

HB 2697

Bill Analysis

February 3, 1998

Brief Description: Taxation of park trailers and travel trailers.

Bill Sponsors: Representatives Gardner, Linville, Morris and B. Thomas.

Staff: Linda Brooks, 786-7153.

Background: Travel trailers are subject to a camper excise tax in lieu of property taxes. The Department of Licensing and its agents collect the camper excise tax, when the travel trailer is annually licensed. If a travel trailer does not traverse the state's roadways, however, then the owner need not license the travel trailer nor pay any camper excise taxes.

Travel trailers are trailers built on a single chassis transportable upon roadways and designed to be used as a temporary dwelling without a permanent foundation and may be used without utility connections.

Park trailers are travel trailers containing less than 400 square feet and designed to be used with temporary connections to utilities necessary for operation of installed fixtures and appliances. In 1993 approximately 1,700 park trailers were permanently sited in Washington. Given the fact that these park trailers did not travel on the state's roadways, they were not subject to annual licensing requirements nor to camper excise taxes.

In 1993 the Legislature subjected park trailers to ad valorem property taxes if the trailers had substantially lost their identity as mobile units by being permanently fixed in location by placement on a permanent foundation of either posts or blocks with fixed pipe connections for sewer, water, or other utilities. As a result of this legislation, county assessors assessed park model trailers for ad valorem property taxes. Some park trailer owners in Whatcom County appealed their property tax assessments, however, asserting that their park model trailers were not permanently fixed in location. For example, they explained that a flexible garden hose for water did not constitute a fixed pipe utility connection. The Board of Tax Appeals ruled in the taxpayers' favor, and Whatcom County refunded property taxes that had been paid.

Summary of Bill: Park trailers or travel trailers are real property subject to ad valorem property taxation, if the trailers are permanently *sited* in location. A park trailer or travel

trailer is permanently sited if it is placed on blocks or posts with connections for water, sewer, or other utilities. There is no longer a requirement to place the trailer on a permanent foundation, and the utility connections need not be fixed pipe connections.

Appropriation: None.

Fiscal Note: Available.

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