

HOUSE BILL REPORT

SHB 1278

As Passed House:

March 14, 2003

Title: An act relating to listing property for tax purposes.

Brief Description: Listing property for tax purposes.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Conway, Cairnes, Kirby and Bush).

Brief History:

Committee Activity:

Finance: 2/6/03, 2/25/03 [DPS].

Floor Activity:

Passed House: 3/14/03, 96-0.

Brief Summary of Substitute Bill

- Eliminates requirement that personal property affidavits must be signed and verified under penalty of perjury for property tax purposes.
- Permits personal property lists and affidavits to be electronically transmitted.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Gombosky, Chair; McIntire, Vice Chair; Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern, Conway, Morris, Roach and Santos.

Staff: Bob Longman (786-7139).

Background:

All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses and farmers. Household goods and business

inventories are specifically exempt from personal property tax.

Property owners must file an annual listing of all taxable personal property. Owners list each item, the acquisition cost, and the year acquired. The assessor then determines the value based on this information. Once property is assessed and listed on the tax rolls, the assessor mails the property owner a new affidavit at the beginning of each calendar year. The property owner must verify the list, add or delete property as appropriate and sign and return the affidavit to the county assessor by April 30. The affidavit must be signed and verified under penalty of perjury by the person listing the property.

Summary of Substitute Bill:

The requirement that personal property affidavits must be signed and verified under penalty of perjury is eliminated. The assessor may electronically transmit personal property lists to property owners. Property owners may electronically transmit personal property affidavits to the assessor.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill will help reduce the number of staff needed to process personal property affidavits in the assessor's office. Taxpayers can file electronically with the IRS and the Department of Revenue. They should be able to file property tax affidavits electronically, too. It is time to modernize some of the old property tax statutes to remove barriers to modern technology.

Testimony Against: None.

Testified: (In support) Representative Conway, prime sponsor; Michael Shaw, Pierce County; Michelle Hagen, Washington Association of County Officials; Julie Sexton, Department of Revenue; and Ken Madsen, Pierce County Assessor.