
SECOND SUBSTITUTE HOUSE BILL 1170

State of Washington

63rd Legislature

2014 Regular Session

By House Finance (originally sponsored by Representatives Morrell, Cody, Seaquist, Morris, Green, Ormsby, Freeman, Jenkins, Blake, Moeller, Upthegrove, Ryu, Lias, Pollet, Fey, Haigh, Bergquist, Hunt, and Santos)

READ FIRST TIME 01/21/14.

1 AN ACT Relating to modifying the income thresholds for the
2 exemption and deferral property tax relief programs for senior citizens
3 and persons retired because of physical disability; creating a new
4 section; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that property
7 taxes impose a substantial financial burden on those with fixed
8 incomes. The legislature further recognizes that property tax relief
9 programs have considerable value in addressing this burden. However,
10 the legislature also recognizes that property tax relief programs use
11 static income thresholds that must be updated periodically to reflect
12 the impact of inflation, and these thresholds do not reflect disparate
13 income levels across the state. The legislature further recognizes
14 that the definition of disposable income may not accurately reflect an
15 individual's ability to pay property taxes. The legislature further
16 recognizes that the assessed value limits in these programs do not
17 reflect the substantial disparity in property values across the state.
18 Therefore, the legislature recognizes that policy questions arise as to
19 the appropriate thresholds and limits to use as part of the senior

1 citizens, disabled persons, and veterans property tax relief programs,
2 the timing and manner of adjustments to those thresholds and limits,
3 and whether these programs should be modified in other substantive ways
4 to better reflect their intended purpose.

5 (2)(a) Therefore, it is the legislature's intent to have the
6 department of revenue study the issues outlined in subsection (1) of
7 this section relating to the senior citizens, disabled persons, and
8 veterans property tax relief programs in RCW 84.36.381, et seq. and
9 chapter 84.38 RCW, with input from the members of a task force. The
10 task force is comprised of four members: (i) One person employed with
11 the department of revenue; (ii) one person from an association
12 representing county assessors; (iii) one person from an association
13 representing persons retired by reason of age; and (iv) one person from
14 an association representing veterans retired by reason of disability.
15 The department of revenue must appoint the task force members.
16 Legislative fiscal staff may provide technical assistance to the task
17 force.

18 (b) The task force must choose its chair from among its membership.

19 (3) The task force review must include an analysis of the
20 following:

21 (a) Assessed property values by county, including per capita
22 amounts;

23 (b) Median income by county;

24 (c) The revenue impact of the programs on the state and local
25 taxing districts and taxpayers, including property tax shifts;

26 (d) Changes in the average life expectancy and retirement age since
27 the inception of the programs;

28 (e) Changes in the amount of state and local property taxes paid as
29 a percentage of personal income since the inception of the programs;

30 (f) The passage of additional property tax relief programs that may
31 be available to senior citizens and persons retired by reason of
32 disability;

33 (g) Any other data the task force deems necessary to properly
34 evaluate and make recommendation on the property tax relief programs
35 for senior citizens and persons retired by reason of disability.

36 (4) By December 31, 2014, and in compliance with RCW 43.01.036, the
37 department of revenue must submit a report to the appropriate fiscal

1 committees of the legislature that details the department's findings
2 and recommendations.

3 (5) County assessors must provide data requested by the department
4 to conduct the study required in this section in an electronic format
5 accessible by the department within thirty days of the effective date
6 of this section. County assessors must provide the department with the
7 data at no cost to the department.

8 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of the
10 state government and its existing public institutions, and takes effect
11 immediately.

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