

HOUSE BILL REPORT

SHB 1509

As Passed Legislature

Title: An act relating to a property tax exemption for widows or widowers of honorably discharged veterans.

Brief Description: Providing a property tax exemption to widows or widowers of members of the military.

Sponsors: By House Committee on Finance (originally sponsored by Representatives Green, Conway, Orcutt, Appleton, Morrell, O'Brien, Lovick, McCoy, Kilmer, Kessler, McDermott, Campbell, Simpson, Hunt, Chase, P. Sullivan, Sells, Kirby, Kenney, Linville and Kagi; by request of Governor Gregoire).

Brief History:

Committee Activity:

Finance: 2/16/05, 3/7/05 [DPS].

Floor Activity:

Passed House: 3/10/05, 94-0.

Senate Amended.

Passed Senate: 4/23/05, 44-0.

House Concurred.

Passed House: 4/23/05, 98-0.

Passed Legislature.

<h3>Brief Summary of Substitute Bill</h3>

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| <ul style="list-style-type: none">• Creates a new property tax relief program for retired widows or widowers of war time veterans. |
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HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Conway, Ericksen, Hasegawa and Santos.

Staff: Rick Peterson (786-7150).

Background:

All real and personal property in this state is subject to property tax each year based on its value, unless a specific exemption is provided by law.

Some senior citizens and persons retired, due to disability, are entitled to property tax relief on their principal residences. To qualify, a person must be 61 years old in the year of application or retired from employment because of a disability, own his or her principal residence, and have a disposable income of less than \$35,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

Summary of Substitute Bill:

A property tax exemption in the form of a grant is provided to certain widows and widowers of veterans based on the person's disposable household income. A program is created in the Department of Revenue (Department) to provide financial assistance for the payment of property taxes.

The widow or widower must meet all the requirements of the senior citizen property tax exemption program except the income limits. In addition, the widow or widower must be at least age 62 when they apply for assistance and must be a widow or widower of a veteran that: died as a result of a service-connected disability; was rated as 100 percent disabled for the 10 years prior to death; was a prisoner of war and rated as 100 percent disabled for at least one year prior to death; died while on active duty; or died in active military training status. The retired widow or widower cannot remarry.

The assistance is equal to regular and excess property taxes imposed on the difference between the value eligible for exemption under the senior citizen program and:

- (1) \$50,000 if the income level is \$35,001 to \$40,000;
- (2) \$75,000 if the income level is \$30,001 to \$35,000; and
- (3) \$100,000 if the income level is \$30,000 or less.

Claims must be filed with the Department no later than thirty days before the tax is due. The Department may waive this requirement for good cause shown.

Veterans are persons who were honorably discharged or discharged for physical reasons with an honorable record from the armed forces of the United States and served during periods of war or between World War I and World War II. Women's air force service pilots and certain merchant mariners are eligible.

This change first applies to property tax due for collection in 2006.

Appropriation: \$276,000.

Fiscal Note: Requested April 18, 2005.

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

Testimony For: The bill recognizes the service and sacrifices made by our veterans and the need to support their families. The bill is a small step in recognizing this sacrifice. The bill brings dignity to those who have given so much. The bill targets a small but needy part of the veteran community.

Testimony Against: None.

Persons Testifying: Representative Green, prime sponsor; Antonia Ginatta, Office of the Governor; Dan Gogerty, Chosen Few and Veterans Legislation Coalition; and John Lee, Washington State Department of Veterans Affairs.

Persons Signed In To Testify But Not Testifying: None.