

HOUSE BILL REPORT

SB 6141

As Passed House:

March 5, 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 Senators Winsley, Kastama, Oke, Franklin, Swecker and Schmidt; by request of Department of Revenue and Department of Veterans Affairs.

Brief History:

Committee Activity:

Finance: 2/24/04, 2/27/04 [DP].

Floor Activity:

Passed House: 3/5/04, 94-0.

Brief Summary of Bill

- Exempts vehicles carrying exempt licenses from property taxation.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 8 members: Representatives McIntire, Chair; Hunter, Vice Chair; Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern, Conway, 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: This is a simple bill. With all the changes made to the motor vehicle excise tax somehow we did not exempt certain vehicles from the property tax. This bill will exempt from property tax private school buses and vehicle of veterans who are exempt from license fees. The tax has not yet been collected on these vehicles. The bill is the same as the House bill.

Testimony Against: None.

Persons Testifying: (In support) Senator Winsley, prime sponsor; Julie Sexton, Department of Revenue; and Heidi Audette, Department of Veterans Affairs.

Persons Signed In To Testify But Not Testifying: None.