

SENATE BILL REPORT

SB 6198

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 2, 1994

Brief Description: Increasing the area of land considered a residence for property tax purposes.

SPONSORS: Senators Skratek, Prentice, Drew and McAuliffe

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Bauer, Bluechel, Gaspard, Hargrove, Hochstatter, Ludwig, Moyer, Owen, Pelz, Roach, L. Smith, Snyder, Spanel, West and Williams.

Staff: Terry Wilson (786-7715)

Hearing Dates: January 27, 1994; February 2, 1994

BACKGROUND:

Qualified 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 and up to one acre of land on which the residence is situated. To qualify, a person must be 61 years of age in the year of application or be retired from employment because of a physical disability.

To be eligible for an 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.

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

Qualified persons are entitled to property tax exemptions and deferrals on up to five acres of land on which the residence is situated.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

Many larger parcels are required by local zoning and cause hardship to senior citizens who cannot defer the taxes on the additional acreage. This helps people outside urban areas. It is not fair to increase taxes on low-income seniors who cannot sell their property to pay the taxes because the lot size requirement is larger than one acre.

TESTIMONY AGAINST: None

TESTIFIED: Ben Gassaway, Clark County Assessor (pro); Paul Dossett, San Juan County Assessor (pro)