

HOUSE BILL REPORT

SHB 1313

As Amended by the Senate

Title: An act relating to senior citizen property tax relief.

Brief Description: Modifying qualifications for senior citizen property tax relief.

Sponsor(s): By House Committee on Revenue (originally sponsored by Representatives Fraser, Brumsickle, Phillips, Jones and Scott.

Brief History:

Reported by House Committee on:
Revenue, January 29, 1991, DPS;
Passed House, February 6, 1991, 96-0;
Amended by Senate.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *That Substitute House Bill No. 1313 be substituted therefore, and the substitute bill do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Brumsickle; Day; Leonard; Morris; Morton; Phillips; Rust; Silver; and Van Luven.

Staff: Rick Peterson (786-7150).

Background: Qualifying senior citizens and retired disabled persons are entitled to a property tax exemption on their principal residence. To qualify a person must be 61 on January 1st of the application year, or retired from employment because of a physical disability. In addition, the disposable income of the applicant's household must fall below \$18,000 a year.

Summary of Bill: The age for qualification in the senior citizen property tax exemption program is reduced by one year. A person may qualify if they are 61 years old by December 31st of the year of application.

EFFECT OF SENATE AMENDMENT(S): The Senate amendments expand the Senior Citizen Property Tax Exemption Program to include households with annual incomes up to \$30,000. The current

program only covers households with incomes up to \$18,000. All households in the program are exempt from paying excess levies. Currently households with incomes below \$14,000 are provided additional property tax relief on a portion of their home value. The Senate amendments expand the income categories and provide a larger exemption amount.

The exemption for households with incomes at or below \$12,000 is expanded to households with annual incomes up to \$18,000. The exemption amount for this group is increased from the greater of \$28,000 or 50 percent of home value to the greater of \$40,000 or 50 percent of home value but not to exceed \$100,000.

The current exemption for households with incomes between \$12,000 and \$14,000 is changed to the income range between \$12,000 and \$24,000. Note: It appears that the Senate amendments inadvertently failed to change the \$12,000 lower income limit for this category to \$18,000. The exemption amount is increased from the greater of \$24,000 or 30 percent of home value but not to exceed \$40,000 to the greater of \$40,000 or 30 percent of home value but not to exceed \$100,000.

Fiscal Note: Requested January 24, 1991.

Effective Date: Effective for taxes levied for collection in 1992.

Testimony For: Seniors should be able to apply in time to receive tax relief when they are 62 years old, anytime during the year.

Testimony Against: None.

Witnesses: Ann Clifton, Thurston County Assessor (in favor).

VOTE ON FINAL PASSAGE:

Yeas 96; Nays 0; Excused 2

Excused: Representatives Appelwick and Wineberry.