

SENATE BILL REPORT

SB 5033

As of January 13, 2021

Title: An act relating to limiting the property tax exemption for improvements to single-family dwellings to the construction of accessory dwelling units.

Brief Description: Limiting the property tax exemption for improvements to single-family dwellings to the construction of accessory dwelling units.

Sponsors: Senators Kuderer, Saldaña, Wilson, C., Das and Nguyen.

Brief History:

Committee Activity: Housing & Local Government: 1/13/21.

Brief Summary of Bill

- Limits the property tax exemption for improvements to single-family dwellings to only include the construction of accessory dwelling units.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Staff: Jeff Olsen (786-7428)

Background: All real and personal property is subject to a tax each year based on the highest and best use, unless a specific exemption is provided by law. Examples of property tax exemptions established either by statute or constitutionally include exemptions for churches, nonprofit hospitals, affordable housing, and certain improvements to single family residences. If a single family residence is improved by remodeling, adding new rooms, decks, patios, accessory dwelling units, or other improvements, a person may apply for a three-year exemption from property taxes on the value of the physical improvement. Physical improvements do not include normal maintenance items, and the value of the improvements must be 30 percent or less of the value of the original structure. The exemption may not be claimed more than once in a five-year period.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The property tax exemption for improvements to single-family dwellings is limited to only include the construction of accessory dwelling units.

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.