

HOUSE BILL REPORT

SB 6338

As Passed House:

March 1, 2006

Title: An act relating to property tax exemptions and deferrals for senior citizens and persons retired for reasons of disability.

Brief Description: Regarding the property tax exemption for seniors and for persons retired due to disability.

Sponsors: By Senators Haugen, Oke, Berkey, Swecker, Eide, Mulliken, Spanel, Kline, Rasmussen, McAuliffe, Shin and Fairley.

Brief History:

Committee Activity:

Finance: 2/20/06, 2/23/06 [DP].

Floor Activity:

Passed House: 3/1/06, 98-0.

Brief Summary of Bill

- Increases from one acre to five acres the land eligible for relief under the property tax relief program for senior citizens and persons retired due to disability.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 10 members: Representatives McIntire, Chair; Hunter, Vice Chair; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern, Condotta, Ericks, Hasegawa, Santos and Shabro.

Staff: Rick Peterson (786-7150).

Background:

Some senior citizens and persons retired due to disability are entitled to property tax relief on their principal residences and up to one acre of their homesite. To qualify, a person must be 61 in the year of application or retired from employment because of a physical 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.

Senior citizens and persons retired due to disability or persons of age 60 with incomes less than \$40,000 may defer property taxes. The property tax deferral program includes the one

acre homesite plus up to five acres if the additional land is required under land use regulations.

Summary of Bill:

The one-acre limitation on residential property eligible for the senior citizen property tax exemption program is increased to five acres of land if zoning requires this larger parcel size. The bill applies to taxes levied for collection in 2007 and thereafter.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Property in the rural area of counties is primarily zoned in five acre tracts. The property cannot be subdivided. The senior program covers the house and one acre. The tax on the other four acres can be high. It is important that seniors can continue to live in their houses. The pressure from growth has driven values up and has created problems for seniors.

Testimony Against: None

Persons Testifying: Senator Haugen, prime sponsor

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Persons Signed In To Testify But Not Testifying: None.