

# SENATE BILL REPORT

## HB 1019

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As Passed Senate, April 23, 2004

**Title:** An act relating to property tax exemptions for persons with disabilities related to the performance of military duties.

**Brief Description:** Providing a property tax exemption to veterans with severe disabilities.

**Sponsors:** Representatives Campbell, Kirby, McCune, Clements, Wood, Hudgins, Simpson, Green, Morrell, Conway, P. Sullivan, Linville, B. Sullivan, McDonald, Lovick, Dunn, Chase and Ormsby.

**Brief History:** Passed House: 4/19/05, 98-0.

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### SENATE

**Staff:** Terry Wilson (786-7433)

**Background:** Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences. To qualify, a person must be 61 in the year of application or retired from employment because of a disability, own his or her principal residence, and have a disposable income of less than \$35,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

Disposable income is defined as the sum of federally defined adjusted gross income and the following, if not already included: capital gains; deductions for loss; depreciation; pensions and annuities; military pay and benefits; veterans' benefits except attendant-care and medical-aid payments; Social Security and federal railroad retirement benefits; dividends; and interest income. Payments for the care of either spouse received in the home, a nursing home, boarding home or adult family home, payments for medicare insurance premiums, and payments for prescription drugs are deducted in determining disposable income.

Partial exemptions for senior citizens and persons retired due to disability are provided as follows:

1. If the income level is \$30,001 to \$35,000, all excess levies are exempt.
2. If the income level is \$25,001 to \$30,000, all excess levies and regular levies on the greater of \$50,000 or 35 percent of assessed valuation (\$70,000 maximum) are exempt.
3. If the income level is \$25,000 or less, all excess levies and regular levies on the greater of \$60,000 or 60 percent of assessed valuation are exempt.

In addition to the partial exemptions listed above, the valuation of the residence of an eligible senior citizen or disabled person is frozen at the assessed value of the residence on the later of January 1, 1995, or January 1 of the assessment year the person first qualifies for the program.

**Summary of Bill:** Veterans of the U.S. armed forces with 100 percent service connected disability are eligible for the same property tax relief as senior citizens based on their income.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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