

FINAL BILL REPORT

SB 6552

C 335 L 98
Synopsis as Enacted

Brief Description: Concerning the ad valorem taxation of vessels or ferries.

Sponsors: Senators Strannigan and Bauer; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: All real and personal property in this state is subject to the property tax each year based on its value unless a specific exemption is provided by law.

Real property lying wholly within individual county boundaries is assessed based on its value by the county assessor. Intercounty, interstate, and foreign utility and transportation companies are assessed based on their value by the Department of Revenue. Property assessed by the Department of Revenue is referred to as state-assessed or centrally assessed property.

Property taxes are imposed on the assessed value of property. Current law requires the assessment to equal 100 percent of the fair market value of the property on July 31 of the assessment year for new construction and on January 1 of the assessment year for all other property.

For property tax purposes, the valuation of steamship companies is different from all other commercial vessels. Steamships are valued under the public utility statutes. All other commercial vessel companies are treated under separate statutes. Unlike most property owners, steamship companies and other commercial vessels pay only the state property tax. They pay no local property tax.

Summary: The separate valuation of steamships is eliminated. Steamships are treated like all other commercial vessels for property tax purposes.

Votes on Final Passage:

Senate	47	0
House	94	0

Effective: January 1, 1999