

FINAL BILL REPORT

HB 2242

C 24 L 91 E1
Synopsis As Enacted

Brief Description: Modifying phase-in of property taxes for homes for the aging.

By Representatives Wang, Horn, Hine, Holland, Franklin, Wineberry, Phillips, Pruitt, Cole, Zellinsky, G. Fisher, Scott, H. Sommers, Nelson, O'Brien, May, Valle, D. Sommers, Moyer, Miller, Padden, Betrozoff, Forner, Wood, Paris, Wynne, Mitchell, Bowman, Neher, Schmidt, P. Johnson, Tate, Edmondson, Vance, Ballard and Casada.

Background: In 1989, the Legislature changed the property tax exemption for nonprofit homes for the aging. Under the 1989 law, most homes for the aging remained completely exempt from property tax. Some became partially taxable. The amount of property tax exemption is determined by a formula related to the number of resident households within the income thresholds established in the senior citizen property tax exemption program.

The 1989 law provided for a gradual phase-in of tax for those that became taxable. The phase-in exempts two-thirds of the assessed value (after applying the exemption formula) for taxes collected in 1991 and exempts one-third of the assessed value for taxes to be collected in 1992. After 1992 the amount remaining, after the formula determined exemption, is fully taxable.

Summary: The phase-in of property tax on homes for the aging is extended by one year. Now the phase-in exempts two-thirds of the assessed value (after applying the exemption formula) for taxes collected in 1991 and 1992. One-third of the assessed value is exempted for taxes to be collected in 1993. After 1993 the amount remaining, after the formula determined exemption, is fully taxable.

Votes on Final Passage:

First Special Session

House 84 6

Senate 35 12

Effective: July 2, 1991