



STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 902-4111 • www.governor.wa.gov

March 31, 2004

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Engrossed House Bill No. 1677 entitled:

"AN ACT Relating to authorizing a county to exempt certain property used in agriculture from taxation;"

This legislation would have exempted all machinery and equipment owned by a farmer that is personal property from property taxes levied for any county purpose. However, the exemption would have only applied in the seven counties that currently do not satisfy the definition of a "rural county" under RCW 82.14.370.

In 2001, all machinery and equipment owned by a farmer that is personal property was exempted from the state property tax levy. The state exemption applies throughout the state and applies to property taxes levied for any state purpose. This bill would have singled out only county levies of the many local levies for the exemption, and in only seven counties. Property tax exemptions historically have been applied uniformly across the state with very few exceptions. This legislation would, for the first time, provide an exemption from a few locally imposed levies – the county levies – and not all locally imposed levies. This would complicate the property tax levy setting process and encourage other industries and interest groups to pursue special exemptions that will fractionalize the property tax base and the levy system.

For these reasons, I have vetoed Engrossed House Bill No. 1677 in its entirety.

Respectfully submitted,

Gary Locke
Governor