

SENATE BILL REPORT

SHB 1969

As Reported By Senate Committee On:
Health & Long-Term Care, March 31, 1999
Ways & Means, April 2, 1999

Title: An act relating to the property tax exemption for nonprofit homes for the aging.

Brief Description: Exempting real property that will be developed by nonprofit organizations to provide homes for the aging.

Sponsors: House Committee on Finance (originally sponsored by Representatives McIntire, Benson, Dunshee, Tokuda, Schual-Berke, Eickmeyer, Scott, Kenney, Dunn, Rockefeller, Conway, Poulsen, Veloria, D. Schmidt, Cody, Ruderman, O'Brien, Edmonds, Lantz, Regala, Murray, Lovick, Santos, Kagi, Haigh and Kessler).

Brief History:

Committee Activity: Health & Long-Term Care: 3/24/99, 3/31/99 [DPA-WM].
Ways & Means: 4/1/99, 4/2/99 [DPA].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Thibaudeau, Chair; Wojahn, Vice Chair; Deccio, Johnson and Winsley.

Staff: Rhoda Jones (786-7198)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Kline, Kohl-Welles, McDonald, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau, West and Winsley.

Staff: Terry Wilson (786-7433)

Background: Nonprofit homes for the aging are eligible for certain property tax exemptions. These include exemptions for homes that are subsidized under a federal Housing and Urban Development program and those with at least 50 percent of their units occupied by low-income residents.

Eligible nonprofit homes for the aging apply for tax relief during the year before taxes are due. The number of dwelling units occupied by low-income persons is counted on January 1 of the year in which they apply. The reduction in the property tax bill occurs in the following year.

Summary of Amended Bill: The date for calculating the number of low-income occupants of a nonprofit home for the aging is moved from January 1 to December 31 for the first year of operation.

Ways & Means Amended Bill Compared to Health & Long-Term Care Amended Bill: The Health & Long-Term Care Committee amendment changed the date for all years of operation.

Health & Long-Term Care Amended Bill Compared to Substitute Bill: Retroactive provisions are removed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For (Health & Long-Term Care): Provides for this tax exemption during the first year of operation.

Testimony Against (Health & Long-Term Care): None.

Testified (Health & Long-Term Care): PRO: Rep. Jim McIntire; Joe McCarthy; Christopher Wolfe, Senior Services of Snohomish County.

Testimony For (Ways & Means): When homes are getting started, they incur a tax because the facility is not occupied on January 1. HUD and tax exempt bond homes are exempt from the day they open. All the homes serve the same population and should be treated the same. The January 1 date works fine except for new homes that are not completed and occupied by January 1. DOR determines the exemption eligibility in August so using a December 31 date each year would mean that DOR would be processing exemptions after levies are set.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Representative McIntire, prime sponsor; Peri Maxey, Department of Revenue; Joe McCarthy, Kantor Taylor McCarthy & Britzmann.