
Finance Committee

HB 1763

Brief Description: Modifying the property tax exemption for property used to provide housing for eligible persons with developmental disabilities.

Sponsors: Representatives Robinson, Wylie, Jenkins, Ortiz-Self, Sells, Orcutt, Dolan, Pollet, Wilcox, Springer, Kretz, Kloba, Senn, Tharinger, Kilduff and Santos.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Expands the property tax exemption for nonprofits providing housing to low-income individuals with developmental disabilities to include qualifying adult family homes.

Hearing Date: 1/31/17

Staff: Rachelle Harris (786-7137).

Background:

Property Taxes.

All property in Washington State is subject to property tax each year based on the highest and best use of the property, unless a specific exemption is provided by law. Property tax exemptions are currently made available to qualifying organizations including schools, churches, nonprofit hospitals, nursing homes, museums, public meeting halls, and others.

Property Tax Exemptions for Specific Nonprofits.

Nonprofits that provide housing for eligible individuals who have developmental disabilities receive a property tax exemption on the property used to do so. Eligible individuals must have been found to be eligible for services based on rules developed by the Department of Social and Health Services. The nonprofit must qualify under federal code and must have been specifically charitably created for the purpose of creating and preserving long-term affordable housing for low-income individuals with developmental disabilities. The exempt housing must be occupied by eligible clients who have a low-income. Low income is defined as being at or below 80 percent of the county median income adjusted for family size based on Federal Housing and

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Urban Development (HUD) standards. The property must be used exclusively for the purpose of the exemption.

Adult Family Homes.

Adult family homes are residences where room, board, and medical or other special care is provided to at least two, but no more than six, adults who are not related by blood, marriage, or to the people providing the services. There are more than 2,800 adult family homes in the state. Adult family homes are independently operated and are licensed by the state.

Summary of Bill:

The property tax exemption for nonprofits that provide housing for low-income individuals with developmental disabilities is expanded, allowing adult family homes where at least 75 percent of the residents with developmental disabilities who have a low income to qualify for the exemption.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill applies to taxes levied for collection in 2018 and after.