

SENATE BILL REPORT

EHB 3137

As of March 3, 2008

Title: An act relating to property tax relief for property damaged in the 2007 floods.

Brief Description: Providing property tax relief for property damaged in the 2007 floods.

Sponsors: Representatives DeBolt, Kessler, Orcutt, Alexander, Hunt, Blake, Williams, Rolfes, Loomis, Sullivan, VanDeWege, Haler, Kelley, Dunn, Kretz, Ross, Bailey, McCune, Skinner, Herrera and Ormsby.

Brief History: Passed House: 2/19/08, 95-0.

Committee Activity: Ways & Means: 2/29/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dianne Criswell (786-7433)

Background: Most property is valued or assessed at its true and fair, or highest and best, value for purposes of imposing property taxes. However, article 7, section 11 of the state Constitution allows the Legislature to enact legislation assessing certain types of real property at its present or current use for purposes of imposing property taxes.

Farm, open space, and timber lands may be valued for tax purposes according to the current use, not the highest and best use value. The value for farm lands in the current use assessment program is based on the net cash rental value of similar agricultural lands.

Many counties in the state experienced severe flooding during the storms of early December 2007. The damage was particularly heavy in Lewis County, but property in other Western Washington counties also sustained major damage. The Federal Emergency Management Agency designated ten counties as being eligible for disaster assistance: Clallam, Grays Harbor, King, Kitsap, Lewis, Mason, Pacific, Snohomish, Thurston, and Wahkiakum.

Summary of Bill: Farm and agricultural land enrolled in the current use program is exempt for three years from both state and local property tax levies if located in a county that was declared as a disaster area by the President as a result of the storms and floods which occurred in December 2007. Any property taxes already paid in 2008 on qualified lands are eligible for a refund. To qualify, at least one-quarter of the property must have been rendered unsuitable for the production of livestock or agricultural products for the next growing season. Applications for the exemption must be filed with the county assessor by December 31, 2008.

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Engrossed Bill: PRO: The damage from the 2007 storms was severe. It will take at least three years to get a regular harvest on agricultural land with flooding and mud damage. This bill will help homeowners to get back on their feet, and the financial assistance from the reduction in the state levy will help them make the repairs necessary to restore their residences. Our local officials have adjusted the values of these properties prior to sending out the 2008 property tax bills, so the impact of exempting these properties for three years should not be large.

Persons Testifying: PRO: Representative DeBolt, prime sponsor; Rose Bowman, Lewis County Treasurer.