

SENATE BILL REPORT

SSB 5003

As Passed Senate, March 5, 1997

Title: An act relating to property tax exemptions for property with an assessed value of less than five hundred dollars.

Brief Description: Providing property tax exemptions for property with an assessed value of less than five hundred dollars.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Swecker, Loveland, McDonald, Sheldon, Winsley, Goings, Deccio, Rasmussen, Hale, Stevens, Johnson, McCaslin, Rossi, Oke, Zarelli and Roach).

Brief History:

Committee Activity: Ways & Means: 1/29/97, 2/11/97 [DPS].
Passed Senate, 3/5/97, 46-1.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5003 be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Long, Loveland, Roach, Rossi, Schow, Sheldon, Snyder, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: Terry Wilson (786-7433)

Background: The property tax is applied annually to the assessed value of all property except that which is specifically exempt by law. Taxable property includes both real property and personal property. Real property is land and the buildings, structures, or improvements that are affixed to the land. Personal property includes all property that is not real property.

Because the Legislature has provided tax exemptions for motor vehicles and household goods and personal effects, in general taxable personal property is personal property used in a trade or business. Additionally, the first \$3,000 of taxable personal property for heads of households is exempt. This reduces the personal property tax liability of noncorporate businesses which are subject to personal property tax on business equipment and supplies.

Summary of Bill: Each parcel of real property, and each personal property account, that has an assessed value of less than \$500 is exempt from taxation. This exemption does not apply to personal property to which the head of household exemption may be applied or to real property which qualifies for preferential tax treatment.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 1999.

Testimony For: This bill eliminates unnecessary waste. It costs more to collect the tax than the amount of the tax.

Testimony Against: None.

Testified: Pro: Rose Bowman, Assn. of County Treasurers; Ron Strabbing, Grays Harbor County Treasurer.

House Amendment(s): Counties may sell tax foreclosed property worth less than \$500 to adjoining landowners by negotiation rather than through a call for bids.