

6533-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Strannigan, Anderson, Long, Schow, Wood, Finkbeiner, Benton, Roach, West, Stevens, Winsley, Hale, Oke, Patterson and Heavey)

Brief Title: Providing property tax exemptions and deferrals for senior citizens and persons retired for reasons of physical disability.

SB 6533-S.E - DIGEST

(DIGEST AS ENACTED)

Revises property tax exemptions for senior citizens and persons retired for reasons of physical disability.

Takes effect for taxes levied for collection in 1999 and thereafter.

VETO MESSAGE ON SB 6533-S

April 3, 1998

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 2 and 3 of Engrossed Substitute Senate Bill No. 6533 entitled:

"AN ACT Relating to property tax exemptions and deferrals for senior citizens and persons retired for reasons of physical disability;"

In order to make property tax exemptions available to more of our senior citizens, ESSB 6533 raises the income levels below which a senior's income must be to qualify for the exemption. Under the bill, if a senior's annual income is \$18,000 or less, the senior is exempted from all excess levies and regular levies on the greater of \$50,000 or 60% of assessed valuation. For seniors with annual income of \$18,001 to \$24,000, the exemption is from all excess levies and regular levies on the greater of \$40,000 or 35% of assessed valuation. All seniors with annual income below \$30,000 are exempted from all excess levies. The income limit to qualify for the property assessment freeze is raised from \$28,000 to \$30,000.

I strongly support these increases to help our senior citizens cope with rising property values. However, section 2 of the bill would allow health care insurance and veterans' military disability benefits to be deducted from the calculation of disposable income. This disability provision would create a special and preferred source of income since other disabled seniors would not qualify. It would also represent a precedent that others would likely seek in the future. Section 2 also would change the definition of residence to include land up to five acres, if local land use regulations require. Section 3 of the bill contained a technical change in the definition of residence required by the amendment in section 2.

For these reasons, I have vetoed sections 2 and 3 of Engrossed Substitute Senate Bill No. 6533.

With the exception of sections 2 and 3, Engrossed Substitute Senate Bill No. 6533 is approved.

Respectfully submitted,
Gary Locke
Governor