

# SENATE BILL REPORT

## SB 6141

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As Passed Senate, February 12, 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:** Senators Winsley, Kastama, Oke, Franklin, Swecker and Schmidt; by request of Department of Revenue and Department of Veterans Affairs.

**Brief History:**

**Committee Activity:** Ways & Means: 1/27/04, 2/2/04 [DP].  
Passed Senate: 2/12/04, 49-0.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Zarelli, Chair; Hewitt, Vice Chair; Parlette, Vice Chair; Carlson, Doumit, Fairley, Fraser, Hale, Honeyford, Johnson, Pflug, Rasmussen, Regala, Roach, Sheahan, B. Sheldon and Winsley.

**Staff:** Catherine Suter (786-7442)

**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 other improvements made to the land. Personal property includes all other property, including motor vehicles.

Motor vehicles are generally exempt from property taxes. However, the property tax exemption for motor vehicles does not include vehicles carrying exempt licenses, meaning vehicles that are exempt from license fees. Vehicles carrying exempt licenses 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. Private school buses are exempt from property taxes because they are used for schools, but veterans' vehicles are not similarly exempt for another reason.

**Summary of Bill:** Vehicles carrying exempt licenses are exempt from property taxation.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** It was by mistake that these vehicles have been subject to the property tax. The Departments of Revenue and of Veterans Affairs are both in support of this bill.

**Testimony Against:** None.

**Testified:** PRO: Julie Sexton, Department of Revenue; Heidi Audette, Department of Veterans Affairs.