

# SENATE BILL REPORT

## SB 5707

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As of February 19, 2007

**Title:** An act relating to limiting, for property tax purposes, the maximum assessed value of a residence for persons sixty-one and older.

**Brief Description:** Limiting, for property tax purposes, the assessed value of a residence for persons who are sixty-one and older.

**Sponsors:** Senators Parlette, Haugen, Swecker, Stevens, Holmquist, Benton and Kilmer.

**Brief History:**

**Committee Activity:** Ways & Means: 2/15/07.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Dean Carlson (786-7305)

**Background:** Some senior citizens, persons retired due to disability, and 100 percent disabled veterans 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 physical disability, own his or her principal residence, and have a combined disposable income of \$35,000 or less a year. Persons meeting these criteria are entitled to partial property tax exemptions and a freeze on the valuation of their property.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Proposed Substitute (Ways & Means):** The value of a person's residence for property tax purposes, who is 61 years or older, and has an income greater than \$35,000 and less than \$80,000 is limited to a maximum annual increase of 5 percent. If the increase in the value of the property over the previous year is less than 5 percent, then that value would be the value the property is assessed at. If the increase is greater than 5 percent, the property's assessed value is increased 5 percent.

Any improvements to the property must be added to the otherwise determined value and true and fair value. No person shall receive the value limitation on more than one property.

**Appropriation:** None.

**Fiscal Note:** Requested on February 14, 2007.

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

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

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*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.*

**Staff Summary of Public Testimony:** PRO: I am tuned into seniors being taxed out of there homes and realized there is a tax shift, but the tax shift is minimal. This is the biggest issue I've heard from my district.

OTHER: We prefer the use of deferrals over exemptions or deductions.

**Persons Testifying:** PRO: Senator Parlette, prime sponsor.

OTHER: Amber Carter, Association of Washington Business.