

SENATE BILL REPORT

SHB 1673

As Reported By Senate Committee On:
Ways & Means, April 12, 1995

Title: An act relating to property tax deferrals for senior citizens and persons retired by reason of physical disability.

Brief Description: Expanding property tax deferrals for senior citizens and persons retired by reason of physical disability.

Sponsors: House Committee on Finance (originally sponsored by Representatives Dickerson, Mason, Morris, Chappell, Wolfe, Kessler, Hatfield, Conway, Benton, Kremen, Cody and Mastin).

Brief History:

Committee Activity: Ways & Means: 4/3/95, 4/12/95 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Gaspard, Hargrove, Johnson, Long, McDonald, Moyer, Pelz, Quigley, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7715)

Background: Homeowner property tax relief is provided for senior citizens and persons retired due to disability. To qualify a person must be at least 61 years of age in the year of application, or retired from employment because of a physical disability, own their home, and have an income below certain levels. Eligible persons with incomes less than \$26,000 receive partial exemptions of tax. Eligible persons with incomes less than \$30,000 may defer taxes. A surviving spouse 57 years of age or older may continue in the exemption and deferral programs.

Qualifying persons may defer any taxes and special assessments due on the residence on up to 80 percent of the equity value in the residence. The Department of Revenue reimburses local taxing districts the amount of their taxes and assessments that are deferred. The total amount of taxes and assessments so deferred constitute a lien on the property and is due, with interest at 8 percent per year, upon sale or condemnation of the property, when the claimant ceases to reside on the property, or upon death of the claimant.

Summary of Bill: The property tax deferral program is expanded to allow persons who are 60 years of age to apply for the program. The income threshold for the deferral program is increased to \$34,000.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill updates the income limit to reflect inflation. Providing senior citizen property tax relief should be by deferral because taxes do not shift to other taxpayers.

Testimony Against: None.

Testified: Representative Dickerson, prime sponsor (pro); Elizabeth Pierini, People for Fair Taxes (pro).