

**SENATE BILL REPORT**

**SJR 8206**

**AS OF FEBRUARY 10, 1993**

**Brief Description:** Amending the Constitution to allow property devoted to low-income housing to be taxed based on its current use value.

**SPONSORS:** Senator Winsley

**SENATE COMMITTEE ON LABOR & COMMERCE**

**Staff:** David Cheal (786-7576)

**Hearing Dates:** February 11, 1993

**BACKGROUND:**

Real property is valued for property tax purposes at its highest and best use measured by its fair market value. Exceptions to this rule are listed in the State Constitution which authorizes current use valuation for farm and agricultural land, standing timber and timber lands and certain open space lands.

Taxation of real property at its highest and best use may provide a strong incentive to a property owner to remove land from a use that has value to the public, such as open space, agriculture or low-income housing.

**SUMMARY:**

Properties with dwelling units that meet health and safety standards which are devoted to low-income housing are added to the list of properties that may be taxed at a level reflecting their current use.

The section of the Constitution amended is not self-executing and the Legislature is permitted to implement the concept through legislation.

The Attorney General, in drafting the ballot title, is requested to consider the following language. "Shall a constitutional amendment permit reducing property taxes to current use for qualified low-income housing containing three or more units?"

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**Effective Date:** Following the 1994 general election upon a positive vote of the electorate.