

# SENATE BILL REPORT

## SB 5819

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As Passed Senate, March 7, 1995

**Title:** An act relating to property tax deferrals for senior citizens and persons retired because of physical disability.

**Brief Description:** Providing for property tax deferrals for seniors and persons retired because of physical disability.

**Sponsors:** Senators Spanel, Rasmussen, Owen, Haugen and Oke.

**Brief History:**

**Committee Activity:** Ways & Means: 2/21/95, 2/28/95 [DP].  
Passed Senate, 3/7/95, 48-1.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Fraser, Long, Moyer, Pelz, Quigley, Roach, Sheldon, Snyder, Spanel, Winsley and Wojahn.

**Staff:** Terry Wilson (786-7715)

**Background:** Qualified senior citizens and retired disabled persons are entitled to property tax relief in the form of exemptions and deferrals of taxes on their principal residences and up to one acre of land on which the residence is situated. To qualify, a person must be 61 years of age in the year of application or be retired from employment because of a physical disability.

To be eligible for an exemption, the disposable income of the applicant's household must fall below \$26,000 a year. To be eligible for a deferral of taxes, the disposable income of the applicant's household must fall below \$30,000 a year.

Qualifying persons may defer any taxes and special assessments due on the residence on up to 80 percent of the equity value in the residence. The Department of Revenue reimburses local taxing districts the amount of their taxes and assessments that are deferred. The total amount of taxes and assessments so deferred constitute a lien on the property and is due, with interest at 8 percent per year, upon sale or condemnation of the property, when the claimant ceases to reside on the property, or upon death of the claimant.

**Summary of Bill:** Qualified persons may defer property taxes on any additional property up to a total of five acres that comprises the residential parcel, if this larger parcel size is required under land use regulations.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This authorizes deferral of tax on a larger area only if land use requires a larger lot size. People who cannot afford to pay tax on the additional acreage have a problem because they cannot sell it. The taxes do not shift to others.

**Testimony Against:** None.

**Testified:** Senator Spanel, prime sponsor (pro); Elizabeth Pierini, People for Fair Taxes (pro); Fred Saeger, WA State Assn. of County Officials (pro).