

HOUSE BILL REPORT

HB 2926

*As Passed House
February 14, 1992*

Title: An act relating to application requirements for senior citizen exemptions.

Brief Description: Modifying application requirements for senior citizen exemptions.

Sponsor(s): Representatives Wang, Brumsickle, Leonard, Wynne, Rust, Van Luven, Fraser, Winsley, Mitchell, Rasmussen, Ludwig, Locke, Brough, Carlson, Bowman, Casada, Nelson, Franklin, O'Brien, Ferguson, Forner, Silver and May.

Brief History:

Reported by House Committee on:
Revenue, February 6, 1992, DP;
Passed House, February 14, 1992, 92-0.

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *Do pass.* Signed by 14 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Carlson; Day; J. Kohl; Leonard; Morris; Morton; Rust; and Van Luven.

Staff: Rick Peterson (786-7150).

Background: Senior citizens at least 61 years of age and persons retired by reason of physical disability are authorized to a partial property tax exemption on their principal residences if the combined disposable household incomes are \$26,000 or less.

Application is only required in the first year, but the claimant must inform the county assessor of any change in status.

Substitute House Bill 1301, 1991 Regular Session, directed the Department of Revenue to study the administration of the property tax system. The study included an examination of the adequacy of auditing tax relief programs. The department made the following recommendations:

- (1) Applicants for the senior citizen and disabled persons homeowner tax relief program should be required to verify income at the time of application; and
- (2) Participants should reapply at least once every four years.

Summary of Bill: All applicants for property tax exemption under the senior citizen and disabled persons property tax relief program are required to provide documents that verify income.

An application must be renewed at least once every four years. The assessor may require a renewal application following a change in the program's income requirements.

Fiscal Note: Available.

Effective Date: July 1, 1992.

Testimony For: Washington is one of only two states offering tax relief programs based on income that do not require verification of income. The Department of Revenue study shows that 96 percent of program participants feel that only qualified persons should be in the program. Eighty-nine percent of program participants feel that reapplication is appropriate.

Testimony Against: None.

Witnesses: (In favor): Fred Saeger, Washington Association of County Officers; Ben Gassaway, Washington State Association of County Assessors; Will Rice, Department of Revenue; Bruce Holland, King County Assessor; and George T. Tyler, disabled veteran.