.

Data Sources

None

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1945
Primary Beneficiaries:	Federal instrumentalities furnishing aid and relief
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in no levy shifts.

Assumptions

- The total estimated exempt value is 0.
- There are currently no organizations claiming this exemption.
- No organizations will take this exemption during the next four years.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1987
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed an expedited review in 2012

84.36.031(2) - Nonprofit Youth 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.004	\$0.004	\$0.004	\$0.004
Local Taxes	\$0.018	\$0.019	\$0.020	\$0.021

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.001	\$0.002	\$0.002

Repealing this exemption results in no state levy shift and a local levy shift of an estimated \$20,000 in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$1.8 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

84.36.031(2) - Nonprofit Youth Character Building Leases

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2012
Primary Beneficiaries:	2 parcels leased by community service organizations
Taxpayer Count:	2
Program Inconsistency:	None Evident
JLARC Review:	JLARC has scheduled to review in 2022

84.36.032 - Church administrative offices

Description Property tax does not apply to real and personal property of administrative offices of nonprofit recognized religious organizations. The offices must be used in the administration of the religious programs of the organization to qualify for the property tax exemption.

Purpose Supports the social benefits that religious organizations provide.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.219	\$0.224	\$0.230	\$0.236
Local Taxes	\$0.989	\$1.039	\$1.080	\$1.123

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.060	\$0.110	\$0.120

Repealing this exemption results in a state levy shift of an estimated \$230,000 and a local levy shift of an estimated \$970,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$101.4 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	59 parcels owned by religious organizations
Taxpayer Count:	17
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed an expedited review in 2011

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.245	\$0.251	\$0.257	\$0.264
Local Taxes	\$1.107	\$1.163	\$1.209	\$1.256

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.070	\$0.130	\$0.130

Repealing this exemption results in a state levy shift of an estimated \$260,000 and a local levy shift of an estimated \$1.1 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$113.4 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1971
Primary Beneficiaries:	34 parcels owned by blood and tissue banks
Taxpayer Count:	4
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.037 - Nonprofit public assembly halls and meeting places

Description Property tax does not apply to real and personal property owned by a nonprofit public assembly hall or meeting place. The property must be used exclusively for public gatherings and be available to everyone. The area eligible for this exemption may not exceed one acre. However, if the property is essentially unimproved and used for annual community celebration events for at least 10 years, then the area eligible for exemption may not exceed 29 acres.

A farmers market can use the property for up to 53 days each year. In a county with a population of less than 20,000, organizations providing dance lessons, art classes, or music lessons can use the property when rents for these activities are reasonable and do not exceed the maintenance and operation expense for the area being used.

Using the property for non-exempt purposes is allowed up to 50 days each year and 15 of the 50 days the property may be used for monetary gain. The exemption is not nullified if all income from the rental goes toward capital improvements, maintenance, or the exempt purpose of the nonprofit organization.

This provision expires December 31, 2020.

Purpose Supporting the social benefits these organizations provide.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.230	\$0.235	\$0.241	\$0.247
Local Taxes	\$1.035	\$1.087	\$1.130	\$1.176

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.060	\$0.120	\$0.120

Repealing this exemption results in a state levy shift of an estimated \$240,000 and a local levy shift of an estimated \$1.0 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$106.2 million.

Continued

84.36.037 - Nonprofit public assembly halls and meeting places

Data Sources

- County assessor data
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State property tax levy model
-

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1981
Primary Beneficiaries:	304 parcels owned by nonprofit public assembly halls.
Taxpayer Count:	236
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2011

84.36.040(1a) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.400	\$0.409	\$0.419	\$0.430
Local Taxes	\$1.804	\$1.895	\$1.970	\$2.049

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.110	\$0.210	\$0.210

Repealing this exemption results in a state levy shift of an estimated \$420,000 and a local levy shift of an estimated \$1.8 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$185.0 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1973
Primary Beneficiaries:	174 parcels owned by nonprofit daycare centers
Taxpayer Count:	62
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.040(1b) - Nonprofit libraries

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

Purpose Supporting the social benefits that nonprofit public libraries provide.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.010	\$0.010	\$0.010	\$0.011
Local Taxes	\$0.044	\$0.046	\$0.048	\$0.051

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.010	\$0.010

Repealing this exemption results in a state levy shift of an estimated \$10,000 and a local levy shift of an estimated \$40,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$4.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1854
Primary Beneficiaries:	19 parcels owned by nonprofit organizations operating libraries
Taxpayer Count:	13
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1c) - 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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- All real and personal property currently exempted as an orphanage qualifies for the exemption for character building for children under 18 run by non-profit organizations.
- The two organizations that qualified as orphanages are now incorporated into the exemption for character building for children under 18 in RCW 84.36.030(3).

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1891
Primary Beneficiaries:	Orphanages
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1d) - Nonprofit nursing homes

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$1.172	\$1.197	\$1.228	\$1.261
Local Taxes	\$5.285	\$5.550	\$5.771	\$6.000

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.310	\$0.610	\$0.630

Repealing this exemption results in a state levy shift of an estimated \$1.2 million and a local levy shift of an estimated \$5.2 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$541.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1891
Primary Beneficiaries:	367 parcels owned by nursing homes
Taxpayer Count:	25
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1e) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$15.759	\$16.097	\$16.517	\$16.949
Local Taxes	\$71.054	\$74.625	\$77.585	\$80.668

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$4.180	\$8.140	\$8.410

Repealing this exemption results in a state levy shift of an estimated \$16.5 million and a local levy shift of an estimated \$ 69.5 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$7.29 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1886
Primary Beneficiaries:	685 parcels owned by nonprofit hospitals
Taxpayer Count:	29
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.040(1f) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.862	\$0.880	\$0.903	\$0.927
Local Taxes	\$3.886	\$4.082	\$4.243	\$4.412

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.230	\$0.450	\$0.460

Repealing this exemption results in a state levy shift of an estimated \$900,000 and a local levy shift of an estimated \$ 3.8 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$398.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1987
Primary Beneficiaries:	32 parcels owned by outpatient dialysis centers
Taxpayer Count:	3
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

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:

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

Property taxes do not apply if home financing is 75 percent 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$4.476	\$4.572	\$4.691	\$4.814
Local Taxes	\$20.181	\$21.196	\$22.037	\$22.913

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.190	\$2.310	\$2.390

Repealing this exemption results in a state levy shift of an estimated \$4.7 million and a local levy shift of an estimated \$ 19.7 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$2.07 billion

Continued

84.36.041 - Nonprofit homes for the aging

Data Sources

- County assessor data
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State property tax levy model
-

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1989
Primary Beneficiaries:	441 parcels owned by retirement homes
Taxpayer Count:	156
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

84.36.042 - Nonprofit developmentally disabled housing

Description Property tax does not apply to the real and personal property used by a nonprofit organization providing 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.128	\$0.130	\$0.134	\$0.137
Local Taxes	\$0.575	\$0.605	\$0.629	\$0.653

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.030	\$0.070	\$0.070

Repealing this exemption results in a state levy shift of an estimated \$130,000 and a local levy shift of an estimated \$ 560,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$59.0 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1998
Primary Beneficiaries:	224 parcels owned by homes for the developmentally disabled
Taxpayer Count:	30
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

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. Any charges for the housing cannot exceed the actual cost to operate and maintain the facility.

Purpose Supporting the social services provided by these organizations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.527	\$0.538	\$0.552	\$0.567
Local Taxes	\$2.375	\$2.495	\$2.594	\$2.697

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.140	\$0.270	\$0.280

Repealing this exemption results in a state levy shift of an estimated \$550,000 and a local levy shift of an estimated \$2.3 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$243.6 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1983
Primary Beneficiaries:	465 parcels owned by homeless shelters
Taxpayer Count:	106
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.178	\$2.224	\$2.282	\$2.342
Local Taxes	\$9.819	\$10.313	\$10.722	\$11.148

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.580	\$1.130	\$1.160

Repealing this exemption results in a state levy shift of an estimated \$2.3 million and a local levy shift of an estimated \$ 9.6 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.0 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	32 parcels owned by medical research centers
Taxpayer Count:	7
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.232	\$0.237	\$0.243	\$0.249
Local Taxes	\$1.045	\$1.098	\$1.141	\$1.187

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.060	\$0.120	\$0.120

Repealing this exemption results in a state levy shift of an estimated \$240,000 and a local levy shift of an estimated \$1.0 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$107.2 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1997
Primary Beneficiaries:	11 parcels owned by cancer clinics
Taxpayer Count:	2
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in no levy shifts.

Assumptions The total estimated exempt value is 0.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1977
Primary Beneficiaries:	No current beneficiaries
Taxpayer Count:	0
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed an expedited review in 2011

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$4.538	\$4.635	\$4.756	\$4.881
Local Taxes	\$20.460	\$21.489	\$22.341	\$23.229

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.200	\$2.340	\$2.420

Repealing this exemption results in a state levy shift of an estimated \$4.8 million and a local levy shift of an estimated \$ 20.0 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$2.1 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1925
Primary Beneficiaries:	768 parcels owned by nonprofit colleges
Taxpayer Count:	22
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$3.251	\$3.321	\$3.408	\$3.497
Local Taxes	\$14.661	\$15.398	\$16.008	\$16.645

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.860	\$1.680	\$1.740

Repealing this exemption results in a state levy shift of an estimated \$3.4 million and a local levy shift of an estimated \$ 14.3 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.5 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1925
Primary Beneficiaries:	595 parcels owned by nonprofit schools
Taxpayer Count:	173
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

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 the educationally support provided by these nonprofit organizations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.484	\$0.495	\$0.508	\$0.521
Local Taxes	\$2.184	\$2.294	\$2.385	\$2.479

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.130	\$0.250	\$0.260

Repealing this exemption results in a state levy shift of an estimated \$510,000 and a local levy shift of an estimated \$ 2.13 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$223.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2001
Primary Beneficiaries:	61 parcels owned by institutions of higher learning with an educational foundation
Taxpayer Count:	8
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

84.36.060(1a) - 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, and
- 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$1.246	\$1.273	\$1.306	\$1.340
Local Taxes	\$5.618	\$5.901	\$6.135	\$6.379

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.330	\$0.640	\$0.670

Repealing this exemption results in a state levy shift of an estimated \$1.3 million and a local levy shift of an estimated \$ 5.5 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$576.1 million.

Continued

84.36.060(1a) - Nonprofit art collections & museums

Data Sources

- County assessor data
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State property tax levy model
-

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	330 parcels owned by museums
Taxpayer Count:	127
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.060(1b) - 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, and
- Receive a substantial part of its support from the federal, state, or local government or public contributions.

If the organization is not currently producing or performing on the property, but will be again soon, the nonprofit must submit proof they are constructing, remodeling, or otherwise enabling the property for exempted use.

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.567	\$0.579	\$0.594	\$0.610
Local Taxes	\$2.556	\$2.684	\$2.791	\$2.902

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.150	\$0.290	\$0.300

Repealing this exemption results in a state levy shift of an estimated \$590,000 and a local levy shift of an estimated \$2.5 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$262.1 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

84.36.060(1b) - Nonprofit performing arts

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1981
Primary Beneficiaries:	83 parcels owned by performing arts organizations.
Taxpayer Count:	54
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

84.36.060(1c) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.002	\$0.002	\$0.002	\$0.002

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in a state levy shift of less than \$1,000 and a local levy shift of an estimated \$2,000 in Fiscal Year 2018.

Assumptions

- There is only one fire station located on privately-owned land.
- The total estimated exempt value is \$190,000.

Data Sources

- Kitsap County Assessor parcel data
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

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

84.36.060(1d) - 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.053	\$0.054	\$0.055	\$0.057
Local Taxes	\$0.238	\$0.250	\$0.260	\$0.270

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.010	\$0.030	\$0.030

Repealing this exemption results in a state levy shift of an estimated \$60,000 and a local levy shift of an estimated \$230,000 in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$24.4 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1915
Primary Beneficiaries:	56 parcels owned by humane societies
Taxpayer Count:	30
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review 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; and
- 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 (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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$4,139.614	\$4,141.420	\$4,106.726	\$4,111.182
Local Taxes	\$18,666.483	\$19,197.091	\$19,289.112	\$19,565.314

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$8.383	\$8.338	\$8.378
Local Taxes	\$0.000	\$175.211	\$181.078	\$187.140

Repealing this exemption results in a state levy shift of an estimated \$4.107 billion and a local levy shift of an estimated \$17.265 billion in Fiscal Year 2018.

Continued

84.36.070 - Intangibles

Assumptions

- Intangible personal property owned by businesses grows at a rate equal to the forecasted aggregate state income growth rate. Intangible personal property owned by individuals grows at the forecasted rate of household financial assets provided by Global Insights.
 - Firms that own state assessed properties own intangible property. The addition of state assessed property to the tax rolls impacts the state levy by increasing the levy limit by an amount equal to the additional state assessed value multiplied by the prior year's state levy. This impact increases state property tax collections by approximately \$8 million annually.
 - The total estimated exempt value is \$1,907.53 billion.
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Data Sources

- The World Bank
 - Federal Reserve Bank of St. Louis
 - 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)
 - Global Insight's February 2015 forecast
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
 - Barron's Online Financial Data
 - Department of Revenue public utility property valuations
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Additional Information

Additional Information	
Category:	Intangibles
Year Enacted:	1931
Primary Beneficiaries:	Holders of intangible assets, both individuals and businesses
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.079 - Ships under construction

Description Vessels that can 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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in no levy shifts.

Assumptions

- The total estimated exempt value is \$0
- No construction of private ships of this magnitude has taken place in recent years, and none is anticipated in the near future.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1959
Primary Beneficiaries:	Owners of vessels under construction and the shipyards where the activity occurs
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.949	\$0.969	\$0.995	\$1.021
Local Taxes	\$4.279	\$4.494	\$4.672	\$4.857

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.250	\$0.490	\$0.510

Repealing this exemption results in a state levy shift of an estimated \$1.0 million and a local levy shift of an estimated \$4.2 million in Fiscal Year 2018.

Assumptions

- The apportioned value of commercial vessels is exempt from local property tax levies.
- The estimated apportioned value for assessment year 2014 is equal to the four year average from 2010 to 2013.
- The total estimated exempt value is \$438.71 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Department of Revenue Property Tax Statistics

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1931
Primary Beneficiaries:	Owners of about 1,800 commercial vessels
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

84.36.080(2) - Historic vessels

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

Purpose Encourages retention and restoration of historic boats.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.028	\$0.027	\$0.026	\$0.025
Local Taxes	\$0.126	\$0.125	\$0.120	\$0.118

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.010	\$0.010	\$0.010

Repealing this exemption results in a state levy shift of an estimated \$30,000 and a local levy shift of an estimated \$100,000 in Fiscal Year 2018.

Assumptions

- The assessed value of vessels listed in the state or federal register of historical places will remain constant.
- The total estimated exempt value is \$13.2 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Center for Wooden Boats
- Washington Information System for Architectural and Archaeological Records Data

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1986
Primary Beneficiaries:	Owners of vessels listed in the state or federal register of historical places
Taxpayer Count:	21
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

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 percent state watercraft excise tax.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$5.443	\$5.188	\$4.928	\$4.775
Local Taxes	\$24.529	\$24.044	\$23.141	\$22.721

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.290	\$2.430	\$2.370

Repealing this exemption results in a state levy shift of an estimated \$4.9 million and a local levy shift of an estimated \$20.7 million in Fiscal Year 2018.

Assumptions

- The estimated value of vessels exempted by this statute is based on vessels that are assessed the watercraft excise tax. This does not include human powered crafts and boats under sixteen feet in length. The value of human powered crafts and boats under sixteen feet likely represents a small percent of the total value of vessels in the state. It's also unlikely that many of these crafts would be discovered and listed by county assessors. Therefore, the value of vessels that pay the watercraft excise tax is a good representation of the total value of exempted vessels.
 - The watercraft excise tax and vessel registration fees will be assessed in addition to property tax if this exemption is repealed.
 - The total estimated exempt value is \$2.58 billion.
-

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
-

Continued

84.36.090 - Other ships and vessels

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1931
Primary Beneficiaries:	Owners of pleasure boats
Taxpayer Count:	0
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed a full review in 2008



84.36.105 - Cargo containers

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

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

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.391	\$0.375	\$0.356	\$0.345
Local Taxes	\$1.764	\$1.737	\$1.672	\$1.642

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.090	\$0.180	\$0.170

Repealing this exemption results in a state levy shift of an estimated \$0.4 million and a local levy shift of an estimated \$1.5 million in Fiscal Year 2018.

Assumptions

- The quantity of cargo containers moving through Washington ports is constant.
- The total estimated exempt value is \$184.27 million.

Data Sources

- The Northwest Seaport Alliance
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1975
Primary Beneficiaries:	Owners of cargo containers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$88.880	\$85.430	\$81.420	\$79.150
Local Taxes	\$400.610	\$395.960	\$382.360	\$376.670

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$21.260	\$40.120	\$39.280

Repealing this exemption results in a state levy shift of an estimated \$81.4 million and a local levy shift of an estimated \$342.2 million in Fiscal Year 2018.

Assumptions

- The Washington share of the national value of household goods and personal effects is equal to Washington's share of national population, which is a little more than 2%.
- Washington population will grow near 0.8% annually.
- The value of household goods and personal effects will grow approximately 1.8% per year.
- The total estimated exempt value is \$41.79 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Bureau of Economic Analysis
- U.S. Census Bureau
- OFM Population April 1 Estimate

Continued

84.36.110(1) - Household goods

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1871
Primary Beneficiaries:	Approximately 2.6 million households
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.36.110(2) - \$15,000 of nonresidential personal property

Description In addition to the complete exemption of household goods and personal effects, the first \$15,000 of taxable personal property for heads of families 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.446	\$0.435	\$0.422	\$0.417
Local Taxes	\$2.009	\$2.018	\$1.981	\$1.984

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.030	\$0.060	\$0.060

Repealing this exemption results in a state levy shift of an estimated \$0.1 million and a local levy shift of an estimated \$0.5 million in Fiscal Year 2018.

Assumptions

- 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 and unnecessary exercise since assessors are not required to list these accounts, and these accounts have no taxable value. Only accounts that are currently on the rolls would become taxable if this exemption is repealed.
- The average value of personal property owned by non-reporting sole proprietors is \$1,200.
- The value of exempt property will grow at 2% annually.
- The total estimated exempt value is \$62.42 million.

Continued

84.36.110(2) - \$15,000 of nonresidential personal property

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
 - County Abstract Reports
 - Department of Revenue excise tax data
-

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1890
Primary Beneficiaries:	Sole proprietor business owners with business personal property
Taxpayer Count:	130,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
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 that is jointly owned by a Washington municipality and an Idaho municipality. Property at this airport is already exempt as government property under other Washington state laws.

Data Sources

None

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1941
Primary Beneficiaries:	None, there are no out-of-state municipalities that solely own airport property
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2008

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.016	\$0.016	\$0.016	\$0.017
Local Taxes	\$0.071	\$0.075	\$0.077	\$0.080

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.010	\$0.010

Repealing this exemption results in a state levy shift of an estimated \$20,000 and a local levy shift of an estimated \$70,000 in Fiscal Year 2018.

Assumptions

- The number of commuter air carriers operating in Washington will remain constant through 2020.
- The 2014 market value of planes owned and operated by commuter air carriers is equal to the 2012 assessed value of such planes.
- The total estimated exempt value is \$7.25 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Department of Revenue state assessed valuation data

Continued

84.36.133 - Commuter Air Carriers Paying Excise Tax

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Owners of commuter air carriers
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2023

84.36.135 - Housing Finance Commission

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

Purpose Reflects the legislative policy not to tax governmental operations.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in a minimal state levy shift and a minimal local levy shift.

Assumptions

- The only property owned by the Housing Finance Commission is personal property. The estimated value of this property is \$150,000, and this value remains constant through the estimation period.
- The total estimated exempt value is \$150,000.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1983
Primary Beneficiaries:	The Washington Housing Finance Commission
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	Unknown	Unknown	Unknown	Unknown
Local Taxes	Unknown	Unknown	Unknown	Unknown

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	Unknown	Unknown	Unknown

Assumptions

The impact of repealing this exemption is indeterminate. No source of information could be located which indicates the total number of easements, their size, or their value. 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

None

Continued

84.36.210 - Public right-of-way easements

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1947
Primary Beneficiaries:	Governmental jurisdictions
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.36.230 - Interstate bridges

Description Bridges and their approaches that cross state boundaries and are 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 regard to the taxation of government property and to avoid retaliatory taxation by adjoining states.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.027	\$2.071	\$2.125	\$2.180
Local Taxes	\$9.141	\$9.601	\$9.981	\$10.378

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.540	\$1.050	\$1.080

Repealing this exemption results in a state levy shift of an estimated \$2.1 million and a local levy shift of an estimated \$8.9 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$937.30 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Washington State Department of Transportation structure data

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1949
Primary Beneficiaries:	Presently eight bridges are managed by a neighboring state; seven by Oregon and one by Idaho
Taxpayer Count:	2
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.006	\$0.006	\$0.005	\$0.005
Local Taxes	\$0.027	\$0.026	\$0.025	\$0.025

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.002	\$0.003	\$0.003

Repealing this exemption results in a state levy shift of an estimated \$10,000 and a local levy shift of an estimated \$20,000 in Fiscal Year 2018.

Assumptions

- The assessed value of personal property exempt under this statute remains constant.
- The total estimated exempt value is \$2.76 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Washington State Conservation Commission

Additional Information

Additional Information	
Category:	Government
Year Enacted:	1963
Primary Beneficiaries:	45 soil and water conservation districts
Taxpayer Count:	45
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.165	\$0.169	\$0.173	\$0.178
Local Taxes	\$0.745	\$0.783	\$0.814	\$0.846

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.040	\$0.090	\$0.090

Repealing this exemption results in a state levy shift of an estimated \$170,000 and a local levy shift of an estimated \$730,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$76.5 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1965
Primary Beneficiaries:	526 parcels owned by water corporations or cooperatives
Taxpayer Count:	195
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.004	\$0.004	\$0.004	\$0.004
Local Taxes	\$0.016	\$0.017	\$0.017	\$0.017

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.001	\$0.002	\$0.002

Repealing this exemption results in a state levy shift of an estimated \$4,000 and a local levy shift of an estimated \$20,000 in Fiscal Year 2018.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.
- The total estimated exempt value is \$1.63 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Continued

84.36.255 - Habitat and water quality improvements

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1997
Primary Beneficiaries:	Landowners who invest in habitat improvements
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.316	\$0.323	\$0.331	\$0.340
Local Taxes	\$1.425	\$1.496	\$1.556	\$1.618

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.080	\$0.160	\$0.170

Repealing this exemption results in a state levy shift of an estimated \$330,000 and a local levy shift of an estimated \$ 1.4 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$146.1 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1967
Primary Beneficiaries:	1119 public parks
Taxpayer Count:	56
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2010

84.36.300 - Goods in transit

Description Merchandise, goods, wares, and materials are exempt from property tax if they are manufactured outside Washington by the current owner and shipped into the state or 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 2016	FY 2017	FY 2018	FY 2019
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. 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. Also, if this exemption were repealed, business inventories are still exempt under RCW 84.36.477.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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 inventories exemption, RCW 84.36.477.
- Repeal of this statute would not impact tax revenues or taxpayers.

Data Sources

None

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1961
Primary Beneficiaries:	Wholesalers of goods passing through the state and manufacturers of aircraft
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.349	\$0.357	\$0.366	\$0.376
Local Taxes	\$1.576	\$1.655	\$1.721	\$1.790

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.090	\$0.180	\$0.190

Repealing this exemption results in a state levy shift of an estimated \$370,000 and a local levy shift of an estimated \$ 1.5 million in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$161.6 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1970
Primary Beneficiaries:	91 parcels owned by sheltered workshops
Taxpayer Count:	20
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.36.381 - Senior and disabled homeowners exemption

Description Retired senior citizens (aged 61 or more), disabled homeowners, and veterans entitled to and receiving compensation from the United States Department of Veterans Affairs with a total disability rating for a service-connected disability with incomes of \$40,000 or less are exempt from all excess property taxes levied on their principal residence. Those whose income is between \$30,000 and \$35,000 also are exempt on all regular property tax levies on the first \$50,000 of the residence's assessed value or 35 percent of the value up to a maximum of \$70,000, whichever is greater. Homeowners with incomes less than \$30,000 are exempt from all regular levies on the first \$60,000 of assessed value or 60 percent of the value (with no maximum), whichever is greater.

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 of \$40,000 or less.

Any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse or surviving domestic partner is fifty-seven 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$24.358	\$26.471	\$27.249	\$28.957
Local Taxes	\$159.180	\$179.306	\$184.725	\$195.200

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$8.284	\$14.308	\$15.269

Repealing this exemption results in a state levy shift of an estimated \$27.2 million and a local levy shift of an estimated \$170.4 million in Fiscal Year 2018.

Continued

84.36.381 - Senior and disabled homeowners exemption

Assumptions

- The average frozen value of homes qualifying for this exemption will grow at 1.6 percent annually.
- The number of participants in this program remains constant.
- The share of exempt value that is exempt from regular levies remains constant.
- The total estimated exempt value is \$14.89 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1967
Primary Beneficiaries:	Homeowners who are senior citizens, disabled, disabled veterans, and surviving spouses and partners who qualify for this program
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

84.36.400 - Home improvements

Description Once every five years, physical improvements to existing single family residential structures are eligible for a three year property tax exemption following completion. The exemption is limited to improvements totaling 30 percent or less of the structure's value at the time the work commenced.

Purpose To encourage homeowners to upgrade their residences.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.192	\$0.196	\$0.201	\$0.206
Local Taxes	\$0.865	\$0.909	\$0.945	\$0.982

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.050	\$0.100	\$0.100

Repealing this exemption results in a state levy shift of an estimated \$200,000 and a local levy shift of an estimated \$900,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$88.75 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1972
Primary Beneficiaries:	Owners of single family dwellings who improve their home
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

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. The leasehold tax law limits the tax amount so that it cannot exceed the amount that would be collected as property tax.

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	(\$17.795)	(\$18.168)	(\$18.612)	(\$19.102)
Local Taxes	\$18.928	\$20.577	\$21.751	\$22.952

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	(\$27.882)	(\$28.579)	(\$29.330)
Local Taxes	\$0.000	(\$21.938)	(\$20.159)	(\$20.648)

Repealing this exemption results in a state levy shift of an estimated \$10.0 million and a local levy shift of an estimated \$41.9 million in Fiscal Year 2018.

Assumptions

- Since the leasehold excise tax is considered a tax in lieu of property taxes, it would be repealed along with the repeal of this exemption
- Estimates are net of state and local leasehold excise tax. Because the state leasehold excise tax rate is proportionately greater than the local rate, compared with the property tax rates, a shift of tax burden from the state to local jurisdictions would take place if the exemption were eliminated.
- The total estimated exempt value is \$4.40 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Continued

84.36.451 - Public property leaseholds

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	1976
Primary Beneficiaries:	Private lessees of publicly owned property, e.g. port districts and state tidelands
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2011

84.36.470 - Agricultural products

Description All agricultural products, as defined in RCW 82.04.213, grown or produced for sale by a person on lands owned or leased by the producer are exempt from property tax. Marijuana is not an agricultural product.

Purpose To assist the agricultural economy.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$22.911	\$22.888	\$22.685	\$22.934
Local Taxes	\$103.311	\$106.093	\$106.550	\$109.151

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$5.810	\$11.180	\$11.380

Repealing this exemption results in a state levy shift of an estimated \$22.7 million and a local levy shift of an estimated \$95.4 million in Fiscal Year 2018.

Assumptions

- The production value of agricultural products grows at its historical average growth rate, which is 4.3 percent.
- The total estimated exempt value is \$10.56 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1984
Primary Beneficiaries:	Agricultural producers, processors, and shippers
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

84.36.477 - Business inventories

Description Business inventories, including most products held for sale, 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$102.002	\$98.964	\$98.112	\$99.065
Local Taxes	\$459.649	\$458.731	\$460.831	\$471.476

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$25.090	\$48.350	\$49.170

Repealing this exemption results in a state levy shift of an estimated \$98.1 million and a local levy shift of an estimated \$412.5 million in Fiscal Year 2018.

Assumptions

- The market value of business inventories in Washington will grow at the forecasted growth rate of national business inventories.
- The total estimated exempt value is \$48.5 billion.

Data Sources

- 2012 Economic Census of the United States
- Global Insights May 2015 forecast
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1974
Primary Beneficiaries:	Manufacturers, wholesalers, and retailers
Taxpayer Count:	34,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review 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 RCW 24.06 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.045	\$0.046	\$0.047	\$0.049
Local Taxes	\$0.204	\$0.214	\$0.223	\$0.232

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.010	\$0.020	\$0.020

Repealing this exemption results in a state levy shift of an estimated \$50,000 and a local levy shift of an estimated \$200,000 in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$20.9 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

84.36.480 - Nonprofit fair associations

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1975
Primary Beneficiaries:	38 parcels owned by fair associations
Taxpayer Count:	11
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2011

84.36.487 - Air pollution control facilities

Description Air pollution control equipment that is 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 July 1, 1975.

Purpose To encourage thermal electric generating facilities to reduce air pollution emissions.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.214	\$0.189	\$0.194	\$0.199
Local Taxes	\$0.961	\$0.875	\$0.910	\$0.946

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.050	\$0.100	\$0.100

Repealing this exemption results in a state levy shift of an estimated \$200,000 and a local levy shift of an estimated \$800,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$88.5 million.

Data Sources

- Department of Revenue assessment data
- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1997
Primary Beneficiaries:	Owners of the Centralia steam plant
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

84.36.500 - Conservation futures on agricultural land

Description Property tax does not apply to conservation futures of unlimited duration on agricultural lands owned by any nonprofit corporation or association. To qualify, the primary purpose of these organizations must be the conservation of agricultural lands and the prevention of converting these lands to non-agricultural uses.

Purpose Encouraging the retention of farm lands in urban transitional areas.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Based on county data, no taxpayers are currently taking this exemption.
- No taxpayers will take the exemption during the next four years.

Data Sources

County Assessor data

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1984
Primary Beneficiaries:	Nonprofit organizations that acquire development rights to agricultural lands and owners of the agricultural lands
Taxpayer Count:	0
Program Inconsistency:	None Evident
JLARC Review:	JLARC completed an expedited review in 2012

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. Property tax 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.027	\$0.024	\$0.020	\$0.018
Local Taxes	\$0.122	\$0.109	\$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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.006	\$0.010	\$0.008

Repealing this exemption results in a state levy shift of an estimated \$20,000 and a local levy shift of an estimated \$80,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$13.5 million.

Data Sources

- United States Census Bureau Manufactured Home Survey
- State property tax levy model

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1985
Primary Beneficiaries:	Manufactured home dealers
Taxpayer Count:	90
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2012

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, and
- 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.036	\$0.037	\$0.038	\$0.039
Local Taxes	\$0.163	\$0.172	\$0.178	\$0.185

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.010	\$0.020	\$0.020

Repealing this exemption results in a state levy shift of an estimated \$40,000 and a local levy shift of an estimated \$ 160,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$16.7 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

84.36.550 - Nonprofit fund-raising

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1993
Primary Beneficiaries:	10 parcels owned by nonprofit fund raising organizations
Taxpayer Count:	7
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2013

84.36.560 - Nonprofit low-income rental housing

Description Property tax does not apply to real and personal property owned or leased by nonprofit organizations providing rental housing for very low-income families, or providing space for placing a mobile home for very low-income families in a mobile home park if:

- Very low-income households live in at least 75 percent of the housing provided;
- The homelessness surcharges collected by county auditors; county, city, or town affordable housing levies; or federal or state housing programs insure or help finance the rental housing or mobile home park; and,
- The benefit of the exemption is realized by the nonprofit entity.

The nonprofit organization can get a partial exemption if very low-income households live in less than 75 percent of the housing provided.

Purpose Encouraging the construction and use of housing for very low-income households.

Taxpayer savings (*\$ in millions*):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$4.927	\$5.033	\$5.164	\$5.299
Local Taxes	\$22.215	\$23.332	\$24.257	\$25.221

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$1.310	\$2.540	\$2.630

Repealing this exemption results in a state levy shift of an estimated \$5.2 million and a local levy shift of an estimated \$21.7 million in Fiscal Year 2018.

Assumptions The total estimated exempt value is \$2.28 billion.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Continued

84.36.560 - Nonprofit low-income rental housing

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	1999
Primary Beneficiaries:	1,137 parcels of rental housing
Taxpayer Count:	180
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

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, and
- Exempted property must be used exclusively for the purposes of the exemption.

Purpose Enabling the continued operation of a demonstration cranberry farm by Washington State University in Pacific County.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.002	\$0.003	\$0.003	\$0.003
Local Taxes	\$0.011	\$0.012	\$0.013	\$0.013

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.001	\$0.001	\$0.001

Repealing this exemption results in a state levy shift of an estimated \$3,000 and a local levy shift of an estimated \$10,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$1.2 million.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

84.36.570 - Nonprofit demonstration farms

Continued

**Additional
Information**

Additional Information	
Category:	Nonprofit
Year Enacted:	1999
Primary Beneficiaries:	2 parcels owned by demonstration farms
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

84.36.575 - Emergency medical aircraft

Description Property tax does not apply to aircraft if it is owned by a 501(c)(3) nonprofit organization, provides emergency medical transportation services, and the benefit of the exemption is realized by the nonprofit that owns the aircraft.

The exemption expires January 1, 2020.

Purpose Reduces the costs to nonprofit organizations of owning emergency medical transportation aircraft.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

There are currently no taxpayers claiming this exemption.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2010
Primary Beneficiaries:	Nonprofit emergency medical transport organizations
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2018

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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- There is no privately owned vitrification equipment operating at the Hanford reservation, and it's likely that any equipment installed in the future would be owned and operated by the United States Department of Energy.
- Any equipment used in this effort owned directly by the federal government would be exempt under RCW 84.36.010, not this statute.

Data Sources

None

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2000
Primary Beneficiaries:	None
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$91.445	\$93.408	\$95.846	\$98.354
Local Taxes	\$412.318	\$433.046	\$450.220	\$468.109

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$24.250	\$47.230	\$48.820

Repealing this exemption results in a state levy shift of an estimated \$95.9 million and a local levy shift of an estimated \$403 million in Fiscal Year 2018.

Assumptions

- All vehicles in Washington are registered with the state and are therefore represented in the database maintained by the Department of Licensing.
- The total estimated exempt value is \$42.28 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- Department of Licensing database

Additional Information

Additional Information	
Category:	Tax base
Year Enacted:	2000
Primary Beneficiaries:	Individuals and businesses who own vehicles
Taxpayer Count:	7,000,000
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.375	\$2.426	\$2.489	\$2.554
Local Taxes	\$10.707	\$11.245	\$11.691	\$12.156

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.630	\$1.230	\$1.270

Repealing this exemption results in a state levy shift of an estimated \$2.5 million and a local levy shift of an estimated \$10.5 million in Fiscal Year 2018.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.
- The total estimated exempt value is \$1.10 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors
- Bureau of Labor Statistics, Consumer Price Index

Continued

84.36.600 - Custom computer software

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1991
Primary Beneficiaries:	Businesses that own custom computer software
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

The RTA does not use this exemption due to a change in policy by the IRS which no longer allows the investor to write-off depreciation of the equipment.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast
- State property tax levy model

Additional Information

Additional Information	
Category:	Government
Year Enacted:	2000
Primary Beneficiaries:	Sound Transit
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

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 the state property tax only. Farm machinery is still subject to local property tax levies.

Purpose Reduces the property tax burden for farmers.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.202	\$2.249	\$2.308	\$2.368
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.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in a state levy shift of an estimated \$2.31 million in Fiscal Year 2018.

Assumptions

- The estimated assessed value of exempted farm machinery and equipment for assessment year 2014 is equal to the prior three year average.
- The total estimated exempt value \$1.02 billion.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	2001
Primary Beneficiaries:	Farmers
Taxpayer Count:	6,300
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2015

84.36.635 - Biodiesel and alcohol fuel production facilities

Description Real and personal property used primarily for manufacturing alcohol fuel, biodiesel fuel, biodiesel feedstock, wood biomass fuel, and the operation of an anaerobic digester are exempt from property tax. Land used to grow crops for such fuel is not eligible for the exemption.

Manufactures of alcohol fuel, biodiesel fuel, or biodiesel feedstock must apply for the exemption no later than December 31, 2015.

Applications for anaerobic digesters must be filed by the December 31, 2012. The exemption is valid for six years and may not be renewed.

Purpose Encourages the manufacturing of alternatives to petroleum-based fuels.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.021	\$0.017	\$0.011	\$0.008
Local Taxes	\$0.096	\$0.077	\$0.049	\$0.040

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.008	\$0.005	\$0.004

Repealing this exemption results in a state levy shift of an estimated \$0.01 million and a local levy shift of an estimated \$0.04 million in Fiscal Year 2018.

Assumptions

- A few operators of anaerobic digesters claim this exemption.
- Operators may not apply for this exemption after December 31, 2012 and the exemption lasts for six years.
- There are no known property owners claiming the exemption for manufacturing of alcohol fuel, biodiesel fuel, biodiesel feedstock, and no new qualifying facilities will be built before December 31, 2015.
- All exemptions will expire for taxes due in 2020.
- The total estimated exempt value is \$10.0 million.

Continued

84.36.635 - Biodiesel and alcohol fuel production facilities

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- 'Washington Dairies and Digesters' published by the Washington State Department of Agriculture

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	Manufacturers of alcohol fuel, biodiesel fuel, biodiesel feedstock, or operators of an anaerobic digester
Taxpayer Count:	3
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2013

84.36.640 - Wood biomass fuel production facilities

Description Real and personal property used primarily to manufacture wood biomass fuel is exempt from property tax. The exemption extends to land upon which the property is located and that is reasonable necessary in the manufacturing of wood biomass. Land used to grow crops used for such fuel is not subject to the exemption. The exemption is for the first six years following the date the manufacturing facility or addition to an existing manufacturing facility becomes operational. Claims must be filed with the county assessor before December 31, 2015.

"Wood biomass fuel" means a pyrolytic liquid fuel or synthesis gas-derived liquid fuel, used in internal combustion engines, and produced from wood, forest, or field residue, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

Purpose To encourage the manufacturing of alternatives to petroleum-based fuels.

Taxpayer savings *(\$ in millions):*

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions There are no known property owners claiming this exemption, and no new qualifying facilities will be built before December 31, 2015.

Data Sources None

Continued

84.36.640 - Wood biomass fuel production facilities

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	Manufacturers of wood biomass fuel
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2013

84.36.645 - Semiconductor Materials Manufacturing After \$1 Billion Investment - Machinery and Equipment

Description Machinery and equipment exempt from sales and use tax under RCW 82.08.02565 or 82.12.02565 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 12 years after the effective date.

Purpose Encourages the retention of existing semiconductor firms in Washington and attracts similar businesses to this state.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

No facilities qualify for this exemption and none are expected to locate to Washington during the forecast period.

Data Sources

None

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	None, no firms qualify for this exemption
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2016

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, and
- 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 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- Based on county data, no taxpayers are currently taking this exemption.
- No taxpayers will take the exemption during the next four years.

Data Sources

County assessor data

Additional Information

Additional Information	
Category:	Nonprofit
Year Enacted:	2003
Primary Beneficiaries:	0
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2016

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.

This exemption is not available if the manufacturer takes the business and occupation tax credit provided by RCW 82.04.4463. This exemption expires July 1, 2040.

Purpose Encourages establishment of a super-efficient airplane manufacturing facility in Washington. This exemption presumes that such a facility would be located on port district property. As such, it addresses the personal property component of the facility, since the real property is likely to be publicly-owned.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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. 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

There are no facilities located on port district property used in manufacturing superefficient airplanes. Nor are there any known plans to construct a facility in the near term.

Data Sources

None

Continued

84.36.655 - Aircraft facilities, port property

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2003
Primary Beneficiaries:	Any manufacturer of a super-efficient airplane that locates a facility on port district property
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2014

84.36.660 - Sprinkler systems in nightclubs

Description Prior to December 1, 2009, owners or qualified lessees of nightclubs who install sprinkler systems could apply for a property tax exemption for up to ten years on the increase in market value attributable to the sprinkler system. In 2007, all nightclubs were required to install automatic sprinkler systems by December 1, 2009.

Purpose Encourage the installation of automatic sprinkler systems in night clubs.



Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.002	\$0.002	\$0.002

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this exemption results in a state levy shift of less than \$1,000 and a local levy shift of an estimated \$2,000 in Fiscal Year 2018.

Continued

84.36.660 - Sprinkler systems in nightclubs

Assumptions

- A survey of King, Pierce, and Snohomish counties reveal that one taxpayer claimed this exemption there.
 - Since the majority of nightclubs are in those three counties, it's likely that there is only one taxpayer claiming this exemption statewide.
 - The total estimated exempt value is \$110,000.
-

Data Sources

- County assessment roll data
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
-

Additional Information

Additional Information	
Category:	Business
Year Enacted:	2005
Primary Beneficiaries:	Owners of nightclubs
Taxpayer Count:	1
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.354	\$0.342	\$0.331	\$0.328
Local Taxes	\$1.594	\$1.584	\$1.554	\$1.559

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.090	\$0.160	\$0.160

Repealing this exemption results in a state levy shift of an estimated \$300,000 and a local levy shift of an estimated \$1.4 million in Fiscal Year 2018.

Assumptions

- Improvement value of exempt property will grow at the forecasted inflation rate.
- The total estimated exempt value is \$166.68 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Assessor parcel data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2008
Primary Beneficiaries:	Owners of military housing projects awarded under the military housing privatization initiative
Taxpayer Count:	2
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2019

84.37.030 - Low-income homeowners tax deferral

Description A homeowner may defer 50 percent 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 percent of the amount of the claimant's equity value in the residence,
- Already paid half of the taxes due for the year, and
- Has enough fire and casualty insurance to protect the interests of the state.

The homeowner can't defer special assessments or property taxes under RCW 84.38.030 and this program at the same time and can only defer up to 40 percent 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.033	\$0.034	\$0.034	\$0.035
Local Taxes	\$0.134	\$0.135	\$0.137	\$0.138

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.169	\$0.171	\$0.173
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this deferral 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.

Assumptions None

Continued

84.37.030 - Low-income homeowners tax deferral

- Data Sources**
- County assessor data
 - State property tax levy model
-

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	2007
Primary Beneficiaries:	Low income homeowners
Taxpayer Count:	96
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2011

84.38.030 - Senior and disabled homeowners tax deferral

Description A homeowner may defer 80 percent of special assessments and real property taxes if the homeowner:

- Meets all requirements for an exemption for the residence under RCW 84.36.381,
- 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 \$45,000 or less,
- 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, and
- Any surviving spouse or surviving domestic partner 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.074	\$0.094	\$0.099	\$0.105
Local Taxes	\$0.294	\$0.376	\$0.397	\$0.420

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.470	\$0.496	\$0.525
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Repealing this deferral 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.

Continued

84.38.030 - Senior and disabled homeowners tax deferral

Assumptions None

Data Sources County assessor data

Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1975
Primary Beneficiaries:	Senior and disabled homeowners
Taxpayer Count:	189
Program Inconsistency:	None evident
JLARC Review:	Excluded from JLARC review

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 the requirements under the senior citizens exemption program (RCW 84.36.381), 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 percent disabled by the United States Veterans Administration for at least the last 10 years prior to the veteran's death
 - Was a prisoner of war and rated 100 percent disabled for at least 1 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
- 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.003	\$0.003	\$0.003	\$0.003
Local Taxes	\$0.010	\$0.010	\$0.010	\$0.010

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 provides a grant for the state and local property taxes deferred under this program.

Continued

84.39.010 - Veteran widows and widowers

Potential
revenue gains
from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.013	\$0.013	\$0.013
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

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.

Assumptions

None

Data Sources

County assessor data

Additional
Information

Additional Information	
Category:	Individuals
Year Enacted:	2005
Primary Beneficiaries:	Widows or widowers of veteran
Taxpayer Count:	50
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2016

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 marijuana.

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.178	\$0.182	\$0.186	\$0.191
Local Taxes	\$0.802	\$0.842	\$0.875	\$0.910

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.050	\$0.090	\$0.090

Repealing this exemption results in a state levy shift of an estimated \$200,000 and a local levy shift of an estimated \$800,000 in Fiscal Year 2018.

Continued

84.40.030(3) - Growing crops

Assumptions

- Agricultural crops that are growing in the ground on January 1 are exempt under RCW 84.40.030(3). Most of these crops are winter wheat, barley, and onions.
 - Twenty-five percent of costs - excluding seed costs - have been incurred by January 1 for crops that are in the ground on January 1. The value of these crops is equal to the market value of the finished crop less the estimated remaining cost.
 - The total estimated exempt value is \$82.2 million.
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Data Sources

- United States Department of Agriculture National Agriculture Statistics Service
 - The National Onion Association
 - Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
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Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1890
Primary Beneficiaries:	Farmers who have crops growing on January 1
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed a full review in 2007

84.40.037 - Prewritten computer software

Description Computer software, except embedded software, is subject to property tax on 100 percent of the purchase price in the first year following purchase and on 50 percent 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$2.142	\$2.188	\$2.245	\$2.304
Local Taxes	\$9.658	\$10.143	\$10.546	\$10.965

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.570	\$1.110	\$1.140

Repealing this exemption results in a state levy shift of an estimated \$2.3 million and a local levy shift of an estimated \$9.4 million in Fiscal Year 2018.

Assumptions

- For counties that did not respond to a survey issued by the Department of Revenue, the estimated assessed value of exempt property is equal to the ratio of exempt value to total assessed value for reporting counties.
- The total estimated exempt value is \$990.30 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports
- Survey of County Assessors

Continued

84.40.037 - Prewritten computer software

Additional Information

Additional Information	
Category:	Business
Year Enacted:	1991
Primary Beneficiaries:	Businesses that own canned software
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2014

84.40.130(3) - Personal property tax penalty waiver

Description During the 2012 Legislative session, the Legislature passed a personal property tax amnesty program allowing counties to optionally waive penalties for the failure to list taxable personal property with the county assessor.

The penalty waiver applied to assessment years 2011 and prior and to receive a waiver, the taxpayer had to apply by July 1, 2012. Also, all taxes had to be paid by September 1, 2012.

Purpose Provided a window of opportunity for businesses to add to their list of taxable personal property without penalty.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
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 penalty waiver would not increase revenues.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000

Assumptions

- In 2012, the amnesty program added \$18.3 million in market value to the state property tax roll and \$19.7 million in market value to local property tax rolls. The \$1.4 million difference is agricultural machinery and equipment and exempt from state property taxes.
- Personal property depreciates and the value added during the 2012 amnesty program has been replaced or depreciated resulting in no continued value.

Data Sources

Garfield, King, and Thurston Counties Assessor and Treasurer data

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2012
Primary Beneficiaries:	Business owners in Garfield, King and Thurston counties
Taxpayer Count:	1,500
Program Inconsistency:	None
JLARC Review:	JLARC scheduled to review in 2022

84.40.220 - Nursery stock

Description Nursery stock not grown in the ground (e.g. pots or 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.256	\$0.248	\$0.240	\$0.238
Local Taxes	\$1.156	\$1.148	\$1.126	\$1.130

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.060	\$0.120	\$0.120

Repealing this exemption results in a state levy shift of an estimated \$200,000 and a local levy shift of an estimated \$1.0 million in Fiscal Year 2018.

Assumptions

- The value of nursery stock grows by the forecasted rate of inflation.
- The total estimated exempt value is \$120.85 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Agriculture
Year Enacted:	1971
Primary Beneficiaries:	Owners of nurseries
Taxpayer Count:	620
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010

84.56.025 - Delinquency penalty and interest waivers

- Description** County treasurers must waive interest and penalties on delinquent property taxes when:
- 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 thirty days of receipt of proper notice.
 - The taxpayer fails to make one payment on their personal residence due to death of their spouse.
 - Or, the taxpayer fails to make one payment on their parent's or stepparent's personal residence due to death of their parent or stepparent.

County treasurers, at their discretion, may waive interest and penalties on delinquent property taxes when:

- The taxpayer pays an erroneous amount due to an error by the taxpayer.

Purpose Provides relief for taxpayers in cases of errors or hardships.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.210	\$0.210	\$0.210	\$0.210

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.210	\$0.210	\$0.210

Repealing this exemption will not result in a state or local levy shift.

Assumptions

- The total number of households claiming this waiver is a little over 400.
- The average property tax owed for households claiming this waiver is approximately \$2,200.
- Little is known about the number of households claiming this waiver, so a reliable growth trend cannot be estimated.
- This estimate assumes no growth in the amount of penalties and interest waived each year.

Continued

84.56.025 - Delinquency penalty and interest waivers

- Data Sources**
- Economic and Revenue Forecast Council's February 2015 forecast
 - State Property Tax Levy Model
 - County Abstract Reports
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Additional Information

Additional Information	
Category:	Individuals
Year Enacted:	1984
Primary Beneficiaries:	Property owners who may owe interest and penalties in these circumstances
Taxpayer Count:	400
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2012

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:

- The manufactured home or park model trailer has been abandoned, or
- A final judgment regarding the manufactured home or park model trailer for restitution of the premises under RCW 59.18.410 executes 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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.001	\$0.001	\$0.001	\$0.001
Local Taxes	\$0.006	\$0.006	\$0.006	\$0.006

Repeal of exemption

Repealing a 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.

Potential revenue gains from full repeal

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.001	\$0.001	\$0.001
Local Taxes	\$0.000	\$0.006	\$0.006	\$0.006

Assumptions

The total estimated exempt value is \$135,000.

Data Sources

- County assessor data
- Economic and Revenue Forecast Council's February 2015 forecast

Continued

84.56.335 - Mobile Homes Possessed by Landlords

Additional Information

Additional Information	
Category:	Other
Year Enacted:	2013
Primary Beneficiaries:	Manufactured home park owners
Taxpayer Count:	0
Program Inconsistency:	None evident
JLARC Review:	JLARC has scheduled to review in 2023

84.70.010 - Destroyed property

Description Property damaged by a disaster as declared by the Governor or county legislative authority may have its value reduced by the difference in fair market value before and after the disaster if the difference is greater than twenty percent.

Purpose To provide relief for taxpayers when natural disasters destroy property.

Taxpayer savings

(\$ in millions):

	FY 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.025	\$0.025	\$0.026	\$0.026
Local Taxes	\$0.111	\$0.116	\$0.121	\$0.127

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 2016	FY 2017	FY 2018	FY 2019
State Taxes	\$0.000	\$0.000	\$0.000	\$0.000
Local Taxes	\$0.000	\$0.010	\$0.010	\$0.010

Repealing this exemption results in a state levy shift of an estimated \$30,000 and a local levy shift of an estimated \$110,000 in Fiscal Year 2018.

Assumptions

The total estimated exempt value is \$11.38 million.

Data Sources

- Economic and Revenue Forecast Council's February 2015 forecast
- State Property Tax Levy Model
- County Abstract Reports

Additional Information

Additional Information	
Category:	Other
Year Enacted:	1974
Primary Beneficiaries:	Owners of property impacted by a natural disaster
Taxpayer Count:	Unknown
Program Inconsistency:	None evident
JLARC Review:	JLARC completed an expedited review in 2010