



# PROPOSED STUDY QUESTIONS

## Tribal Land Used for Economic Development

State of Washington Joint Legislative Audit and Review Committee

December 2019

### JLARC to review a property tax exemption for tribally owned land used for economic development

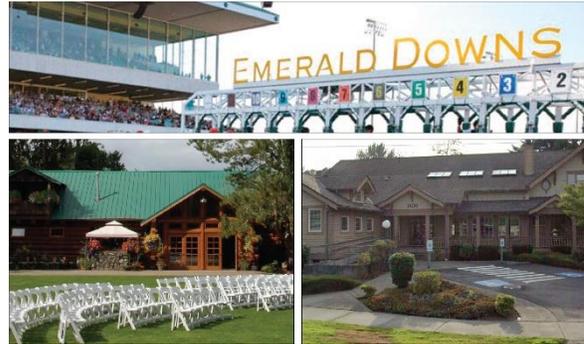
The 2006 Legislature directed JLARC staff to conduct performance audits of tax preferences. This preference is included in the 10-year review schedule set by the Citizen Commission for Performance Measurement of Tax Preferences.

The Legislature established a property tax exemption in 2014 for tribally owned land used exclusively for economic development purposes and directed JLARC staff to review this preference prior to its expiration.

**Economic development** means commercial activities that facilitate the creation or retention of businesses or jobs, or that improve the standard of living or economic health of tribal communities.

### The 2014 Legislature stated its intent to improve the economic well-being of tribal communities

When it established this exemption, the 2014 Legislature stated its objective was to create jobs and improve the economic health of tribal communities. To qualify, properties must be owned by a federally recognized Indian tribe before March 1, 2014. These properties are not held in trust by the U.S. government and may be located inside or outside the reservation. The exemption is set to expire January 1, 2022.



The legislation directed JLARC staff to evaluate and report on the changes associated with the preference, including identifying the following:

- Number of qualifying parcels and uses of land.
- Impacts to tribal governments, local governments, and businesses.
- Revenue reductions, increases, and shifts for all tax sources.
- Descriptions of relevant business activities.
- Jobs created or lost.

The review will address the following questions:

Stated objective	Study questions
Create jobs and improve the economic health of tribal communities.	<ol style="list-style-type: none"> <li>1) To what extent are federally recognized Indian tribes in Washington using the property tax exemption?</li> <li>2) What are the economic impacts to tribes and the surrounding communities?</li> <li>3) What are the other impacts, if any, on local governments, revenues, business competition, investment, and employment?</li> </ol>

### Study Timeframe

Preliminary Report: July 2020

Proposed Final Report: December 2020

#### JOINT LEGISLATIVE AUDIT & REVIEW COMMITTEE

106 11<sup>th</sup> Ave SW, Olympia, WA 98501 | Email: JLARC@leg.wa.gov | Website: www.jlarc.leg.wa.gov

Twitter: @WALegAuditor | Phone: (360) 786-5171 | Fax: (360) 786-5180

## Study Team

Team Lead	Eric Whitaker	(360) 786-5618	<a href="mailto:eric.whitaker@leg.wa.gov">eric.whitaker@leg.wa.gov</a>
Research Analyst	Pete van Moorsel	(360) 786-5185	<a href="mailto:pete.vanmoorsel@leg.wa.gov">pete.vanmoorsel@leg.wa.gov</a>
Project Coordinator	Eric Thomas	(360) 786-5182	<a href="mailto:eric.thomas@leg.wa.gov">eric.thomas@leg.wa.gov</a>
Legislative Auditor	Keenan Konopaski	(360) 786-5187	<a href="mailto:keenan.konopaski@leg.wa.gov">keenan.konopaski@leg.wa.gov</a>

## JLARC Study Process

