

**SENATE BILL REPORT**

**SJR 8211**

**AS OF FEBRUARY 11, 1993**

**Brief Description:** Limiting real property tax increases.

**SPONSORS:** Senator Sutherland

**SENATE COMMITTEE ON WAYS & MEANS**

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 10, 1993

**BACKGROUND:**

Article VII, section 1 of the state Constitution provides that all taxes shall be uniform on the same class of property within the territorial limits of the jurisdiction levying the tax and states that real estate constitutes one class. In addition, Article VII, section 2 limits the aggregate tax on real and personal property to 1 percent of its true and fair value without a vote of the people.

In 1971, the Legislature imposed a statutory lid on property tax levy increases. Under this lid, regular property taxes levied by a taxing district may not exceed 106 percent of the taxes levied by the district in the highest of the preceding three years. In calculating this amount, the levy in each of the previous years is assumed to be the highest levy permissible under this provision. This limit may be exceeded by majority vote.

**SUMMARY:**

The increase in the aggregate of all property taxes on residential real property in any taxing district is limited to 4 percent per year, unless authorized by the voters of the district. The Legislature is authorized to place other restrictions and conditions upon this limitation.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested February 8, 1993

**Effective Date:** The resolution takes effect if approved at the November 1993 general election.

**TESTIMONY FOR:**

The intent of the legislation is to limit the tax increases on property until it is sold. This would solve the problem of people being taxed out of their homes. This is reasonable to budgets and individuals.

**TESTIMONY AGAINST:**

A change of this magnitude could not be implemented for 1994 taxes. Counties would need at least one year for implementation.

**TESTIFIED:** Senator Sutherland, prime sponsor (pro); Fred Saegar, Association of County Officials (con)