

SENATE BILL REPORT

SB 6600

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 8, 1994

Brief Description: Relating to an analysis of property tax systems.

SPONSORS: Senators Owen, Skratek, Franklin, McAuliffe, M. Rasmussen, Haugen, Fraser, Sheldon, Moore, Gaspard, Snyder, Sutherland, Oke and Winsley

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6600 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Hochstatter, Ludwig, McDonald, Moyer, Niemi, Snyder, Spanel, Williams and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 7, 1994; February 8, 1994

BACKGROUND:

The markets for real estate have experienced substantial volatility over the last few years due to changing economic conditions. Because all real property in this state is subject to the property tax based on its market value, many taxpayers have experienced large increases in property taxes, especially taxpayers living on fixed or low incomes. This has led to many complaints about the equity of the property tax system.

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SUBSTITUTE:

An appropriation is made to the Senate and House of Representatives for the purpose of employing a consultant to conduct a study of the property tax system of Washington and other states. The goal of the study is to analyze the existing system with an emphasis on the problems resulting from changes in economic conditions and actual impacts on residential property taxes. The study shall consider possible changes to the system, including the adoption of an alternative system, that would alleviate the problems of the current system and operate to enhance the confidence of persons in the property tax system beyond that confidence level that now exists. Alternative systems considered may include two-tiered property tax systems, property

classification systems, tax or value limitations, exemptions,
or alternative tax bases.

Appropriation: \$100,000

Revenue: none

Fiscal Note: none requested

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

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one