

---

**Finance Committee**

---

**HB 2892**

**Brief Description:** Concerning the administration of the property tax deferral program for households with income of fifty-seven thousand or less.

**Sponsors:** Representatives Hunter and McIntire.

**Brief Summary of Bill**

- Allows county assessor to verify the information on a property tax deferral application at least once every four years rather than every year.
- Authorizes the Department of Revenue to conduct audits of the administration of the property tax deferral program.

**Hearing Date:** 1/30/08

**Staff:** Rick Peterson (786-7150).

**Background:**

Individuals with an annual household income of fifty-seven thousand dollars or less may defer fifty percent of yearly real property taxes and special assessments. An individual may not defer taxes or assessments for the first five years the individual owns the residence. A qualifying individual pays one-half of yearly real property taxes and special assessments by April 30th and receives a deferral for the remaining one-half. Deferred amounts accrue interest at the federal short-term rate plus two percentage points. Deferred amounts, including interest, become a lien on the residence. The deferred amount may not exceed 40 percent of the equity of the home. Local taxing districts are reimbursed by the state for the local property taxes that are deferred under the program. The deferral applies to tax and special assessment collections after April 30, 2008.

Deferred taxes become due upon the occurrence of any one of several events. The two primary events triggering repayment of deferred taxes and assessments are the sale of the home and the

---

*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.*

death of the individual claiming the deferral, unless a surviving spouse continues to reside in the home and otherwise qualifies for the deferral.

A claimant must file an application to the county assessor no later than September 1st of the year in which the deferral is sought. The county assessor determines if the claimant qualifies for the deferral.

Local taxing districts are reimbursed by the state for the local property taxes that are deferred under the program.

**Summary of Bill:**

The county assessor is required to verify the information on the claimant's application for tax deferral in the first year and at least once every four years thereafter.

The Department of Revenue may conduct audits of the administration of the property tax deferral program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.