

HOUSE BILL REPORT

HB 2547

As Passed House:
February 11, 2004

Title: An act relating to the property taxation of vehicles carrying exempt licenses.

Brief Description: Clarifying the property taxation of vehicles carrying exempt licenses.

Sponsors: By Representatives D. Simpson, Cairnes, Haigh, Conway, McCoy, G. Simpson, Chase and Orcutt; by request of Department of Revenue and Department of Veterans Affairs.

Brief History:

Committee Activity:

Finance: 1/20/04, 1/22/04 [DP].

Floor Activity:

Passed House: 2/11/04, 94-0.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Exempts vehicles carrying exempt licenses from property taxation.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 9 members: Representatives McIntire, Chair; Hunter, Vice Chair; Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern, Conway, Morris, Roach and Santos.

Staff: Rick Peterson (786-7150).

Background:

All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided 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. Motor vehicles are personal property.

Household goods and furnishings and personal effects are exempt from property taxes. Personal effects include wearing apparel, jewelry, toilet articles and similar items. Motor vehicles are not included in this exemption.

Motor vehicles are generally exempt from property taxes. However, the property tax exemption for motor vehicles does not include vehicles carrying exempt licenses. Vehicles

exempt from license fees include private school buses and vehicles owned by certain disabled veterans, former prisoners of war and their surviving spouses, and Congressional Medal of Honor recipients.

Summary of Bill:

Vehicles carrying exempt licenses are exempt from property taxation.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The bill provides an exemption for veterans that have served our country well. It is a thank you to them for their service. The issue came up when the Department of Revenue was asked a question about whether the property tax exemption for vehicles included vehicles with exempt plates. This bill will ensure that veterans holding these exempt license plates will not have to pay property taxes. No one has yet imposed the tax.

Testimony Against: None.

Persons Testifying: Julie Sexton, Department of Revenue; Heidi Audette, Washington Department of Veterans Affairs; and Lauren L. Schwisow, Christmas Town Chapter State of Washington Ex-POW's.

Persons Signed In To Testify But Not Testifying: None.