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HOUSE BILL 2100

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State of Washington                      62nd Legislature                      2011 Regular Session

By Representatives Hasegawa, Moscoso, Ryu, and Hunt

Read first time 04/15/11. Referred to Committee on Ways & Means.

1            AN ACT Relating to narrowing the property tax exemption for  
2 intangibles; amending RCW 84.36.070; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 84.36.070 and 1997 c 181 s 1 are each amended to read  
5 as follows:

6            (1)(a) Except as provided in (b) of this subsection, intangible  
7 personal property is exempt from ad valorem taxation.

8            (b) Notwithstanding (a) of this subsection, the first million  
9 dollars of assessed value of certificates of deposit; state, county,  
10 and municipal bonds and warrants and bonds and warrants of other taxing  
11 districts; bonds of the United States and of foreign countries or  
12 political subdivisions thereof; and the bonds, stocks, or shares of  
13 private corporations is exempt from ad valorem taxation.

14            (2) "Intangible personal property" means:

15            (a) All moneys and credits including mortgages, notes, accounts,  
16 certificates of deposit, tax certificates, judgments, state, county and  
17 municipal bonds and warrants and bonds and warrants of other taxing  
18 districts, bonds of the United States and of foreign countries or

1 political subdivisions thereof and the bonds, stocks, or shares of  
2 private corporations;

3 (b) Private nongovernmental personal service contracts, private  
4 nongovernmental athletic or sports franchises, or private  
5 nongovernmental athletic or sports agreements provided that the  
6 contracts, franchises, or agreements do not pertain to the use or  
7 possession of tangible personal or real property or to any interest in  
8 tangible personal or real property; and

9 (c) Other intangible personal property such as trademarks, trade  
10 names, brand names, patents, copyrights, trade secrets, franchise  
11 agreements, licenses, permits, core deposits of financial institutions,  
12 noncompete agreements, customer lists, patient lists, favorable  
13 contracts, favorable financing agreements, reputation, exceptional  
14 management, prestige, good name, or integrity of a business.

15 (3) "Intangible personal property" does not include zoning,  
16 location, view, geographic features, easements, covenants, proximity to  
17 raw materials, condition of surrounding property, proximity to markets,  
18 the availability of a skilled workforce, and other characteristics or  
19 attributes of property.

20 (4) This section does not preclude the use of, or permit a  
21 departure from, generally accepted appraisal practices and the  
22 appropriate application thereof in the valuation of real and tangible  
23 personal property, including the appropriate consideration of licenses,  
24 permits, and franchises granted by a government agency that affect the  
25 use of the property.

26 NEW SECTION. **Sec. 2.** This act applies to taxes levied for  
27 collection in 2012 and thereafter.

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