

# SENATE BILL REPORT

## SHB 1763

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As of February 26, 2018

**Title:** An act relating to modifying the property tax exemption for property used to provide housing for eligible persons with developmental disabilities.

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

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Robinson, Wylie, Jenkins, Ortiz-Self, Sells, Orcutt, Dolan, Pollet, Wilcox, Springer, Kretz, Kloba, Senn, Tharinger, Kilduff and Santos).

**Brief History:** Passed House: 3/07/17, 90-7; 2/07/18, 93-5.

**Committee Activity:** Human Services & Corrections: 2/19/18 [w/oRec-WM].

Ways & Means: 2/24/18.

### Brief Summary of Bill

- Allows an adult family home for low-income developmentally disabled individuals to qualify for a property tax exemption if 75 percent as opposed to 100 percent of the residents are low income.

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** That it be referred without recommendation and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Dhingra, Vice Chair; O'Ban, Ranking Member; Carlyle, Frockt and Miloscia.

**Staff:** Kevin Black (786-7747)

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Jeffrey Mitchell (786-7438)

**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

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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.

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.

Property Tax Exemptions for Specific Nonprofit Organizations. Nonprofit organizations 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 organization 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 Urban Development standards. The property must be used exclusively for the purpose of the exemption.

**Summary of Bill:** An adult family home for low-income developmentally disabled individuals may qualify for the existing property tax exemption if 75 percent as opposed to 100 percent of the residents are low-income.

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

The exemption expires January 1, 2028.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony (Human Services & Corrections):** No public hearing was held.

**Persons Testifying (Human Services & Corrections):** N/A

**Persons Signed In To Testify But Not Testifying (Human Services & Corrections):** N/A