

HOUSE BILL REPORT

HB 2552

As Reported By House Committee On:

Finance

Title: An act relating to property tax exemption of land subject to governmental restrictions.

Brief Description: Exempting land subject to certain governmental restrictions from property taxation.

Sponsors: Representatives Morris, B. Thomas, Pennington, Kessler, Hatfield, Scheuerman, Murray, Conway, Quall, Regala and Linville.

Brief History:

Committee Activity:

Finance: 1/25/96, 2/5/96 [DP].

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 12 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Boldt, Vice Chairman; Morris, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Hymes; Mason; Mulliken; Pennington; Schoesler; Sheldon and Van Luven.

Staff: Cheri Keller (786-7093).

Background: Property taxes apply to the assessed value of all taxable property, which includes all real and personal property located within the state, unless specifically exempted. Real property includes land, structures and certain equipment affixed to the structures; personal property includes machinery, supplies, certain utility property (e.g., dams), and other items which are movable.

State law and local ordinances impose a variety of regulations on private property, including requirements to obtain building permit authorizing the construction of buildings, controls on the division of land, restrictions on land uses, and restrictions on causing air or water pollution. In addition, the state Environmental Policy Act requires state agencies and local governments to determine if a proposed government action may significantly affect the quality of the environment.

Summary of Bill: Land is exempt from property taxation if a restriction adopted by a government entity precludes or makes economically unreasonable the use of the property for residential and commercial purposes.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: In our zeal for livable communities and scenic views we've significantly reduced the number of properties available to build on. Buffer zones are huge at times and place a significant impact on developers.

Testimony Against: This needs more focus to be workable.

Testified: Representative Betty Sue Morris, prime sponsor; Joe Pestinger, Department of Transportation; and Fred Saeger, Washington Association of County Officials.