
SUBSTITUTE SENATE BILL 5286

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Horn, Benton, West, McCaslin, Wood, Prince, Roach, McDonald, Hale, Sellar, Anderson, Deccio, Johnson, Oke, Morton, Zarelli, Swecker, Hochstatter, Schow and Strannigan)

Read first time 03/10/97.

1 AN ACT Relating to intangible personal property; amending RCW
2 84.36.070; adding a new section to chapter 84.48 RCW; and creating new
3 sections.

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

5 **Sec. 1.** RCW 84.36.070 and 1974 ex.s. c 118 s 1 are each amended to
6 read as follows:

7 (~~The following~~) (1) Intangible personal property (~~shall be~~) is
8 exempt from (~~ad valorem~~) property taxation(~~(÷)~~).

9 (2) "Intangible personal property" means:

10 (a) All moneys and credits including mortgages, notes, accounts,
11 certificates of deposit, tax certificates, judgments, state, county and
12 municipal bonds and warrants and bonds and warrants of other taxing
13 districts, bonds of the United States and of foreign countries or
14 political subdivisions thereof and the bonds, stocks, or shares of
15 private corporations(~~(-)~~)i

16 (b) Private nongovernmental personal service contracts (~~(or)~~),
17 private nongovernmental athletic or sports franchises, or private
18 nongovernmental athletic or sports agreements provided that (~~such~~)
19 the contracts, franchises, or agreements do not pertain to the use or

1 possession of tangible personal or real property or to any interest in
2 tangible personal or real property; and

3 (c) Other intangible property such as trademarks, trade names,
4 brand names, patents, copyrights, trade secrets, franchise agreements,
5 licenses, permits, core deposits of financial institutions, noncompete
6 agreements, customer lists, patient lists, favorable contracts,
7 favorable financing agreements, reputation, exceptional management,
8 prestige, good name, or integrity of a business.

9 (3) "Intangible personal property" does not include zoning,
10 location, view, geographic features, easements, covenants, proximity to
11 raw materials, condition of surrounding property, proximity to markets,
12 the availability of a skilled work force, and other characteristics or
13 attributes of property.

14 (4) This section does not preclude the use of, or permit a
15 departure from, generally accepted appraisal practices and the
16 appropriate application thereof in the valuation of real and tangible
17 personal property.

18 NEW SECTION. Sec. 2. A new section is added to chapter 84.48 RCW
19 to read as follows:

20 (1) In equalizing personal property as of January 1, 1998, the
21 department shall treat intangible personal property in the same manner
22 as intangible personal property is to be treated after the effective
23 date of this act.

24 (2) This section expires December 31, 1998.

25 NEW SECTION. Sec. 3. This act shall not be construed to amend or
26 modify any existing statute or rule relating to the treatment of
27 computer software, retained rights in computer software, and golden and
28 master copies of computer software for property tax purposes.

29 NEW SECTION. Sec. 4. Nothing in this act is intended to
30 incorporate and nothing in this act is based on any other state's
31 statutory or case law.

32 NEW SECTION. Sec. 5. If any provision of this act or its
33 application to any person or circumstance is held invalid, the
34 remainder of the act or the application of the provision to other
35 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 6.** This act is effective for taxes levied for
2 collection in 1999 and thereafter.

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