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**Finance Committee**

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**HB 2547**

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

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

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Exempts vehicles carrying exempt licenses from property taxation.</li></ul>
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**Hearing Date:** 1/20/04

**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:** Requested on January 15, 2004.

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