

SENATE BILL REPORT

HB 1530

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 5, 1993

Brief Description: Providing for continuation of property tax exemptions for senior citizens confined in hospitals and nursing homes.

SPONSORS: Representatives Morris, Foreman, Springer, Ogden, Carlson, Riley, Silver, Leonard, Chappell, H. Myers, Rayburn, Mastin, Thibaudeau, Anderson, Holm, Campbell, Brough, King, Hansen, Jones, Basich, Quall, Conway, Van Luven, Cothorn, Long and Finkbeiner

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Erwin, Franklin, Fraser, Hargrove, McAuliffe, McDonald, Moyer, Niemi, Prentice, Quigley, Sheldon, L. Smith, and Winsley.

Staff: Shannon Murphy (786-7483)

Hearing Dates: March 26, 1993; March 29, 1993

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Niemi, Owen, Quigley, Roach, L. Smith, Snyder, Sutherland, Talmadge, West, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: April 2, 1993; April 5, 1993

BACKGROUND:

Qualifying senior citizens and retired disabled persons are entitled to property tax relief in the form of exemptions and deferrals of taxes on their principal residences. To qualify, a person must be 61 in the year of application, or retired from employment because of a physical disability, and own their principal residence.

To be eligible for a partial exemption, the disposable income of the applicant's household must fall below \$26,000 a year. To be eligible for a deferral of taxes, the disposable income of the applicant's household must fall below \$30,000 a year.

Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included: capital gains, deductions for loss, depreciation, pensions and annuities, military pay and benefits, veterans benefits, social security and federal railroad retirement benefits, dividends and interest income. The income of a spouse and cotenants with an ownership interest in the residence is included in disposable income.

Payments for nursing home care for either spouse reduce disposable income. Costs for in-home care for either spouse also reduce disposable income. However, a residence that is rented to others while the owner is in a hospital or nursing home is not considered owner-occupied, and therefore not eligible for property tax relief.

SUMMARY:

An otherwise qualified senior citizen or retired disabled person who is in a hospital or nursing home remains eligible for property tax relief if the person's residence is rented for the purpose of paying hospital or nursing home costs.

This bill applies to taxes levied for collection in 1993 and after.

Appropriation: none

Revenue: none

Fiscal Note: available

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

TESTIMONY FOR (Health & Human Services):

This bill would allow seniors to keep their homes while receiving rent income, which can be used to pay for nursing home or hospital costs. Allowing seniors to keep their homes while in nursing homes or hospitals has a positive impact on the senior's well being.

TESTIMONY AGAINST (Health & Human Services): None

TESTIFIED (Health & Human Services): Representative Morris, prime sponsor (pro); Arnold Livingston, Senior Lobby (pro); Fred Saeger, Washington Association of County Officials (pro)

TESTIMONY FOR (Ways & Means): None

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): No one