

HOUSE BILL REPORT

SB 6212

As Reported by House Committee On: Finance

Title: An act relating to the authority of counties, cities, and towns to exceed statutory property tax limitations for the purpose of financing affordable housing for very low-income households and low-income households.

Brief Description: Concerning the authority of counties, cities, and towns to exceed statutory property tax limitations for the purpose of financing affordable housing for very low-income households and low-income households.

Sponsors: Senators Das, Keiser, Lovelett, Zeiger, Dhingra, Saldaña, Nguyen, Kuderer, Warnick, Randall, Darneille, Van De Wege, Conway and Wilson, C.

Brief History:

Committee Activity:

Finance: 2/27/20, 3/2/20 [DP].

Brief Summary of Bill

- Expands use of the affordable housing property tax levy to include affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for low-income households with income at or below 80 percent of county median income.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 12 members: Representatives Tarleton, Chair; Walen, Vice Chair; Orcutt, Ranking Minority Member; Young, Assistant Ranking Minority Member; Chapman, Frame, Macri, Orwall, Springer, Stokesbary, Vick and Wylie.

Staff: Nick Tucker (786-7383).

Background:

Property Tax.

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.

All property is subject to a tax each year based on the highest and best use, unless a specific exemption is provided by law. The county assessor determines assessed value for each property and calculates property taxes. The property tax bill for an individual property is determined by multiplying the assessed value of the property by the tax rate for each taxing district in which the property is located. The aggregate of all regular tax levies upon real and personal property by the state and all taxing districts may not exceed 1 percent of the true and fair value of the property. In addition, the aggregate regular levies of junior taxing districts and senior taxing districts, other than the state, may not exceed \$5.90 per \$1,000 of assessed valuation.

Affordable Housing Property Tax Levy.

Counties and cities may impose an affordable housing property tax levy to finance affordable housing for very low-income households. The additional regular property tax levy is up to \$0.50 per \$1,000 assessed valuation each year for up to 10 consecutive years and must be approved by a majority of voters of the taxing district. Very low-income households are defined as 50 percent or less of the county's median income.

Summary of Bill:

Funds from the affordable housing property tax levy may be used for affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for low-income households.

"Low-income household" is defined as a single person, family, or unrelated persons living together whose income is at or below 80 percent of the median income, with adjustments for household size, for the county where the taxing district is located.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect October 1, 2020.

Staff Summary of Public Testimony:

(In support) The bill allows for greater jurisdictional flexibility in the distribution of funds raised via a property tax levy to support the development of affordable housing. Local jurisdictions would be able, if the need exists in the community, to use these funds to support affordable homeownership programs, safety and accessibility repairs and modifications for low-income homeowners, and assist low-income homeowners in avoiding foreclosure. Currently, these funds are limited only to programs for households earning less than 50 percent of the area median income. This bill would allow local jurisdictions to respond in creative ways in order to add additional affordable housing inventory to support low-income housing residents.

(Opposed) None.

Persons Testifying: Maureen Fife, Tacoma and Pierce County Habitat for Humanity.

Persons Signed In To Testify But Not Testifying: None.