

1677

Sponsor(s): Representatives Shabro, Newhouse, Bailey, Roach, Bush, Boldt, Chandler, Linville, Quall and McDermott

Brief Description: Authorizing a county to exempt certain property used in agriculture from taxation.

HB 1677.E - DIGEST

(DIGEST AS PASSED LEGISLATURE)

Finds that the state's highly productive and efficient agriculture sector is composed predominately of family owned and managed farms; the number of family farms and the total amount of land used for agricultural purposes is decreasing; the environment is positively impacted when land is used for agricultural purposes; agricultural land and farms use a proportionally lower amount of a county's services than residential land or other businesses; and that the positive environmental impacts of agriculture are particularly important in urban areas.

Provides that, in a county that does not satisfy the definition of a "rural county" under RCW 82.14.370, all machinery and equipment owned by a farmer that is personal property is exempt from property taxes levied for any county purpose, if it is used exclusively in growing and producing agricultural products during the calendar year in which the claim for exemption is made.

VETO MESSAGE ON HB 1677

March 31, 2004

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed House Bill No. 1677 entitled:

"AN ACT Relating to authorizing a county to exempt certain property used in agriculture from taxation;"

This legislation would have exempted all machinery and equipment owned by a farmer that is personal property from property taxes levied for any county purpose. However, the exemption would have only applied in the seven counties that currently do not satisfy the definition of a "rural county" under RCW 82.14.370.

In 2001, all machinery and equipment owned by a farmer that is personal property was exempted from the state property tax levy. The state exemption applies throughout the state and applies to property taxes levied for any state purpose. This bill would have singled out only county levies of the many local levies for the exemption, and in only seven counties. Property tax exemptions historically have been applied uniformly across the state with very few exceptions. This legislation would, for the first time,

provide an exemption from a few locally imposed levies “ the county levies “ and not all locally imposed levies. This would complicate the property tax levy setting process and encourage other industries and interest groups to pursue special exemptions that will fractionalize the property tax base and the levy system.

For these reasons, I have vetoed Engrossed House Bill No. 1677 in its entirety.

Respectfully submitted,
Gary Locke
Governor