

**SENATE BILL REPORT**

**HB 2242**

**AS OF JUNE 28, 1991**

**Brief Description:** Modifying phase-in of property taxes for homes for the aging.

**SPONSORS:** Representatives Wang, Horn, Hine, Holland, Franklin, Wineberry, Phillips, Pruitt, Cole, Zellinsky, G. Fisher, Scott, H. Sommers, Nelson, O'Brien, May, Valle, D. Sommers, Moyer, Miller, Padden, Betrozoff, Forner, Wood, Paris, Wynne, Mitchell, Bowman, Neher, Schmidt, P. Johnson, Tate, Edmondson, Vance, Ballard and Casada.

**Staff:** Terry Wilson (786-7715)

**BACKGROUND:**

In 1989, the Legislature enacted SHB 1097 which tied the property tax exemption for nonprofit homes for the aging to the senior citizen property tax exemption. Under the bill, 2 percent of the real and personal property of a nonprofit home for the aging was exempt from property taxes for every 1 percent of the dwelling units that were occupied by eligible residents. Residents were eligible if they met the annual income limits for eligibility for property tax relief from excess levies under the senior citizen property tax exemption program. This income limit was \$18,000. The bill phased in the taxation of these homes over three years. For taxes collected in 1991, two-thirds of the assessed value of the home that would otherwise be taxable was exempt. For taxes collected in 1992, one-third of the assessed value of the home that would otherwise be taxable under the bill is exempt. No exemption applies after the 1992 tax year.

In the 1991 regular session, the Legislature enacted SSB 5110 which increased the income limit for eligibility for the senior citizen property tax exemption program from \$18,000 to \$26,000 for 1992 taxes. The income limit for residents of homes for the aging was changed from the income limit for excess levies to the income limit for regular levies. The income limit for residents of homes for the aging therefore remained at \$18,000.

**SUMMARY:**

The phase-in of taxation of homes for the aging is delayed by one year. For taxes collected in 1992, two-thirds of the assessed value of the home that would otherwise be taxable is exempt rather than one-third of the assessed value. For taxes collected in 1993, one-third of the assessed value of the home that would otherwise be taxable under the bill is exempt

rather than none of the assessed value. No exemption applies after the 1993 tax year rather than after the 1992 tax year.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**Effective Date:** The bill contains an emergency clause and takes effect immediately.