

# SENATE BILL REPORT

## ESB 5564

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As Passed Senate, March 16, 1999

**Title:** An act relating to taxation of park trailers and travel trailers.

**Brief Description:** Taxation of park trailers and travel trailers.

**Sponsors:** Senators Gardner, Winsley, Spanel and Loveland.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 2/23/99, 3/2/99 [DP].

Failed Senate, 3/9/99, 31-18. Reconsidered: Passed Senate, 3/16/99, 44-3.

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### SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Gardner, Hale, Heavey, Rasmussen and T. Sheldon.

**Staff:** Catherine Mele (786-7470)

**Background:** In 1993, the Legislature subjected park trailers to ad valorem property taxes if the trailers substantially lost their identity as mobile units by being permanently fixed in location by placement on a permanent foundation of either posts or blocks with fixed pipe connections for sewer, water, or other utilities.

As a result of the 1993 legislation, county assessors assessed park model trailers for property taxes. Some park trailer owners in Whatcom County appealed their property tax assessments asserting that their park model trailers were not permanently fixed in location. For example, they explained that a flexible garden hose for water did not constitute a fixed pipe utility connection. The Board of Tax Appeals ruled in the taxpayers' favor, and Whatcom County refunded property taxes paid.

**Summary of Bill:** Park trailers are real property subject to property taxation, if the trailers are permanently *sited* in location. A park trailer is permanently sited if it is placed on blocks or posts with connections for water, sewer, or other utilities. There is no longer a requirement to place the park trailer on a permanent foundation and the utility connections need not be fixed pipe connections.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Effective for taxes levied in 1999 for collection in the year 2000 and thereafter.

**Testimony For:** People who live in these trailers use local services, but do not pay local property taxes. These trailers are not taxed because they are not considered permanently fixed in location. They are not considered fixed in location because they may have flexible garden hose piping for utilities instead of fixed pipe utility connections. This is an obvious loophole and an inequity because these trailers do have outbuildings and decks. Since these trailers provide permanent housing, they should be treated as permanent housing for property tax purposes.

**Testimony Against:** None.

**Testified:** Fred Saeger, WA Assn. of County Officials.