



December 1, 2017

Sam Thompson, ITA Division
Washington State Department of Revenue
PO Box 47453
Olympia, WA 98504-7453

Re: Comments on Amending WAC 458-16-260 Nonprofit child day care centers, libraries, orphanages, homes for sick and infirm, hospitals, outpatient dialysis facilities (WSR 17-22-127)

On behalf of our 106 hospital and health system members, the Washington State Hospital Association appreciates the opportunity to provide comment on the CR-101 proposal to amend the WAC language concerning the definition of organizations used for purposes of applying property tax exemptions. WSHA appreciates the Department of Revenue's interest in updating the rule to maximize clarity and consistency with Department of Health standards and language.

We have one recommended change to the clinic exclusion to provide increased clarity:

In the Definitions section (2)(d)(B), we suggest the sentence "***Clinics or physician's offices not licensed as part of a hospital, where patients are not regularly kept as bed patients for twenty-four hours or more***" be changed to read "***Clinics or physicians' offices, unless licensed as part of a hospital.***" While the definition of hospital assumes the capacity to provide inpatient care for a period exceeding twenty-four hours, not all services provided under the hospital's license are inpatient. The property tax exemption applies to both inpatient and outpatient services sites that meet hospital building codes, financial and clinical integration requirements, and other requirements to be considered departments of the licensed hospital, including some hospital clinic sites.

We believe our suggestion is consistent with the existing definition of hospital contained in (2)(d) which includes outpatient services. "*Hospital*" means a nonprofit organization, association, ... persons. ***The term also means all buildings or portions of buildings that are currently licensed as part of a hospital pursuant to chapters [70.41](#) or [71.12](#) RCW, and are part of an integrated, interrelated, homogeneous unit exclusively used for hospital purposes.***

We thank you again for the opportunity to comment. If you have questions, please contact Andrew Busz, WSHA Policy Director, Finance at andrewb@wsha.org or (206) 216-2533.

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Chelene Whiteaker
Senior Director, Policy Development

Handwritten signature of Andrew Busz in cursive.

Andrew Busz
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