

SENATE BILL REPORT

SJR 8226

As of February 6, 2008

Brief Description: Providing a homestead exemption from property taxes levied for state purposes.

Sponsors: Senators Zarelli, Hobbs, Benton, Pflug, Stevens, Honeyford, Holmquist, McCaslin, Parlette, Brandland, Hewitt, Delvin, Rasmussen and Sheldon.

Brief History:

Committee Activity: Ways & Means: 2/07/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: All real and personal property in Washington State is subject to property tax, unless a specific exemption is provided by law.

Property taxes are calculated for individual properties by multiplying a tax rate by the assessed value of each property. By statute, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program. Article 7, section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed.

Summary of Bill: An amendment of Article 7 of the State Constitution is submitted to the people at the next general election. The amendment expressly allows the Legislature to provide a homestead exemption on the state property tax levy of up to \$100,000 of valuation on residential property. The Legislature may provide annual increases to the exemption equal to the amount of the percentage growth in the state levy collections for the previous year. The exemption may not shift property taxes, but instead must result in a reduction of the state property tax levy as a result of the exemption. This constitutional amendment is implemented by SB 6565 (2008).

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

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.