

REVENUE: Revenue Statement Issued
FISCAL: No Fiscal Impact

Action: Do pass
Vote: 8-0-1
Yeas: Berger, Bruun, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart
Nays:
Exc.: Butler
Prepared By: Mary Ayala, Economist
Meeting Dates: 4/27

WHAT THE BILL DOES: Exempts from taxation real and personal property of retail stores owned by non-profit entities if the retail stores deal exclusively in donated inventory and the proceeds from the stores' sales are used to financially support a not-for-profit housing program.

ISSUES DISCUSSED: Testimony from one retail store's representative who described the benefits to the community from its program that lowers the cost of owning homes for qualified lower-income earning families by granting them loans at 0% interest rates or by lowering a home's construction cost using donated materials and volunteers who assist in the building process.

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Under current law, all real and personal property, including inventory, of a retail store dealing exclusively in donated inventory is exempt if this entity distributes inventory without cost as part of a welfare program or uses the proceeds from the sale of inventory to support a welfare program. The definition of a welfare program includes providing food, shelter, clothing or health care to needy persons without charge.