

SENATE BILL REPORT

SB 6115

As Reported By Senate Committee On:
Ways & Means, January 17, 2000

Title: An act relating to the reinstatement of the exemption from property tax for motor vehicles, travel trailers, and campers eliminated by Initiative 695.

Brief Description: Reinstating the property tax exemption for motor vehicles, travel trailers, and campers.

Sponsors: Senators Loveland, Brown, Bauer, Snyder, Rasmussen, Haugen, B. Sheldon, Eide, Jacobsen, McAuliffe, Gardner, Heavey, Franklin, Patterson, Prentice, T. Sheldon, Costa, Goings, McCaslin, Swecker and Winsley; by request of Governor Locke.

Brief History:

Committee Activity: Ways & Means: 1/17/2000 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6115 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Honeyford, Long, McDonald, Rasmussen, Roach, Rossi, B. Sheldon, Snyder, Thibaudeau, West, 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 other property.

Real property is assessed by the county assessor on its value on January 1 of the assessment year, except that new construction is assessed on its value on July 31 of the assessment year. Personal property is reported by April 30 of each year to the county assessor by persons with taxable personal property based on its value on January 1. These values are used to calculate taxes payable in the following year.

Initiative 695 repealed the exemption from state and local property taxation for motor vehicles, travel trailers, and campers, effective January 1, 2000. Because of this, motor vehicles, travel trailers, and campers are subject to state and local personal property taxes for taxes payable in 2001 based on the value of the vehicle on January 1, 2000.

Summary of Substitute Bill: The property tax exemption for motor vehicles, travel trailers, and campers as it existed before passage of Initiative 695 is restored. The act applies retrospectively to January 1, 2000.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on January 5, 2000.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The Governor committed to implementing Initiative 695. It is the Governor's intent to reinstate the property tax exemption. This re-institutes the property tax state for motor vehicles as it was before January 1, 2000. This has the support of the Assessors' Association which passed a resolution to that effect.

Testimony Against: None.

Testified: PRO: Jim Hedrick, OFM; Scott Noble, WA State Assn of County Assessors.