

SENATE BILL REPORT

SB 5168

AS OF FEBRUARY 22, 1991

Brief Description: Implementing a property tax exemption for low-income persons.

SPONSORS: Senators Moore, Rasmussen, Sutherland and Conner.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7715)

Hearing Dates:

BACKGROUND:

Senior citizens at least 61 years of age and persons retired by reason of physical disability are authorized a partial property tax exemption on their principal residences and up to one acre of land on which they are situated if their combined disposable household incomes are \$18,000 or less according to the following table:

<u>Income</u>	<u>Exemption</u>
\$14,001 to \$18,000	All excess levies
\$12,001 to \$14,000	All excess levies Regular levy on greater of \$24,000 or 30% of valuation (\$40,000 valuation maximum)
\$12,000 or less	All excess levies Regular levy on greater of \$28,000 or 50% of valuation

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 deferred. The total amount of taxes so deferred constitute a lien on the property and are 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:

Persons whose combined disposable household incomes are less than \$18,000 are authorized a partial property tax exemption on their principal residences and up to one acre of land on which they are situated according to the following table:

<u>Income</u>	<u>Exemption</u>
\$14,001 to \$18,000	All excess levies
\$12,001 to \$14,000	All excess levies Regular levy on greater of \$24,000 or 30% of valuation (\$40,000 valuation maximum)
\$12,000 or less	All excess levies Regular levy on greater of \$28,000 or 50% of valuation

Qualifying low-income homeowners are also authorized to defer taxes and special assessments under the deferral program.

The income limits and exemptions under the senior citizen property tax relief program are increased according to the following table:

<u>Income</u>	<u>Exemption</u>
\$23,001 to \$30,000	All excess levies
\$20,001 to \$23,000	All excess levies Regular levy on greater of \$40,000 or 30% of valuation (\$70,000 valuation maximum)
\$20,000 or less	All excess levies Regular levy on greater of \$50,000 or 50% of valuation

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill is contingent on approval of an authorizing constitutional amendment in November, 1991.