

# SENATE BILL REPORT

## SB 6108

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As Passed Senate, February 8, 1996

**Title:** An act relating to the property taxation of senior citizens and persons retired because of physical disability.

**Brief Description:** Changing how valuation is determined for property taxation of senior citizens and persons retired because of physical disability.

**Sponsors:** Senators Sheldon, Loveland, Winsley, Haugen, Bauer, Quigley, Rasmussen and Oke.

**Brief History:**

**Committee Activity:** Government Operations: 1/17/96, 1/23/96 [DP].  
Passed Senate, 2/8/96, 44-4.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass.

Signed by Senators Haugen, Chair; Sheldon, Vice Chair; Goings, Hale, Heavey, McCaslin and Winsley.

**Staff:** Katie Healy (786-7403)

**Background:** Senior citizens and persons retired from regular employment because of physical disability are eligible for property tax relief on their personal residences. If the person is at least 62 years old or is retired from regular employment because of physical disability, and the person's disposable household income is \$28,000 or less, the person is entitled to a limit on the value of the residence and a partial property tax exemption. Application can be made in the year the person reaches the age of 61. The valuation limit and exemption apply to the residence and up to one acre of land on which it is situated. Property tax relief is available for taxes payable in the year following the year of application, and thereafter.

The valuation of the residence is frozen at the market value of the residence (and up to one acre of land on which it is situated) on the later of January 1, 1995, or January 1 of the year the person first qualified for the program, but the valuation cannot exceed the market value on January 1 of the assessment year. Failure to qualify only for one year because of high income does not change this valuation upon re-qualification. The valuation does not transfer to a replacement residence. Subsequent improvements to the residence are added at market value. Any exemption to which the person is entitled is applied to this valuation.

Clarification of the present practice of freezing the valuation of affected residences is desired.

**Summary of Bill:** The valuation of the residence is frozen at the assessed value of the residence on the later of January 1, 1995, or January 1 of the assessed year the person first qualified for the program.

**Appropriation:** None.

**Fiscal Note:** Requested on January 5, 1996.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill cleans up the language. It clarifies the practice already in effect. This is a tax-shifting measure.

**Testimony Against:** None.

**Testified:** Paul Easter, Gray Harbor Assessor (pro).