

# HOUSE BILL REPORT

## HJR 4210

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*As Reported By House Committee on:  
Housing*

**Brief Description:** Amending the Constitution to authorize a three-year property tax exemption for first-time homebuyers.

**Sponsor(s):** Representatives Wineberry, Winsley, Leonard, Ballard, Franklin, Mitchell, Locke, Ludwig, Scott, Bowman, Tate, Ferguson, Mielke, Betrozoff, Paris, Miller and Anderson.

**Brief History:**

Reported by House Committee on:  
Housing, February 8, 1991, DPS.

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**HOUSE COMMITTEE ON  
HOUSING**

**Majority Report:** *That Substitute House Joint Resolution No. 4210 be substituted therefor, and the substitute resolution do pass.* Signed by 8 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Ballard; Leonard; Ogden; and Wineberry.

**Staff:** Kenny Pittman (786-7392).

**Background:** The Washington Constitution states that all real property is subject to taxation. The current exception to this rule is a series of property tax exemptions on the principal residences of retired homeowners that meet specified income requirements (Article 7, Section 10 of the state Constitution). The purpose of this provision is to provide property tax relief for low income, retired or disabled homeowners.

The tax liability on residential real estate constitutes a major monthly expense for most lower-income, first-time homebuyers. One method cited to lower the homeowner's monthly housing expenses is to provide a temporary reduction in the property tax liability similar to the property tax exemption provided to retired homeowners.

Any changes to allow a temporary property tax exemption for first-time homebuyers will require a constitutional amendment, approved by a vote of the public.

**Summary of Substitute Bill:** An amendment to Article 7 of the Washington Constitutional is proposed that would allow residences owned and occupied by qualified first-time homebuyers to be exempt from property taxes for a period of up to three full assessment years after the purchase. To qualify for the exemption the purchaser must meet specific income and residential requirements.

**Substitute Bill Compared to Original Bill:** The period of the exemption is changed from a three year period to three full assessment years.

**Fiscal Note:** Requested January 28, 1991.

**Effective Date of Substitute Bill:** After approval by the voters at the November 1991 general election.

**Testimony For:** None.

**Testimony Against:** None.

**Witnesses:** None.