

SENATE BILL REPORT

SB 6092

As Passed Senate, April 5, 2001

Title: An act relating to the exemption from taxation of housing for very low-income households.

Brief Description: Changing the property tax exemption for very low-income households.

Sponsors: Senators Kohl-Welles, Costa and Oke; by request of Department of Revenue.

Brief History:

Committee Activity: Ways & Means: 2/28/01, 3/26/01 [DP].

Passed Senate: 4/5/01, 46-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Parlette, Rasmussen, Regala, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: David Schumacher (786-7474)

Background: In 1999, the Legislature passed SHB 1345 which provided a property tax exemption for property owned by nonprofit entities that provide housing for very low-income households if (a) 75 percent of the units are occupied by very low-income households; and (b) the rental housing was assisted by a federal or state housing program administered by the Department of Community, Trade, and Economic Development, or an affordable housing levy.

If less than 75 percent of the units are occupied by very low-income households, the exemption may be prorated according to the percentage of units so occupied. "Very low-income households" are defined as a single person, family, or unrelated persons living together whose income is at or below 50 percent of the median income adjusted for family size for the county where the housing is located. Nonprofit owners may contract with local governments to make payments in lieu of taxes for the provision of local government services.

Summary of Bill: The property tax exemption for nonprofits is modified and expanded in a number of ways including:

- lots in mobile home parks may now be exempt;
- the income of participants is allowed to increase from 50 percent to 80 percent of median income without losing the exemption;
- the exemption may be granted during renovation if the property will be used for low income housing;

· tribal housing authorities are explicitly included.

Appropriation: None.

Fiscal Note: Requested on February 22, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This simply fixes the exemption. There were a few unanticipated administrative problems as originally passed.

Testimony Against: None.

Testified: Tim Sekerak, Sandy Guilfoil, DOR (pro); Nick Federici, WA Low-Income Housing Congress (pro).