

SENATE BILL REPORT

SB 5753

As Reported by Senate Committee On:
Government Operations & Security, February 17, 2015
Ways & Means, February 27, 2015

Title: An act relating to a county property tax exemption for energy efficient construction.

Brief Description: Creating a county property tax exemption for energy efficient construction.

Sponsors: Senators Liias, Roach, Hobbs and Benton.

Brief History:

Committee Activity: Government Operations & Security: 2/17/15 [DP-WM].
Ways & Means: 2/25/15, 2/27/15 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Habib and McCoy.

Staff: Alex Kearns (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Brown, Conway, Fraser, Hasegawa, O'Ban, Rolfes, Warnick and Hatfield.

Staff: Dean Carlson (786-7305)

Background: All real and personal property in Washington is subject each year to the state's property tax based on its value, unless a specific exemption is provided by law. A county may impose a regular levy of \$1.80 per \$1,000 of assessed value. A city may impose a regular levy of \$3.375 per \$1,000 of assessed value.

Current examples of property tax exemptions include a three-year exemption for the value of physical improvement to a single-family home; and an exemption of varying years for the

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value of construction or rehabilitation of multi-unit residential housing projects in urban centers.

Summary of Bill: A county may authorize an exemption from the county property tax levy for certain single-family or multi-family construction or improvement projects that result in third party, green building certification.

Counties that provide the exemption must set the following:

- the third-party certification requirements;
- the duration of the exemption, with a maximum of seven assessment years;
- the value of the exemption, with a maximum of 100 percent of the assessed value of the construction or improvements that is greater than the original assessed value; and
- the requirements of eligibility.

A city in a county that adopts the exemption may also provide an exemption from the city property tax levy. However, the city must use the use the same requirements for the exemption as the county.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony (Government Operations & Security): PRO: This is an innovative tool to provide a local option to promote building technologies that are working. Green buildings have additional costs, and this provides local governments the ability to incentivize their use without creating a tax shift. This provides flexibility for counties to meet local needs and design an exemption program specific to them.

Persons Testifying (Government Operations & Security): PRO: Senator Liias, prime sponsor; Garrison Marr, Snohomish County.

Staff Summary of Public Testimony (Ways & Means): PRO: This provides a flexible option for a county to promote energy-efficient construction. This will reduce utility costs and energy infrastructure.

Persons Testifying (Ways & Means): PRO: Lisa Dulude, Snohomish County, Energy Manager.

Persons Signed In To Testify But Not Testifying: No one.